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AUG 11 2014

HEALTH BUREAU  
N.Y.C. OFFICE



American Cancer Society ☯ Children's Defense Fund-New York ☯ Community Service Society of New York  
Empire Justice Center ☯ Institute for Puerto Rican and Hispanic Elderly  
Make the Road New York ☯ Medicare Rights Center  
Metro New York Health Care for All Campaign ☯ New Yorkers for Accessible Health Coverage ☯  
New York Immigration Coalition ☯ Project CHARGE  
Public Policy and Education Fund of New York/Citizen Action of New York  
Raising Women's Voices-New York ☯ Schuyler Center for Analysis and Advocacy ☯ Small Business Majority

August 1, 2014

Benjamin M. Lawskey  
Superintendent of Financial Services  
One State Street  
New York, NY 10004  
Mr. Charles Lovejoy  
Health Bureau  
New York State Insurance Department  
25 Beaver Street  
New York, NY 10004

**Re: Requested Rate Changes – Oscar Insurance Corporation – Individual On-Exchange**

Dear Superintendent Lawskey and Mr. Lovejoy,

Health Care for All New York (“HCFANY”) submits the following comments relating to the proposed average rate increase of 4.8% for its individual market plans, filed by Oscar Insurance Corporation (collectively, “Oscar”) with the New York State Department of Financial Services (DFS) for the 2015 plan year.<sup>1</sup> HCFANY is a coalition of more than 160 consumer and small business health advocacy organizations dedicated to securing affordable, comprehensive, and high-quality health care for all New York residents. HCFANY believes that a robust prior approval process is a vital consumer protection. We commend Oscar’s

<sup>1</sup> These rate increase applications were submitted on or about July 2, 2014. Specific references refer to SERFF file number: OHIN-129616646 (hereafter “Rate Application”).

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Health Care For All New York  
c/o Amanda Peden, Community Service Society of New York  
105 E. 22<sup>nd</sup> Street, New York, New York 10010  
(212) 614-5541



proposed average rate increase as among the lowest of its competitors, but nevertheless have some concerns about Oscar's rate application. To this end, we submit the following comments.

## I. The Affordable Care Act and New York's Insurance Marketplace

HCFANY urges DFS to consider the New York carriers' proposed rate adjustments in the context of the Affordable Care Act's (ACA) downward pressure on health care costs. Specifically, DFS should assess the impact of the following four factors on individual and small group prices in 2015.

### I. Research indicates that the health cost curve is bending.

Lower overall healthcare costs should in turn drive lower premiums. The ACA includes several provisions designed to control spending, such as incentives for new healthcare payment and delivery methods (e.g. value-based payment vs. fee-for-service). For the past decade, data from across the payer spectrum indicates that the rate of health care costs increases is slowing down. This trajectory is likely to continue, as more ACA provisions are solidified.<sup>2</sup> For example, Medicare spending is about \$1,000 lower per person than predicted in 2010.<sup>3</sup> PricewaterhouseCoopers projects a medical cost trend of 6.8% in 2015, a slight uptick from the 6.5% predicted in 2014 and down from the 7.5% cost trend predicted in 2013.<sup>4</sup> The 2014 Milliman Medical Index cites a 5.4% growth rate between 2014 and 2013, the lowest since the calculation began in 2012.<sup>5</sup> In short, as described in the table below, annual increases in national health care spending have been under 10% for the past 12 years, and have dropped significantly over time.

#### **Average year-to-year percent increase in National Health Expenditures**

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
6.6%	8.4%	9.7%	8.6%	7.2%	6.8%	6.5%	6.3%	4.7%	3.8%	3.8%	3.6%	3.7%

Source: *National Health Expenditure Data*<sup>6</sup>

<sup>2</sup> Blumenthal, D., Stremikis, K., & Cutler, D. (2013). Health care spending – a giant slain or sleeping? *New England Journal of Medicine*, 369(26), at 2551-2557.

<sup>3</sup> The mystery of the missing \$1,000 per person: can Medicare's spending slowdown continue?. Kaiser Family Foundation, available at <http://kff.org/health-costs/perspective/the-mystery-of-the-missing-1000-per-person-can-medicare-spending-slowdown-continue/>.

<sup>4</sup> Medical Cost Trend: Behind the numbers 2015, PricewaterhouseCoopers, available at <http://pwchealth.com/cgi-local/register.cgi?reg/pwc-hri-medical-cost-trend-2015.pdf>, at 6.

<sup>5</sup> 2014 Milliman Medical Index, Milliman, available at <http://www.milliman.com/insight/Periodicals/mmi/2014-Milliman-Medical-Index/>.

<sup>6</sup> Available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/tables.pdf>.



