

May 28, 2015

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HEALTH BUREAU

JUN 01 2015

ALBANY, NEW YORK

Health Bureau – Premium Rate Adjustments
New York State Department of Financial Services
One Commerce Plaza
Albany, NY 12257
Dear Sirs:

The purpose of this letter is to request that you deny a rate increase for Bankers Conseco Life Insurance Co., Medical supplement Plan N for 2015 and in future years. My wife and I received a letter from Bankers Conseco, dated May 21, 2015, on May 27, 2015 stating they were requesting a 4.8% premium rate increase immediately.

We, as well as many other subscribers of this plan, disagree with any rate increase for 2015 (& future years) and provide supporting facts below against the increase. Bankers Conseco provided new subscribers, such as my wife and I, and many others, with a set rate for this plan back in Oct. 2014 for 2015 (a budget they developed) and we should not be penalized with a mid-year increase.

Supportive Information:

More than 9 million older Americans can't pay their bills right now.

The costs of living -- basic expenses like food, housing, health care and transportation -- are too much for millions of people aged 65 and older to bear, according to a study released this past Thursday examining the gaps between income and expenses for many older Americans. The report is provided by the nonprofit group *Wider Opportunities for Women*.

Amid the weak economy of the past several years, older Americans have been suffering alongside everybody else. The housing crash erased millions of dollars in home equity nationwide and dealt a serious blow to the wealth of many seniors, sending hundreds of thousands of retired Americans back into the workforce to make ends meet.

Meanwhile, health care costs are rising, and more than one in five people over age 50 say they have skipped doctor visits, switched to cheaper medications, or simply avoided certain medications altogether because the expense was too high. The increasing costs of medical care has more than offset the modest boost in Social Security that went into effect this January 2015 (1.7%). And yet Bankers Conseco is requesting a 4.8% increase for their Medical Supplement Plan N mid year 2015?

For many older Americans, the situation is desperate. Some 3.5 million seniors live in poverty, according to Census figures, but that number rises to about 6.2 million when health care costs are factored in. In 2010, the National Alliance to End Homelessness predicted that homeless rates among the elderly would climb by 33 percent -- or about 14,000 people -- within a decade's time.

Given the sluggish job market and the lack of real wage growth for most workers, the elderly are hardly alone in facing pressing financial concerns. A growing number of Americans of all ages

have reported not being able to afford food in the past year, and nearly half of all households in the country are just one financial emergency away from the poverty line.

Specific Concerns:

1. Health insurance premiums have risen 185% since 2002, five times the rate of inflation.
2. Even when premium increases are found to be unreasonable, no one in the United States seems to have the power to stop them! **We appeal to you now to stop this rate increase request.**
3. Who can or will protect senior citizens from health insurance company profiteering. Unaffordable insurance leads to unpaid medical bills, the leading cause of personal bankruptcy. Nearly 40% of Americans skip doctor visits or recommended care due to the cost. Discussions with our doctor (Dr. Drew Emerson, Lakeville, NY & Strong Hospital, Rochester, NY (where I used to work) inform us health care costs for seniors increases if they avoid receiving health care on a regular basis.
4. The Insurance Industry itself must stop health insurance companies from price gouging and lower health insurance premiums thus lowering healthcare costs. It has got to prevent health insurance companies from jacking up rates and passing on unreasonable costs to consumers.
5. Who has power over health care: the independent commission, or one politician who can take campaign contributions from special interests like insurance companies and trial lawyers.
6. In the U.S. prior to 1965, nearly half of the elderly had no health insurance and many others had inadequate coverage. Each year, insurance companies are asking for rate increases unequal to what senior citizens are able to afford; moving us back to pre 1965 times. Medicare was enacted to help assure that virtually all citizens age 65 or older would have health care coverage. Increased access to and insurance coverage of health care has resulted in significant benefits for the elderly including improvements in health and income status. For example, life expectancy at age 65 has increased several years and the poverty rate for the elderly has declined by about half.
7. Health insurance premiums have risen rapidly, straining pocketbooks for American families and businesses. Since 1999, the health insurance premiums for family coverage have risen 131 percent. Premium increases have forced families to spend more money for less coverage. **And insurance companies have been able to raise rates without explaining their actions or justifying the reasons for their high premiums.**
8. The Affordable Care Act (hopefully) can bring some level of scrutiny and transparency to health insurance rate increases. Thanks to the Affordable Care Act's requirement that insurance companies publicly justify any unreasonable rate increases, consumers who experience large increases (such as what Bankers Conseco has recently requested) will know why they are paying the rates that they are. We are NOT seeing reasonable and

called-for information for a rate increase in the middle of 2015. Insurance companies continue to cloud rate increase requests with statements, such as, doctor/hospital bills are rising. When does this notion get reined in?

