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Mr. Al Redmer, Jr.
Maryland Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD, 21012

27 May 2015

Dear Commissioner Redmer:

I am writing on behalf of the Maryland Women's Coalition for Health Care Reform and the 26 organizations below to ask that you hold a public hearing on the proposed health insurance rates for 2016 filed by Maryland health insurers. The rates the carriers will charge in 2016 are particularly significant, we believe, for the following reasons:

1. The uncertainty surrounding the details of the risk-adjustment, reinsurance, and risk corridor programs--the so-called 3R's. We recognize that such uncertainty exists. It is important, however, for the carriers, and ultimately for the Commissioner, to make as accurate a projection as possible regarding the effect each of those programs is likely to have on insurers' costs and income, and to incorporate those effects into their rates.

2. The effect of other substantive provisions of the Affordable Care Act. There is now some evidence, and with respect to certain provisions substantial evidence, on the effect of such provisions on insurers' costs and income. The Commissioner should ensure that the carriers have reviewed that evidence, and have incorporated the likely effect of those provisions into their rates.

3. The extent to which the assumptions a carrier has made in the past regarding the major elements of its previous rate filings, such as trend and morbidity, have turned out to be accurate. We believe that the Commissioner should consider the demonstrated accuracy or inaccuracy of those prior years' assumptions--in either direction--in evaluating the likely accuracy of the carrier's proposed 2016 rates.

4. The effect of proposed rate changes on carriers' surplus. On the one hand, there have been allegations that the surplus of non-profit Blue plans, both in Maryland and in other states, is unnecessarily or even unlawfully high. On the other hand, some are concerned that the surplus of certain other plans could be too low. The Commissioner should consider the effect of a carrier's proposed rate change on its



surplus--again, in either direction--in determining what action to take respect to any proposed change

Finally, we believe it is essential that, in determining whether to approve, disapprove, or modify a proposed rate change, the carriers and ultimately the Commissioner consider both those factors that are likely to increase rates and the factors that are likely to reduce them. Notably, whatever rate change the Commissioner approves will have a substantial effect on the insurer, on insurance buyers, on health care providers, and on other third parties. The Commissioner may wish to consider the views of those who will be affected by proposed rate changes, and should have the opportunity to question all such parties regarding the basis for their views.

We recognize that the Commissioner is not statutorily required to hold a hearing on proposed health insurance rates for 2016. The Commissioner does, however, clearly have the discretion to hold such a hearing. In view of the factors outlined above, we respectfully urge the Commissioner to exercise his discretion in favor of doing so.

The Coalition appreciated the opportunity to participate in the 2015 rate review process and we look forward to working with you this year. We thank you for your consideration of this request and would be pleased to provide any further information you may require.

Sincerely,

Leni Preston
Chair, Maryland Women's Coalition for Health Care Reform
Email: leni@mdchcr.org Cell: 301.351.9381

Signatory Organizations

Advocates for Children & Youth
Common Cause Maryland
Healthy Howard
League of Women Voters of Maryland
Maryland Center on Economic Policy
Maryland Citizens' Health Initiative
Maryland Disability Law Center
Maryland Nonprofits
National Alliance on Mental Health - Maryland and 12 Chapters
National Council on Alcoholism and Drug Dependence - Maryland Chapter
Primary Care Coalition of Montgomery County
University of Maryland, Carey School of Law Drug Policy Clinic
Planned Parenthood of Maryland
Women's Law Center of Maryland, Inc.