National research indicates that health insurance premium rates should be consistent with these lower health care costs. While pre-ACA rate increases averaged 10%,<sup>7</sup> the Congressional Budget Office predicts only a 3% rise in Marketplace premiums for 2015.<sup>8</sup> And just last week, California announced an average increase in its Marketplace plans of just 4.2% for 2015.<sup>9</sup> Additionally, the 2014 Trustee Annual Medicare Report predicts that Medicare premiums will hold steady in 2015.<sup>10</sup>

In New York, according to a newly released DFS survey of carriers, New York's insurance plans have been early adopters of many of the ACA-related and other state health care cost reforms initiatives, such as value-based purchasing and patient-centered medical homes.<sup>11</sup> Other reports provide evidence that ACA and New York State delivery system reforms are indeed resulting in cost reductions amongst all payers.<sup>12</sup>

The carriers' rate filings should include adjustments in 2015 which reflect the bending of the health care cost curve and the cumulative efforts of New York's payment reforms. For example, New York's Medicaid Redesign Team initiatives, the State's new Delivery System Reform Incentive Payment Program (DSRIP) and State Health Innovation Plan (SHIP) all employ delivery and payment system reforms that further reduce health care costs for the entire delivery system. Despite likely savings that will be generated from these reforms, only one carrier (Excellus) took a downward adjustment to account for quality improvement and cost containment strategies.<sup>13</sup> We urge the DFS to consider New York carriers' rate proposals in light of the impact of the ACA.

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<sup>7</sup> Gruber, J. (June 2014). Growth and variability in health plan premiums in the individual insurance market before the Affordable Care Act. *The Commonwealth Fund*, 1750(7), at 2.

<sup>8</sup> Updated estimates of the effects of the insurance coverage provisions of the Affordable Care Act, April 2014. Congressional Budget Office, at 6.

<sup>9</sup> Covered California Press Release, July 31, 2014. Available at <http://news.coveredca.com/2014/07/covered-california-announces-rates-for.html>.

<sup>10</sup> 2014 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. (July 28, 2014). Available at <http://apps.washingtonpost.com/page/national/2014-medicare-report/1220/#text/p93>, at 87.

<sup>11</sup> A number of plans have accrued health reform savings. New York State Department of Financial Services. (July 2014). New York health care cost and quality initiatives. Available at: [http://www.dfs.ny.gov/report/pub/payment\\_reform\\_report.pdf](http://www.dfs.ny.gov/report/pub/payment_reform_report.pdf). For example, United Healthcare's "Accountable Care Shared Savings" program saved over \$200,000 due to decreased inpatient and emergency room utilization; HealthNow's "Facility Quality Incentive Program" saved over \$3 million; and Excellus' "Rochester Medical Home Initiative" reported a 1.2:1 return on investment).

<sup>12</sup> See, e.g. Silow-Carroll, S & Edwards, J.N. (2013). Early adopters of the Accountable Care Model. *Commonwealth Fund*, pp. 19-20; U.S. Dept. of Health and Human Services., Press Release: Medicare's delivery system reform initiatives achieve significant savings and quality improvements— off to a strong start, (Jan. 30, 2014). Available at <http://www.hhs.gov/news/press/2014pres/01/20140130a.html>.

<sup>13</sup> Excellus Health Plan, Inc., Exhibit 18, Line 17.



2. The 2015 risk pool is likely to be lower-cost than in 2014, according to the Congressional Budget Office (CBO) and American Academy of Actuaries.<sup>14</sup>

In general, the CBO predicts that the healthier risk pool in 2015 will lower premiums relative to 2014.<sup>15</sup> There are three reasons why New York is particularly likely to experience this downward trend: (1) higher than expected enrollments should result in increased carrier bargaining power; (2) the sickest consumers were more likely to have enrolled in year one; and (3) pent-up demand is likely to be concentrated in year one when more uninsured enrolled.

The first of the three reasons supporting this prediction is that New York carriers have experienced higher than expected enrollments, due to the remarkably successful launch of the NY State of Health Marketplace. In just the first nine months, over 1.2 million New Yorkers have enrolled in Qualified Health Plans and Medicaid Managed Care plans, 84% of whom were previously uninsured.<sup>16</sup> This exceeds the State's *three-year* enrollment goal of 1.1 million enrolled by the end of 2016. Carriers can, and should, leverage this increased customer base to reduce provider and other costs, due to economies of scale and the related increase in bargaining power with health care providers.

The second reason for a lower-cost risk pool in 2015 than in 2014 is that individuals with higher health care needs are more likely to have signed up during the first 2013-2014 open enrollment period.<sup>17</sup> In 2015 and beyond, healthier individuals are more likely to enroll as the individual mandate penalty increases. Therefore, the 2015 risk pool is likely to be healthier than in 2014.

The third reason is that pent-up demand for services from previously uninsured should be concentrated in 2014. In building their 2014 rates, carriers already captured generous pent-up demand adjustments. Indeed, the vast majority (84%) of the over 1.1 million NY State of Health enrollees were uninsured. Moving forward, there is no evidence that the 2015 enrollees are likely to have the same rates of uninsurance. Moreover, the 2015 new entrants likely postponed enrolling in coverage because they are healthier and are less likely to have significant pent-up demand. In short, there is no need for a second year of pent-up demand adjustments and in fact, DFS should secure a

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<sup>14</sup> See, Updated estimates of the effects of the insurance coverage provisions of the Affordable Care Act, April 2014. Congressional Budget Office. p. 7; Drivers of 2015 Health Insurance Premium Changes. (2014). American Academy of Actuaries, at 2.

<sup>15</sup> Updated estimates of the effects of the insurance coverage provisions of the Affordable Care Act, April 2014. Congressional Budget Office, at 7.

