African Service Committee ○ Children's Defense Fund-New York
Coalition for Asian American Children + Families ○ Community Service Society of New York
Consumers Empire Justice Center ○ Entertainment Community Fund ○ Hispanic Federation
The Legal Aid Society ○ Make the Road New York ○ Medicare Rights Center
Metro New York Health Care for All Campaign ○ New Yorkers for Accessible Health Coverage
New York Immigration Coalition ○ Public Policy and Education Fund of New York/Citizen Action of New York
Raising Women's Voices-New York ○ Schuyler Center for Analysis and Advocacy
South Asian Council for Social Services ○ Young Invincibles

June 28, 2024

Adrienne A. Harris, Superintendent
John Powell, Assistant Deputy Superintendent for Health
Frank Horn, Chief Actuary - Health
NYS Department of Financial Services
One Commerce Plaza
Albany, NY 12257

RE: Requested Rate Changes – HealthPlus - AWLP-134096105

Dear Superintendent Harris, Assistant Deputy Powell, and Chief Actuary Horn:

Health Care For All New York (HCFANY) is a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers. HCFANY is grateful for the opportunity to submit comments on the 2025 rate requests submitted by New York's individual market carriers. HCFANY deeply appreciates the Department's annual efforts to keep rates as low as possible through its robust public prior approval process. The comments below are divided into sections: (I) General comments regarding New York's individual insurance market; and (II) specific comments on HealthPlus's request.

I. General Comments Regarding New York's Individual Market Conditions

Health insurance premiums and out-of-pocket health care costs comprise a major part of most New Yorkers' budgets. Consumers with job-based coverage have employers, brokers and agents who can negotiate the best premiums, scope, and amount of coverage possible for their employees. By contrast, consumers in the individual market have limited information about premium costs and the quality of coverage and have no bargaining power to negotiate affordable premiums and out-of-pocket costs. As a result, it is solely the responsibility of State Department of Financial Services (the "Department") officials through the annual rate review process to ensure that health insurance and health care for New Yorkers in the individual and small groups market remains affordable and accessible.

The Department's responsibility has never been more paramount than this year, when the carriers seek an extraordinary 16.6 percent on average rate increase—following two prior years

when the largest rate increases ever witnessed by New Yorkers were approved (13.5 percent and 9.7 percent in 2024 and 2023, respectively). New York's inflated insurance premiums cost consumers hundreds of millions of dollars and burden individual and family budgets.

This general comment section describes the following conditions that are likely to influence the rates for the 2025 coverage year: (A) rate request trends; (B) migration to the individual market as a result of the ongoing unwinding of the Public Health Emergency; (C) New York's requests in the context of its peer states; (D) Medical Loss Ratios; (E) the overstatement of medical trend; (F) elevated administration and cost projections; (G) the degrading quality of carriers' rate request documentation; and (H) the need to better integrate the Department's access and quality data.

A. **New York's individual market recent request trends**

In 2025, New York's individual market carriers seek a weighted average of a 16.6 percent premium increase—following two years of equally inflated requests (20.9 percent and 18.7 percent in 2024 and 2023, respectively). These requests are far higher than requests from previous years: 11.2 percent in 2022; 11.7 percent in 2021, and 8.4 percent in 2020. New York's individual market carriers have a history of seeking much larger premium increases than are ultimately approved (Table 1 below).

Table 1. Requested Premium Increase vs. Approved Increase

Year	*Requested Change*	*Approved Change*	*Difference*
2024	20.9%	13.5%	-35.5%
2023	18.7%	9.7%	-48.2%
2022	11.2%	3.6%	-67.8%
2021	11.7%	1.5%	-84.6%
2020	9.2%	6.8%	-26.1%
2019	24.0%	8.6%	-64.2%
2018	17.7%	13.9%	-21.5%
2017	19.3%	16.6%	-14.0%

Historically, the Department has scrutinized the carriers' outsized rate requests – often paring them back by over 50 percent (e.g., plan years 2022, 2021, 2019). As described in further detail below, the individual market has substantially stabilized. Accordingly, for the 2025 plan year, HCFANY urges the Department to return to its practice of critically reviewing the carriers' requests and paring them back substantially.

