
Reps. Courtney, DeLauro, Larson, Murphy, Himes Call for Investigation into Anthem's Exorbitant Insurance Rate Hikes

Representatives Joe Courtney, Rosa DeLauro, John Larson, Chris Murphy and Jim Himes sent a letter to Connecticut Insurance Commissioner Thomas Sullivan today calling on his office to investigate exorbitant insurance rate increases requested by Anthem Blue Cross Blue Shield (Anthem).

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WASHINGTON, DC - Representatives Joe Courtney, Rosa DeLauro, John Larson, Chris Murphy and Jim Himes sent a letter to Connecticut Insurance Commissioner Thomas Sullivan today calling on his office to investigate exorbitant insurance rate increases requested by Anthem Blue Cross Blue Shield (Anthem). Anthem recently withdrew its request for a 39-percent rate increase for plans it operates in California after that state's regulators cited incorrect data and assumptions used and made by Anthem to justify its proposed rate increase.

Anthem made similar requests in Connecticut, and although the largest requests were rejected, increases of as much as 20 percent were approved. The letter requests that Sullivan's office conduct an independent audit of Anthem's request to ensure consumer fairness and protection. Such an audit was also recommended by Health and Human Services Secretary Kathleen Sebelius.

[A copy of the Members' letter to Commissioner Sullivan is below.]

"At this point, Anthem has an established record of using incorrect data in attempting to impose exorbitant rate increases in California," said Congressman Courtney. "They tried to impose similar increases in Connecticut, and although their most blatant attempts were quashed, their entire methodology is suspect, and necessitates investigation."

"I join with my colleagues to urge an independent review of Anthem's rate increases, and to ensure that Connecticut residents are not subject to the same unfair accounting that California was," said Congresswoman DeLauro. "The landmark health reform law we passed will force health insurance companies to compete, increasing the likelihood that consumers will be able to avoid unjustified rate increases -- but in the meantime, we must act to prevent insurance companies like Anthem from taking advantage of our residents. It is essential that this review is conducted to determine if Anthem's rate increases were fairly presented."

"We must protect Connecticut consumers from unjustified rate increases and provide them with quality, affordable health care coverage," said Congressman John B. Larson. "The Affordable Care Act was passed to shield families, small businesses, and individuals from these egregious practices. I hope Commissioner Sullivan, in accordance with Secretary Sebelius' request, reviews Anthem's approved rate increase to ensure our citizens are not unfairly burdened."

"We have certainly learned through the health reform process that private health insurance companies have been overcharging their customers for years," said Congressman Murphy. "We owe it to people to do everything we can to make sure that Connecticut customers are paying a fair, not inflated, rate for health insurance coverage."

"For years insurance companies have been charging their customers too much and covering too little in return," said Himes. "We need a fair and complete investigation into Anthem's recent premium increases so we can crack down on any unscrupulous activity or attempts to justify unfair rate increases."

The Honorable Thomas Sullivan, Commissioner

Connecticut Department of Insurance

153 Market Street

Hartford, Connecticut 06103

Dear Commissioner Sullivan,

As you are no doubt aware, Anthem Blue Cross Blue Shield (Anthem) in California recently withdrew its request for an astonishing 39 percent rate increase for plans it operates in the individual health insurance market after California regulators rejected the proposal. In rejecting the proposal, California's regulators cited incorrect data and assumptions used and made by Anthem to justify the proposed rate increase.

Last summer, Anthem made a similar request to your office, asking that in some instances, rates be increased by as much as 32 percent on plans in the individual market. While your office did not approve Anthem's most outlandish rate requests, you did approve rate increases of as much as 20 percent for these Anthem plans.

Last month, the Secretary of Health and Human Services, Kathleen Sebelius, sent all states a letter urging them to review any rate increases they may have approved at the request of Anthem. In light of the information out of California, that incorrect data and assumptions were used and made by Anthem to justify their rate increases, we respectfully request that you follow the advice of the Secretary and review your August 2009 decision granting, what we believe to be exorbitant rate increases for Connecticut residents forced to buy their insurance in the non-competitive individual insurance market.

We would further request that you follow the recommendations outlined by the Attorney General, Richard Blumenthal, and Connecticut State Healthcare Advocate, Kevin Lembo, to pursue an independent audit of Anthem's premium rate increase, at Anthem's expense. Like the independent audit in California, an independent audit of Anthem's premium increase in Connecticut will provide critical oversight of potentially faulty data, including double counting of risk factors, used to calculate the premium increases that took effect for thousands of individuals in Connecticut this year. More importantly, an independent audit will ensure consumer fairness. Considering the depth of impact of Anthem's premium increases, which affected thousands of individuals and families in Connecticut, an independent audit is the right course action to uphold consumer protection.

In 2014, when the health insurance marketplaces (Exchanges) begin to operate, forcing health insurance companies to compete for the business of individuals and small businesses, consumers will have a better chance of avoiding unjustified rate increases imposed by their health insurance company. In the meantime, it is imperative that you use all the tools at your disposal to prevent health insurance companies from increasing rates at an unjustifiable clip. Of additional note, new Health Insurance Premium Review Grants will be available this year to strengthen state consumer protection operations. We are aware that the state is in the process of applying for these grants and we would further offer our assistance with the application process so that consumers in Connecticut will be better protected from exorbitant insurance rate increases.

Thank you for your consideration of this request and your attention to this matter. We know that you share our concern for Connecticut residents who are facing the crushing burden of unjustified rate increases.

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