<sup>16</sup> NY State of Health Public Marketplace Data Report as of June 30, 2014.

<sup>17</sup> See, Updated estimates of the effects of the insurance coverage provisions of the Affordable Care Act, April 2014. Congressional Budget Office. p. 7; Drivers of 2015 Health Insurance Premium Changes. (2014). American Academy of Actuaries, at 2.



*downward* adjustment from the carriers for the likely reduction of pent-up demand in 2015 versus 2014.

As noted above, California's regulators leveraged their bargaining power to secure only an average 4.3% rate increase for its Marketplace products, with many consumers seeing price decreases.<sup>18</sup> Accordingly, DFS should review the carriers' rate proposals with the assumption that the 2015 pool should present overall *lower* health risk to insurers than the 2014 pool and a commensurate downward adjustment for lower risk and small pent-up demand should be ascribed to all carriers.

3. New federal risk adjustment, reinsurance and risk corridor programs are designed to defray carrier rate increases related to increased risk and market uncertainty.

The ACA provides new risk adjustment and reinsurance programs to address increased risk by insurers and to assure stable prices for consumers and small employers. The ACA's reinsurance payments, designed to reduce rate increases based on less healthy risk pools, are expected to result in premium decreases between 10 and 15%.<sup>19</sup> Historically, New York's now expired risk adjustment program reduced prices by up to 30%.<sup>20</sup> New York carriers are proposing reinsurance adjustments between 5.75% and 6.10 % on average for on- and off-Marketplace plans, which are inconsistent with these projections and the State's historical experience. Moreover, a review of the New York carrier filings indicates that the majority of carriers in the individual markets proposed no adjustments for the federal risk adjustment program. Finally, none of the carriers have adopted adjustments for the federal risk corridor program, which protects the carriers from unanticipated risk selection. On behalf of New York's consumers and small employers, DFS should ensure that fair adjustments attributable to the impact of the federal risk adjustment, reinsurance, and corridor mechanisms are applied to the carriers in its review.

4. The New York State carriers' rates should reflect a downward adjustment for a decrease in administrative costs.

The NY State of Health Marketplace reduces administrative costs for carriers related to compensation of agents/brokers, enrollment and marketing costs. Only 6% of NY State of Health enrollees sought help from a broker/agent during the first open enrollment period, while 43% got

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<sup>18</sup> *Id.* n. 9.

<sup>19</sup> Establishment of Exchanges and Qualified Health Plans, Exchange standards for employers (CMS-9989-FWP) and standards related to reinsurance, risk corridors, and risk regulatory impact analysis, Center for Consumer Information & Insurance Oversight, Adjustment (CMS-9975-F). (March, 2012). Center for Consumer Information & Insurance Oversight, U.S. Dept. of Health & Human Services, at 42.

<sup>20</sup> *Id.* at 43.



help from other in-person assistors, and the remainder enrolled via the helpline and the website.<sup>21</sup> Additionally, the individual mandate as well as marketing and outreach efforts by NY State of Health should reduce marketing expenses for carriers.

Each carrier filing must be considered in the context of the above mentioned environmental factors. Our specific concerns about the Oscar application are described below.

## II. Specific Issues in Oscar's Rate Application

HCFANY urges the DFS to consider all of the above factors when reviewing Oscar's proposed rates. Further, the DFS should carefully consider Oscar's rate increase proposals in light of its recent entry into New York's individual insurance market, and its early success. Although Oscar was a new addition to the individual insurance market in 2014, it ranked amongst the top ten carriers for enrollment on NY State of Health with 3% of enrollees.<sup>22</sup> Oscar's proposed rate increase is generally in line with national trends, as described on page two above. Additionally, Oscar's estimate for its annual medical trend of 5.7% is commendable relative to filings by its 2015 peers,<sup>23</sup> and is in line with national trends described above. The DFS should keep Oscar's reasonable estimate in mind when reviewing all other carrier applications.

However, Oscar's Actuarial Memorandum and Exhibit 18 (the Index Rate and Plan Level Adjustment Worksheet) raise the following specific concerns.

### A. *Administrative Expenses*

Oscar's adjustment for Administrative Expenses appears confusing, as it provides three different figures at different points in its application. Oscar cites a total administrative cost increase of 12.7% in its Actuarial Memorandum.<sup>24</sup> However, on line 36 of its Exhibit 18, Oscar shows an administrative cost increase of 14.8% to 20.9%, which ranges significantly higher than the carrier average of 16.23% for individual on-Marketplace plans. Exhibit 19 shows a range of administrative cost estimates from 8.7% to 15%. Oscar's Actuarial Memorandum states that the variation in the costs between the plans is due to increased customer contact on certain plans and that "[f]or 2015, Oscar's customer service and medical management contracts will reflect differing levels of service required by product in their fee structure." However, DFS should carefully analyze these varying numbers to ensure that the amounts are correct and that consumers are protected.

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<sup>21</sup> 2014 Open Enrollment Report. (June 2014). NY State of Health: The Official Health Plan Marketplace, at 16.

<sup>22</sup> 2014 Open Enrollment Report. (June 2014). NY State of Health: The Official Health Plan Marketplace, at 13.