9. Disclosing proposed increases, along with the insurer's justification, would shed light on industry pricing practices that some experts believe have led to unnecessarily high prices.
10. **Rising healthcare costs:** Heading into retirement there's the misconception that Medicare is a fix-all program for the elderly. Unfortunately, it doesn't cover all medical costs, and the out-of-pocket expenses for our medical care is quite extensive. In fact, some research from 2012 shows the Employee Benefit Research Institute estimated that one-in-five seniors *skipped seeing their doctor* because of high out-of-pocket costs. Unbelievably, there's also a focus by drug developers and medical device makers to create novel targeted and/or personalized therapeutics, which are expected to continue to push the price of drugs, diagnostics, and medical devices even higher. *One needs only to look at the cost of insulin each year to see this fact in action.*
11. **Debt:** Instead of entering their golden years debt free, more and more senior citizens are finding themselves buried up their necks in debt. In 1992 just a quarter of all homeowners over the age of 62 still had a mortgage payment. This figure had risen to 45% by 2010. Most of my friends and myself have retired with mortgage debt in recent years. Furthermore, student loan debt for senior citizens (yes ... student loan debt!) has jumped more than 500% from 2005 to \$18 billion.
12. In addition to the money needed to cover basic premiums and deductibles and coinsurance, we're also going to be responsible for routine dental care, routine eye care and hearing aids and the exams for fitting them, because Medicare doesn't pay for those. The American Dental Association estimates that two exams and cleanings and a set of X-rays in 2011 cost about \$288, on average. My experience shows that figure has already doubled in 2015.
13. Today, more than two of every five dollars of total potential consumption by the elderly (43 percent) is health care.
14. At the current rate in just 9 years (by 2024), health care will equal 50 percent of seniors' total consumption.
15. For the oldest seniors — age 75 and older — health care already makes up more than half of all they consume.
16. Today, seniors spend 17.2 percent of their cash incomes on health care, on the average, including out-of-pocket expenditures, as well as premiums for Medicare and individually purchased Medigap insurance.
17. Medical Insurance Company profits continue to skyrocket, as well as, senior executive salaries. I am a past Board of Trustees member of the United Way of Rochester, NY, and have first hand knowledge of this information. Why should senior citizens continue to

pay un-called for increases in their plan rates while the insurance companies do little to curtail their expenses?

18. Oct. 22, 2014 – was the day when Social Security announced a 1.7 percent cost-of-living increase for beneficiaries in 2015.

Social Security COLA for 2015 Will Be 1.7 Percent, Says SSA

This announcement continued the trend of very small increases over the last few years - about \$22 per month average increase.

Oct. 22, 2014 – It is a 1.7 percent increase for the 64 millions of Americans – primarily senior citizens - that will be receiving Social Security benefits in 2015, according to an announcement of the cost-of-living adjustment (COLA) by the Social Security Administration this morning. The average recipient will get about \$22 more per month.

Estimated Average Monthly Social Security Benefits Payable in January 2015:	Before 1.7% COLA	After 1.7% COLA
All Retired Workers	\$1,306	\$1,328
Aged Couple, Both Receiving Benefits	\$2,140	\$2,176
Widowed Mother and Two Children	\$2,635	\$2,680
Aged Widow(er) Alone	\$1,253	\$1,274
Disabled Worker, Spouse and One or More Children	\$1,943	\$1,976
All Disabled Workers	\$1,146	\$1,165

The Senior Citizens League (TSCL), noted for accurately predicting recent COLA amounts, had predicted the 1.7 percent increase and Chairman Ed Cates said, “That would make the sixth consecutive year of record low COLAs. That’s unprecedented since the COLA first became automatic in 1975.”

Over the past five years COLAs have gone flat, along with the inflation index used to calculate them, according to the TSCL. Inflation has been growing so slowly that the annual increase has averaged only 1.4 percent per year since 2010. That’s less than half the 3 percent average during the prior decade. In 2010 and 2011, benefits didn’t increase at all.

This information needs to drive insurance companies, like Bankers Conseco, to develop honest, meaningful insurance plan rates AND to live by them. I have little knowledge of

labor demanding and receiving salary increases mid-year nor being able to increase their pay rates year after year!

19. BUT, the price of gas, heating oil, electric (utilities), food, housing, health care, transportation, insurance (everything one needs to have) increases every year with few wins in the cost-of-living for senior citizens who HAVE NOT kept up financially. WE CANNOT AFFORD TO PAY AND PAY MORE WHEN WE LIVE ON FIXED INCOMES!!!!!!!!!!!!!!!!!!!!

In conclusion, and on behalf of the thousands of senior citizens (a group everyone eventually becomes a member of), we plead our case for denying Bankers Consecos rate increase for their Medicare Supplement Plan N in 2015.

PLEASE LISTEN TO OUR CONCERNS IN THIS MATTER?

Sincerely,

[REDACTED]

[REDACTED]

Livonia, NY [REDACTED]

[REDACTED]