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**THE LEAGUE  
OF WOMEN VOTERS**  
*of New York State*

**TESTIMONY BEFORE NEW YORK STATE  
ASSEMBLY STANDING COMMITTEE ON INSURANCE**  
**Assemblyman Joseph Morelle, Chair**  
**June 8, 2009**

Good Afternoon, my name is Donna Packard-Mahoney and I am the Health Specialist for the League of Women Voters of NYS. I would like to thank Assembly Insurance Committee Chair Joseph Morelle and the Assembly Standing Committee on Insurance for holding today's public hearing and allowing me to speak on the important issue of Regulatory Approval of Health Insurance Rates.

The League of Women Voters is a unique, multi-issue, non-partisan, political organization that operates at the local, state, and national levels. Encouraging informed and active participation of citizens in government, and influencing public policy through advocacy and education is central to the League's mission. The New York State League has over 50 local Leagues statewide.

As part of the League's citizens' rights concerns, the League has long worked for the citizen's right to know and for broad citizen participation in government with League support for open meetings being first made explicit in 1972. The League believes that democratic government depends upon the informed and active participation of its citizens and requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings and making public records accessible.

Prior to 1996 and the subsequent adoption of the "file and use" system, the State of New York was aligned with this aspect of the League's position; the NYS Insurance Department conducted public hearings on all rate increase requests submitted by non-profit insurers and HMOs. It was only through a complete process that included public hearings, that many insurance reforms such as New York State's federally recognized "pure" community rating, was won.

The years that followed the implementation of the "file and use" system in the mid-1990's saw formerly relatively flat premiums for individuals and small groups skyrocket. Individuals, senior citizens and small businesses are now buried from years of double-digit premium increases, with some individuals paying well over \$2,000+ per month in premiums for their family's health insurance. Between 2000 and 2007, health insurance premiums have increased by 81% in NYS, far outpacing inflation. During this same period, median wages in the State have only increased by 11%. The issue of virtually unchecked premium rate increases, without consumer input as part of the process, directly impacts New Yorkers' access to affordable, quality health care.

Although Program Bill #15 restores power to the Superintendent of Insurance to approve or disapprove health insurance premium hikes, it does not provide for a public process to engage in this review.

Restoring the public hearing requirement provides the opportunity for consumers to participate in the review process, to challenge the assumptions on which rate increases are based, and to educate legislators and regulators on the impact of rate increases. Although the power to approve or disapprove health insurance rate increases is reinstated in the bill, Superintendents of Insurance are appointed positions and their level of commitment to the public can and oftentimes does vary. The only way to guarantee that the public interest is ensured is to restore the public hearing process for insurance rate increases. It can be seen historically, that several important health insurance reforms over the past few years, such as the 1995 Point-of-Service Law and the HCRA 2000 direct pay market subsidy, came about, in part, because of input received from rate increase hearings.

The League supports the approach demonstrated in A3122 (Bradley), that would reinstate the public hearing requirement as well as the State Insurance Department's ability to review rate increases exceeding five percent for individuals, small groups, and small business. Such legislation affords individuals and small businesses the same cost-containment measures on which New York State currently relies to control the growth of the premiums it pays for Child Health Plus, Family Health Plus and Medicaid Managed Care programs by requiring all participating health plans to defend their rates in relation to these public programs before raising them. The same rules apply to the New York State Health Insurance Plan which covers state employees. It is crucial to, at the very least, require all health plans to follow the same regulations for rate increases, if the State is to begin to work toward equity in health care. Bills such as A3122 eliminate discrepancies in the regulatory treatment of commercial and non-profit health plans and HMOs while also providing for crucial public participation in the process.

In closing, I would like to thank you again for giving the League the opportunity to address this Hearing. The League will continue to follow the progress of Program Bill#15 as well as to continue to advocate for openness, transparency and public participation throughout our government. We will continue to encourage and support initiatives that are aligned with the League's positions on equity, quality, and access in health care.

***VERBAL ADDENDUM TO TESTIMONY ON REGULATORY APPROVAL OF  
HEALTH INSURANCE RATES  
JUNE 8, 2009***

“Although not included in my written statement, I would like to add that public participation and input is essential in any representative democracy. It is my understanding that the procedures for these hearings have been and can be refined. There can never be a justification for removing public participation from the process.

Public input is utmost whenever consumer rights are involved, particularly where the most vulnerable are involved, such as the people affected by the proposed Program Bill #15. Public input is a principle of open and accountable government. It does not matter if one person attends a public hearing or no one attends a public hearing. The level of attendance does not negate government responsibility to hold open public hearings. It is government's responsibility to be accountable and to serve the people.”