<sup>23</sup> For example, United HealthCare cites a medical trend of 10.9% and Empire cites a trend of 11.3%.

<sup>24</sup> Actuarial Memorandum, at 15.



*B. Problems with the Rate Application*

Oscar's application as originally posted on the DFS website fails to include Exhibit 18. This Exhibit is a particularly critical component of the filing as it shows how the final rates were reached, and its absence significantly limits the reader's understanding of the application. HCFANY requested Oscar's Exhibit 18 directly from the DFS, and subsequently gained access to this important document. If the original Oscar filing was in fact missing its Exhibit 18, DFS should carefully scrutinize Oscar's full filing to ensure that all other requirements are met prior to the approval of any increase.

**III. Conclusion**

HCFANY urges the Department to closely review Oscar's application in light of the issues described above. Thank you for your kind attention to our concerns. If you have any questions, please contact Mark Scherzer at [mark.scherzer@verizon.net](mailto:mark.scherzer@verizon.net) or at (212) 406-9606 or Amanda Peden at [apeden@cssny.org](mailto:apeden@cssny.org) or at (212) 614-5541.

Very truly yours,

Mark Scherzer, JD  
Legislative Counsel  
New Yorkers for Accessible Health Coverage

Amanda Peden, MPH  
Health Policy Associate  
Community Service Society of New York

cc: Troy Oechsner  
John Powell

**Community  
Service  
Society** | Fighting Poverty  
Strengthening  
New York

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New York, NY 10010

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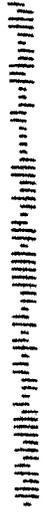
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Mr. Charles Lovejoy  
Health Bureau  
New York State Insurance Department  
25 Beaver Street  
New York, NY 10004

10004298559



RECEIVED  
JUL 30 2014  
HEALTH BUREAU  
N.Y.C. OFFICE

New York, July 26, 2014

NS Department of Financial Services  
Health Bureau—Premium Rate Adjustments

Dear Sirs:

I have been of the country since June 5, 2014, and just returned on July 24<sup>th</sup>.

On June 8<sup>TH</sup>, I received a letter from my insurance company, Oscar Insurance Corporation, notifying me of their desire to increase my monthly premium from \$329.69 to \$342.99.

Oscar indicated that I could submit comments about this to you, and I am sending them a copy of this letter. I regret that I was unable to respond within the 30 days stipulated, but I did not receive Oscar's notification until two days ago.

Oscar states: "Rates are not impacted by your age, gender, health or how often you use your Oscar health benefits."

That is fine, but the fact is that none of my doctors accept Oscar. I signed up to comply with the law, and I picked the least expensive plan I could find. So...unless I am hospitalized, Oscar can be assured they will have no expenses from me.

Indeed, I could be hospitalized, and then Oscar would begin to cover me after \$6,000 (an approximate amount) were incurred in hospital expenses. In determining to what extent a rise in the Oscar premium is warranted, in my case, it would be relevant to know whether the deductible will change, and if so, by how much, for 2015.

I would definitely be willing to pay the higher rate if, as I requested, Oscar would accept payment by credit card. I am aware that credit cards would be an added expense to the company, and I would be willing to pay the additional \$13/month to cover it.

The proposed increase of 4% is slightly above the inflation rate, but may not be that bad when compared to previous annual insurance premium increases in the health sector. I do, however, have the reservations set forth above, and wanted to share them with you.

Thank you for taking the time to hear my concerns.

  
Sincerely



RECEIVED  
JUL 15 2014  
HEALTH BUREAU  
N.Y.C. OFFICE  
July 10, 2014

[REDACTED]

OSCAR INSURANCE CORPORATION

[REDACTED]

NYS DEPARTMENT OF FINANCIAL SERVICES  
HEALTH BUREAU – PREMIUM RATE ADJUSTMENTS

[REDACTED]

Dear Sirs:

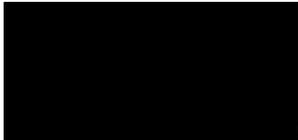
This letter is in response to your correspondence dated June 18, 2014 in which you propose a premium change from \$972.98 to \$1,048.82. Please be advised that I will retire in the months to come since I am turning 65 in March 2015 and as a result my income will change.

Furthermore, my wife is currently in school finishing her master's degree and our income this year has dramatically decreased. Therefore, the proposed new monthly premium will be completely unfair.

Do not hesitate to contact us if you need further information.

Sincerely yours,

[REDACTED]



RECEIVED

JUL 07 2014

HEALTH BUREAU  
N.Y.C. OFFICE

NYS Department of Financial Services  
Health Bureau – Premium Rate Adjustments

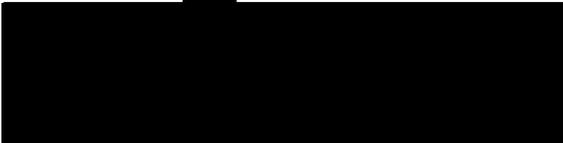


To Whom It May Concern:

My name is [REDACTED] and I have individual coverage with Oscar Health Insurance. My HIOS identification number is [REDACTED]. I have the [REDACTED] [REDACTED] and I am writing to express how disappointed I am in Oscar's plan to raise my health insurance premiums from ~\$470/month to over \$500 a month in 2015. I am a single healthy young person with no dependents on my insurance and it is already a huge financial burden to pay almost \$500 per month for my health insurance. I cannot believe that in a few short months the company will need to change an additional \$60/month for my premium to cover expenses. This would be a significant burden for me, and I'm sure, many other New Yorkers, making health insurance even less affordable.

