



Senate of Pennsylvania

October 28, 2016

An Open Letter to Pennsylvania Health Insurers

Last week, Governor Tom Wolf's Insurance Commissioner, Teresa Miller, announced the 2017 health insurance rates the administration has approved for individual and small group plans to be sold under the Affordable Care Act.

Unsurprisingly, the approved rates are a dramatic increase over the last year, proving that whatever else you can call the Affordable Care Act, you can't call it affordable. We were, however, surprised that the Commissioner established rate increases that, in many cases, greatly exceed the already-hefty increases you sought.

We strongly encourage you to decline any rate increase greater than what you requested. Those paying premiums should not have to pay a penny more than you sought.

The people who will be stuck with these greatly increased rates are middle and lower income wage-earners who have been deceived by the false hope of "affordable" coverage through the ACA. The Commissioner's unprecedented decision to not only approve, but increase, your requested rates exacerbates the unacceptable choice the ACA has imposed on working families - either pay for health insurance that is anything but "affordable" or face a punitive Federal tax.

Last year, the Insurance Commissioner cut the rates many health insurers requested, boasting with considerable fanfare that the administration was saving consumers over \$80 million. This year, she and the administration have done a 180, although without the same fanfare, doubling down on your requested rate increases – and still without any plan or ideas to make health insurance affordable. This roller-coaster of rate regulation seems based more on political expediency than holding down the cost of health care and health insurance in any stable and sustainable way.

Consumers should be charged for insurance based on actuarial soundness, not political timing. The Commissioner apparently found you were requesting inadequate rates. We want to know why you would have requested less than you need – and we want to know why you would now charge more than you need.

For the sake of the consumers we represent and you insure, we urge you to put them first and charge no more than what you requested. The hard-working families of this Commonwealth should not be taken advantage of by what is a back-door tax increase that reeks of politics, not sound insurance regulation and consumer protection.

Handwritten signature of Joe Scarnati in black ink.

Joe Scarnati
President Pro Tempore

Handwritten signature of Jake Corman in blue ink.

Jake Corman
Majority Leader

Handwritten signature of Don White in black ink.

Don White
Banking and Insurance, Chair