

Statement of Consumer Advocates at Hearing on Proposed 2017 Health Plan Rates held by Pennsylvania Insurance Department

Group Calls on Pennsylvania Insurance Department to Keep Rates Fair and Affordable and Reminds Consumers about the Importance of Shopping for Coverage During the Next Open Enrollment Period

Given by Patrick Keenan, Director, Consumer Protections & Policy

Harrisburg, PA (07/27/2016): This is a critical and historic moment for healthcare consumers. These hearings are the first of their kind in the Commonwealth since the passage of the ACA. We want to thank Commissioner Miller and the Pennsylvania Insurance Department for bringing more transparency and public accountability to the rate review process. Within a few short days, we have collected hundreds of signatures showing that Pennsylvanians across the state appreciate this effort, while they also voice concerns about the proposed rates. We are submitting them here with our testimony today.

The Pennsylvania Health Access Network is a leading consumer-driven organization focused on making our health care system more affordable, equitable and accessible for all Pennsylvanians. As healthcare navigators, we have helped over 5,500 new consumers enroll in coverage and answer thousands of questions through our statewide helpline every year. Through in-person assistance and our helpline, we assist consumers in more than two thirds of Pennsylvania's counties. When our consumers sit down with our navigators, they tell us every day that the coverage made available through the Affordable Care Act is important to their health, families, and livelihood, but it will only work if they can afford the costs.

The proposed rate increases we are discussing today reflect the reality of the time it takes to fix a broken health care system. For years, insurance companies made money by not paying for care. They offered skimpy coverage that put all the risk on consumers, or denied people altogether because they were sick and needed help. Forcing people to go without coverage for years has consequences: many are sick, and need care.

It was never realistic to expect that all the problems in our health care system could be fixed with one law, in one shot. The Affordable Care Act relieved the pent-up demand for care, bringing hardworking Pennsylvanians into a health care system that they were shut out of for years. Navigators, issuers, providers, and advocates must work together to help individuals understand their coverage, understand how to treat chronic conditions, and develop innovative solutions to drive down costs.

This is an important opportunity to remind individuals about the importance of shopping for coverage during open enrollment between November 1st and January 31st. Financial assistance is available, and individuals who shopped for coverage last year saved more money on their plans than those who did not. The financial assistance available contributes to offsetting any final rate increases. In Pennsylvania last year 78 percent of those individuals who purchased insurance through the ACA received financial assistance and paid on average \$248 a month.

Free, confidential in-person assistance is available through navigators like our organization. We are passionate about helping folks through this complex process. More information about our services is available through our website, www.pahealthaccess.org, or by calling our statewide helpline, 877-570-3642.

Our consumers work hard each day to provide for their families. While hundreds have submitted their stories in writing or over the phone, few can take a day off to join us. Please allow me to share a couple of their stories with you today:

Audrey and her husband run a small trucking business from their Washington, PA home. They have a Highmark plan, and pay \$882 each month for their premium, with an annual deductible around \$3500. She is happy with her insurance plan and has been purchasing health insurance through the Marketplace since 2014. She worries that if the ACA were repealed, she and her husband would be barred from health insurance on account of pre-existing conditions. Recently, Audrey has been seeing her doctor more regularly to resolve a health issue she is having. If rates increase, it would mean cutting back on other things in their house. She might have to find a part-time job in addition to working fulltime or postpone retirement savings to pay the increases.

Richard lives in Harrisburg and works 10 hours a day at his two jobs just to make ends meet. He has insurance through Geisinger, and pays \$130 per month after subsidies. If his monthly premium were to go up, Richard would have to put off buying necessities like food and clothing in order to pay his bills. He says an increase in insurance rates would mean more burden, and it's all he can do right now to keep his head above water.

Donna and her husband live near Allentown. When she was laid off, she paid COBRA premiums over \$1000 a month. Donna and her husband both have medical conditions and were denied coverage for their preexisting conditions by other insurance companies prior to the ACA. She was one of the first people to enroll in a Marketplace plan in 2013, but has since seen deductibles and out of pocket costs rise, while covered services (like prescription drugs) shrink. She and her husband currently have a Capital Blue Cross plan, paying \$358 per month after tax credits with a \$9000 deductible. Donna has a thyroid problem, high blood pressure, high cholesterol, and a family history of heart problems, so she is diligent in managing her health conditions with maintenance medications. Her husband has asthma, but his medication is not covered by their insurance plan, and rather than pay \$200 per month, he takes an alternative medication that does not offer the same benefits. Donna and her husband are on a fixed income, and she works part-time to supplement it. She estimates that they spend 15% of their income on medical expenses each year.

These are just a sampling of the many stories we have. Consumers across the Commonwealth need this coverage and have been thankful to have access to ACA-related plans, after previously having been locked out of options for many years. People are willing to pay for their plans and are often contributing significant amounts of money towards their premiums and out-of-pocket expenses.

On a personal note, prior to the ACA, I was also a person who was forced to go without coverage due to a pre-existing condition. I know what it is like to live without the peace and security coverage brings. We, and I truly mean we, urge the Pennsylvania Insurance Department to use its powers to protect consumers and ensure that rates are fair, nondiscriminatory, and appropriate. No one should be left out of a system because they cannot afford coverage. Commissioner Miller, please balance consumer needs with those of creating a competitive marketplace.

Thank you for bringing more transparency and public accountability to the rate review process and for making sure Harrisburg is open to everyone not just big companies and lobbyists.