I hope that you reject Oscar's plan to increase insurance premiums in 2015. Thank you for your consideration.

Sincerely,



Do Not Raise My Premiums!!!

RECEIVED

JUN 27 2014

HEALTH BUREAU  
N.Y.C. OFFICE

6/24/14

[REDACTED]

As I sit here looking at your "Here's  
What You Owe This Month", "Due  
Here (is when it is Due" page of your  
annoying, constant letters from  
your company, I sit here wondering  
about what I owe your company  
and when it is due. Btw- the  
font on the page looks as though  
it came from "Spot, Dick, & Julie  
child's boots."

One page of the letter states a  
proposed premium rate change, in  
other words; rate HIKE- Don't  
Raise My Premium!!! I don't  
get raises. And obviously, I don't  
get medical insurance either. I  
am an educated professional but  
my boss does not have a policy  
of giving raises. What? you say;  
that I should change jobs? Easier  
said than done.

Oscar  
all state  
Optimum (cable)

→

# Do Not Raise My Premiums!!!

Slonians (oil) are all asking for raises this month. Can I tell you that it is not in my policy to give raises - Tell your providers (Doctors) that they cannot receive a raise. If you insist in twisting my arm, I will cancel the policy and let the government charge me the gratuity. At this point, I don't care anymore what people think about me. I am a 52 year old woman who has worked since she was 11 years old. Paid taxes since I've had a SS card. When I was about 47 or 48, the Earth tilted on its axis and everyone became poor, but on television everyone is happy, shiny and buying Cadillacs. I work 2 days a week, I used to work 3 days a week, but with "Sally" my boss cut my hours. I have not been able to find steady work for Mon, Tues, Weds. And I take care of my 89 year old

Do Not Raise My Premium!!!

father - And now I may need  
a knee replacement - So not  
only do I sit here poor, but  
in pain also. Stop counting my  
money. Stop trying to figure  
how much more I should pay  
your company. I can't afford the  
\$315.16 let alone \$566.35 or \$605.86.  
And stop writing stupid, entry  
level blubs about bears hugging you  
and crushing your ribs - Adults  
are reading this, not 12 year  
olds.



Do Not Raise My Premium!!!



## Proposed Rate Increase For Oscar

[REDACTED] to: premiumrateincreases

06/28/2014 11:25 AM

History:

This message has been replied to.

Hello,

My name is [REDACTED] and I am writing to you today to register my disapproval of Oscar's proposed rate increase for the Bronze Edge insurance plan.

I, like probably everybody else that enrolled in the Bronze Edge plan did so because it was the most affordable plan available. Before the Affordable Care Act I had to drop my insurance coverage and risk life without an insurance plan because the carrier I had previously kept continually ratcheting up my monthly premium time after time until it was no longer affordable for me. So it was a windfall when the ACA passed and we had access to relatively affordable plans like the Bronze Edge through Oscar.

With affordable, lower end plans like the Bronze Edge we need to be careful not to treat customers that same way we were treated before ACA. The Affordable Care Act was put into place to avoid this kind of price gouging and if we slowly tick up the cost of catastrophic insurance plans like this one, it will soon be out of reach for many lower to middle income Americans that depend on plans like this.

Thank you for your time and consideration.

[REDACTED]  
Name of insurer: Oscar

Name of Plan: Bronze Edge

Individual Coverage

HIOS Identification Number: [REDACTED]

--  
[REDACTED]

----- Forwarded by [REDACTED] on 06/30/2014 09:45 AM -----

From: [REDACTED] Insurance Inquiry <[REDACTED]>  
To: [REDACTED]  
Date: 06/29/2014 08:33 AM  
Subject: NYS Department of Financial Services Consumer Assistance Unit Inquiry

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Dear [REDACTED]:

Your inquiry submitted to the NYS Department of Financial Services Consumer Assistance Unit has been received and will be reviewed promptly.

The information you entered is as follows:

Your Name: [REDACTED]  
Email: s[REDACTED]  
Address:  
Your Company/Organization:  
Daytime Telephone#:  
You are a(n): CONSUMER  
Type of Insurance question/comment: HEALTH

Your Questions and/or Comments have been recorded as follows:

\* \* \* \* \*

My health insurer (Oscar Insurance Corporation) has notified me that they are applying for an increase in premiums. I would like to go to the DFS webpage to file my comment about this but I go to the pertinent page (via [dfs.ny.gov/healthinsurancepremiums](http://dfs.ny.gov/healthinsurancepremiums)), Oscar is not one of the insurance companies listed on your dropdown menu. Not sure how to file my comment if I cannot select the appropriate company.

Please advise. Thank you.



## Intended Increase to My Insurance Premium

to: premiumrateincreases@dfs.ny.gov  
Cc: [REDACTED]

07/04/2014 08:17 PM

History: This message has been replied to.

To Whom It May Concern,

I recently received a letter from Oscar, my health insurer, informing me that my premiums were set to increase. The same letter also invited me to voice any response within 30 of the notice.

Here is my reply:

I am angry about receiving this news. In the same letter, Oscar states: "Your current monthly premium is \$469.51. If approved, the proposed monthly premium will be \$529.19." This represents a 13% increase, while

"The Office of the Actuary (OACT) in the Centers for Medicare and Medicaid Services [reports](#) that national health spending grew by 3.9% each year from 2009 to 2011, the lowest rate of growth since the federal government began keeping such statistics in 1960. "

(Source:

<http://kff.org/health-costs/issue-brief/assessing-the-effects-of-the-economy-on-the-recent-slowdown-in-health-spending-2/>)

I joined Oscar's health care plan this past April, after seeing them listed on the New York State healthcare exchange web site. In their own literature, they promoted themselves as being committed to providing cost-effective health care by leveraging advances in technology.

I hope that they will not be allowed to partake in these age-old games of bait-and-switch. But if they do, I will certainly be seeking coverage through a different company.

Thank you very much.

[REDACTED]



## Proposed Health Insurance Rate Increase

to: premiumrateincreases@dfs.ny.gov  
Cc: [REDACTED]"

07/08/2014 07:23 AM

History: This message has been replied to.

To Whom It May Concern:

I write to you today in response to a notice of proposed premium rate change I received regarding my New York health insurance policy. I purchased my policy through the exchange established in 2013. My insurer is Oscar Insurance Corporation, I have the platinum plan with individual coverage and my HOIS identification number is [REDACTED]

Indeed, I write to you not to specifically complain about the increase proposed for me, but just increases in general. A cursory amount of research indicates that many insurance company are seeking double-digit increases in premium rates, making my 7% requested increase to seem perhaps paltry in comparison. However, I'm befuddled as to how insurance companies flush with premiums from hundreds of thousands of new enrollees in the State of New York, myself included, could possibly need more money from everyone. Wasn't the entire purpose of the Affordable Care Act to mandate that individuals get coverage thereby providing a larger pool of premiums for the insurance companies to become more efficient and profitable? Indeed, if I'm not mistaken, it was the insurance companies themselves who sought for the mandatory enrollment requirements. After receiving all of the additional premiums, to suggest that the pot of money still isn't large enough now rings hollow.

Moreover, I continue to be shocked by the requested levels of rate increases when neither wage earnings nor inflationary pressures would suggest in any way that such rate increases would be appropriate or necessary. New Yorkers are only earning, on average, 2.0-2.5% more than they were a year ago. Likewise the CPI and inflation continues at a low 2.1%. I am no actuary or accountant by any stretch of the imagination, but simple math should suggest that the insurance companies are not entitled to, nor can New Yorkers afford, the requested increases in premium payments.

Meanwhile, health insurance company CEO compensation increased on average by 19% in 2013. See <http://www.healthcare-now.org/health-insurance-ceo-pay-skyrockets-in-2013> Likewise, increases continue for hospital executive compensation. See <http://www.nytimes.com/2014/05/18/sunday-review/doctors-salaries-are-not-the-big-cost.html>? All paid for with our premium dollars. It is time for the NYS Department of Insurance to stop the cycle of insurance companies spending excessive amounts on unwarranted expenses and then turning around and arguing they need premium increases. The rent stabilization/control board does this all the time. And, there is no shortage of landlords in New York.

I could continue on and on about this. However, in a final note, I will add that the increase that my insurance company is seeking is nearly equivalent to the entire penalty one would pay for not having insurance at all in 2015. People are mostly rational actors. If you want individuals to participate in the system, you must create and encourage a system that is rational. People

will not go down a road with you of five to twenty percent premium increases per year. It is what drove them out of the health insurance market in the first place.

Thank you for listening,





**Comments RE: Oscar's proposed rate/premium increase**

██████████ to: premiumrateincreases

07/10/2014 03:58 PM

History:

This message has been replied to.

Hello-

I would like to express my objection to Oscar's proposed rate increase for several reasons.

1) Oscar's coverage and doctor network is severely limited - it has been very hard to find good doctors in network. I hardly feel I get much value at the cost I am currently paying.

2) Oscar is irresponsible with the way they handle their promotional materials. All new members received an extremely wasteful (and no doubt costly) member packet that included premium printed materials, a custom box and extra postage. All of the information could have been mailed via first class on a color brochure.

3) Oscar's prescription benefits are inadequate - many of the prescriptions we have tried to purchase have been classified as non-covered (even though our doctor has recommended them for treatment), or the covered costs is more than purchasing the prescription without insurance.

My information is below. Please confirm this objection has been recorded.

Thank you.

1. The name of your insurer: Oscar
2. The name of your plan
3. Whether you have individual or group coverage: Individual coverage
4. Your HIOS identification number: ██████████



**Prior Approval Submission**  
**NYS Department of Financial Services**  
To: PremiumRateIncreases

07/11/2014 02:12 PM

Oscar Insurance Corporation  
individual  
other



Dear Mr. Lawsy, NYS DFS Superintendent: I write to you as a customer of Oscar with regard to their proposed premium rate increase. Oscar is proposing a 7.8% INCREASE after only one year of being a going concern and an insurance company (and a purported Affordable Care Act insurance company to boot). Mathematically, Oscar's proposed increase works out to be nearly one additional full month of premium. To be sure, according to an article published in Forbes on June 18, 2014, writer [REDACTED] found that Obamacare increased 2014 Individual-Market Premiums By Average Of 49% nationwide. As such, Oscar's thinking might be that they're just increasing rates to become more in line with the national average. Nevertheless, in that same article, Mr. [REDACTED] concedes that New York State's current ACA rates DECREASED 45% from pre-ACA rates, and New York County's current ACA rates DECREASED 63% from pre-ACA rates. Thus, OSCAR's proposed rate increase for NYS and NY County DOES NOT seem appropriate. I would ask that the NYS DFS either reject this proposed rate change for 2015, or issue a counter-proposal to Oscar in which the 7.8% increase be allowed with the stipulation that no additional increases be made for the three subsequent years (2016-2018 inclusive). Thank you for your consideration. [REDACTED]



Oscar Insurance  
Corporation  
individual  
epo



I have health insurance for the first time in about 3 years. It's expensive, and it requires me to spend \$10,000/year in premiums and deductibles before my insurance company pays for anything other than 2 preventive care visits. So really, as glad as I am to have insurance, the truth is, it's a plan that presumably protects me only from catastrophic financial consequences if I become seriously ill. Other than that, it is a lot of money out of my pocket with scant benefit. Now, less than halfway into the first year of this plan, the company informs me that they need a 4% annual raise. I'm not pretending to have close acquaintance the large data set. Maybe that data set justifies a 4% escalation in the rate,

maybe not. I DO know that I personally am not receiving a 4% raise every year--or any year. We all know the economy has been rough for some time. Personally, I make almost 19% LESS than I did 6 years ago. I won't receive a 4% raise in 2015. I probably won't receive any. In part, I have been able to afford my current premium because I moved residences to save money on rent. I may not be making more, but everybody wants more money from me: the grocery store, my landlord, utility companies, my health insurance provider--everybody. I simply cannot afford to give everybody 4-5% more every year when I'm paid the same--or less--than formerly. I need to save for retirement. I need to put away emergency money. I even need to spend a little and enjoy my life while I'm at least healthy enough to do so, and costing my healthcare provider nothing (or next to it in administrative fees). I hope this rate increase is NOT approved, not because I feel antagonistic, but

because I feel  
REALISTIC. It's time  
for the health insurance  
companies to stop  
getting annual raises in  
excess of any their  
customers do. Wages  
are flat, and have been  
for some time. We  
simply cannot afford  
ever-increasing health  
premiums, especially  
now that we're legally  
required to pay for  
insurance. Please find a  
better way than the  
constant increases that  
led to the healthcare  
crisis. Please help make  
the healthcare  
companies find a better  
way. My key details: 1.  
My insurance provider  
is Oscar Insurance  
Corporation. 2. My plan  
is the Bronze Edge plan.  
3. I am covered  
individually, not under a  
group plan. 4. My HIOS  
identification number is

[REDACTED]

Thanks for your  
attention and  
consideration.



**Premium Rate Increases for Oscar Insurance Company**

[REDACTED] to: PREMIUMRATEINCREASES@DFS.N  
Y.GOV

07/14/2014 06:20 PM

Please respond to [REDACTED]

History:

This message has been replied to.

I feel that you will do a disservice to the citizens of New York State by approving a rate increase for 2015. The proposed rate of increase does not even come close to the rate of inflation/cost of living no matter how it is calculated.

If anything, the network needs to be expanded so covered individuals can take advantage of an out of state network provider. Obviously this can be afforded at the insured additional out of pocket expense. Specifically what comes to mind is an insured member who attends college out of state and not anywhere near a current Oscar provider (NY vs. Maryland, for example).

If the network were expanded, then you could make an argument for an increase.

Name of plan: Oscar Insurance Company

Plan: Silver 200

Individual Coverage

HIOS ID # [REDACTED]

Thank you for you consideration in this matter.

[REDACTED]



**Prior Approval Submission**  
**NYS Department of Financial Services**  
To: PremiumRateIncreases

07/15/2014 11:16 AM

Oscar Insurance Corporation  
individual  
hmo



I don't think they should be allowed to increase the premium already when they have just garnered thousands of new customers thanks to the new Affordable Care Act. Folks like me who were forced off of their existing plans took great care to select new plans based on price and affordability. To have them almost immediately hike the price is unfair.

[REDACTED]

From: [REDACTED]  
To: <premiumrateincreases@dfs.ny.gov>,  
Date: 06/23/2014 04:21 PM  
Subject: COMMENTS.

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Just want to be clear... OSCAR, my current insurance since April 2014.... has been in existence for all of a HOT MINUTE and they already feel they deserve a premium INCREASE?? Really?? Have we all just lost our minds completely or what? I've been with them for 3 lousy months. What's the big plan for 3 months from now?? Another increase???

Just a disgrace this whole thing. A disgrace.

[REDACTED]

[REDACTED]

From: [REDACTED]  
To: <Premiumrateincreases@dfs.ny.gov>,  
Date: 06/23/2014 07:06 PM  
Subject: Oscar Health Insurance Rate Increase Proposal

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To whom it may concern,

I just received a letter from my insurance provider, Oscar Health Insurance, that they are proposing a rate increase of \$49.50 per month.

I'm already paying 566.36, which i just signed up for at the beginning of the year, and already receiving proposed rate increases!?

This is ridiculous. If i'm being forced into buying Health Insurance, It's unfair for it to increase so much in so short a time.

I agree with mandatory health insurance, but not when they can increase it by so much. They say 6%, which sounds small, but when you're paying alot already, 6% is too much. eventually that rate will become out of reach forcing everyone into the lowest bracket of care, considering inflation is under 2% and the average person's income increases at less than 2%, often times increasing 0%.

I tried to file a comment on [DFS.NY.GOV](http://DFS.NY.GOV), but their insurance company was not on the list.

Info;

Insurer: Oscar Health Insurance

name of plan: Platinum

type: Individual

HIOS Id #: 74289NY0010001-01

[REDACTED]

From: [REDACTED]  
To: <premiumrateincreases@dfs.ny.gov>,  
Date: 06/24/2014 12:15 PM  
Subject: Comment re: Oscar's premium increase

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To Whom It May Concern:

I am writing to submit a comment about the proposed premium increase for Oscar insurance. Should this increase take place, my monthly rate will increase approximately \$40 each month, which is approximately \$500/year.

This increase is extremely high and cost prohibitive for me. I will have to change my entire plan, which is not only an inconvenience, but will mean that I will have to change my doctors. Please do not allow this change to take place.

Thank you,

[REDACTED]

Brooklyn, NY

[REDACTED]

I just wanted to let you know that Oscar Insurance Company is missing from the drop down box for Insurance Company Name on the online comment form - <https://myportal.dfs.ny.gov/web/prior-approval/submit-a-comment>

As such, Oscar members are unable to submit comments online about the proposed rate increase that we received written notice of today. I don't have a comment on the proposed increase at this time - but I did want to make you aware that the omission prevents Oscar members from submitting online comments.

Also, when will the 2015 pending applications be viewable through the DFS portal? I can't find any 2015 applications at <https://myportal.dfs.ny.gov/web/prior-approval/rate-applications-by-company> And also, never found an application for the 2014 Freelancers Insurance Company Plans (<https://www.freelancersinsuranceco.com/fic/shopping/index.html>), which obviously had to have already been approved. Am I looking in the wrong spot?

Best,

[REDACTED]

[REDACTED]

From: [REDACTED]  
To: <[premiumrateincreases@dfs.ny.gov](mailto:premiumrateincreases@dfs.ny.gov)>  
Date: 06/25/2014 02:25 PM  
Subject: Comments on Oscar's for Premium Rate Increase

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I am writing to you as I was recently informed that my health plan company, Oscar, is requesting the right to increase premiums for next year and that you are welcoming comments on this request.

While I have, to this point, been happy with Oscar as a company, I do feel slightly exasperated that I am not even three months into my plan with them and I am already hearing about rate increases. What gives here? How is this sort of activity good for customers? I thought the Affordable HealthCare Act was to make health care affordable - not sure what gave me that impression, hmm ...

Because with the current Bronze plan that I have, I pay \$325/month. Virtually anywhere else in the country that sort of rate would qualify me for a Gold plan so that in itself outrages me somewhat and makes me wonder if NY citizens are being taken advantage of.

Beyond that, why are they looking to increase premiums so quickly? Why aren't they looking to decrease them when you think of how many more people could be added to the coffers in year two of this plan, why not add so many more customers that lowering is a goal as opposed to simply as has been done by every insurance company, every single year, the annual increase of rates.

It is sickening and so expected - why has the new law not changed anything as of yet?

Again I am happy with the company to this point but this is an action of a standard insurance company doing VERY standard business practices. I would have hoped the new law would alter that landscape somewhat...

My details are as follows:

Insurer Name: Oscar  
Nmoe of Plan: Bronze Edge  
Individual Coverage  
HIOS ID# 74289NY0100001-01

Thank you very much.

[REDACTED]

From: [REDACTED]  
To: <premiumrateincreases@dfs.ny.gov>, <Help@HiOscar.com>,  
Date: 06/25/2014 07:39 PM  
Subject: Outrage over proposed 8% rate increase by Oscar

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Dear NYS DFS:

In addition to losing better insurance at the end of 2013 due to ObamaCare's implementation and having had no notice of cancellation thereof (I endured one month of no coverage for myself and my kids), I signed up thru the State website with Oscar.

At first, the coverage seemed ok and was slightly less money than my previous coverage. However, I soon learned that high deductibles and huge increases in the cost of my asthma medicine and all other prescriptions eliminated any cost savings benefit.

Thus, I have been covered since March 2014 with Oscar. I changed from one Oscar plan to another for what I thought were better benefits.

Now, I am notified that Oscar is seeking an increase from \$486.49 to \$524.41. This is an 8% increase in an economic environment where I havent received an 8 percent increase in income. To the contrary, I am earning less. An 8 percent increase does not reflect inflation or real increase in costs in this economic environment. I urge you NOT TO APPROVE THE INCREASE requested.

Thank you, [REDACTED]