New York has a robust individual insurance market with 12 carriers participating. Table 2 displays the extreme range in the rate request applications from an 8.8 percent proposed premium increase by United to a shocking 51 percent proposed increase by Emblem.

Table 2. 2025 Individual Market Rate Requests

Plan	*2024 Plan Members*	*2024 Approved Rate Increase*	*2025 Proposed Rate Increase*
Emblem/HIP	5,022	25.1%	51.0%
Highmark	4,081	13.0%	30.9%
MetroPlus	13,406	17.5%	28.3%
Independent Health	11,493	25.3%	27.7%
Oscar	11,570	7.9%	25.5%
Excellus	28,591	12.2%	19.5%
MVP	24,200	6.5%	19.2%
CDPHP	4,717	12.1%	18.7%
Healthfirst	54,463	12.5%	16.8%
HealthPlus	25,138	8.6%	14.5%
NYQHC/Fidelis	118,207	15.9%	9.8%
United	6,133	12.2%	8.8%
Total Members/ Average Request	307,021	13.5%	16.6%

Premium increases should be based on concrete evidence about the nature of costs and the carriers' diligent efforts to control them. As described below in section G, many of the 2025 requests fail to provide adequate evidence to support their rate demands. We urge the Department to redress this ongoing issue in its instructions to carriers for the 2026 plan year.

B. Migration to the individual market as a result of the ongoing unwinding of the Public Health Emergency

New York's individual market covered approximately 307,000 people when the carriers submitted their 2025 rate applications, up from 237,000 last year (see Table 1).[1] The Covid-19 pandemic and resulting economic downturn caused a 19 percent decrease in individual market enrollment between 2020 and 2021 when many consumers migrated to the Essential Plan and

Medicaid due to the State's effective implementation of the federal Public Health Emergency (PHE).

Under the PHE, New York stopped requiring people in public health insurance programs to renew their coverage. During the PHE, nearly 62,000 people left the individual market while 1.7 million and 328,000 more people enrolled in Medicaid and the Essential Plan, respectively.

Table 3. Enrollment in New York's Individual Market, 2017-2024

	Number of People Enrolled	*Percent Change*
2017	309,195	-
2018	317,496	2.7%
2019	323,460	1.9%
2020	322,774	-0.2%
2021	261,242	-19.1%
2022	261,714	0.2%
2023	237,314	-9.3%
2024	307,021/267,693[1]	26.8%/12.8%

The unwinding of the PHE began in June 2023 and is set to continue through June 2024. As of March 2024, 82 percent (4,146,000) of the over five million renewals initiated by New York State of Health (NYSOH) have been completed.[2] Last year, based on the first month of the renewal period, HCFANY predicted that approximately 70,000 people would return to the individual market in 2024. According to the data provided in the carrier's 2025 rate applications, 69,707 New Yorkers did return to the individual market.

The return of younger and healthier Medicaid and Essential Plan enrollees should improve the risk and utilization mix in the individual market. Healthfirst's actuarial memorandum documents this phenomenon. The members migrating from Medicaid products represented 18 percent of total QHP member months. Healthfirst found that migrators had lower costs PMPM for bronze and gold plans when compared to all other members. While none of the other carriers presented comparable information, it is reasonable to assume that the influx of new members into the individual market has improved its risk profile. In 2025, the Department should

[1] Carriers' rate applications cite 307,021 individual market enrollees. As of May 5, 2024, there are 233,151 QHP enrollees according to NYSOH Enrollment data, https://info.nystateofhealth.ny.gov/enrollmentdata. According to data provided to HCFANY by the Department, as of April 30, 2024, there are 34,542 off-exchange enrollees. Together, that is approximately 267,693 individual market enrollees following the expansion eligibility for the Essential Plan.

[2] *New York State Public Health Emergency Unwind Dashboard,* New York State of Health, March 2024, https://info.nystateofhealth.ny.gov/PHE-unwind-dashboard.

require each carrier to follow Healthfirst's example and describe the health status and utilization of recently enrolled members.

In May of 2023, New York submitted the 1332 State Innovation Waiver application to expand the Essential Plan to New Yorkers with incomes up to 250 percent of the Federal Poverty Level (FPL), which was implemented on April 1, 2024. As a result, newly eligible New Yorkers migrated from the individual market to the Essential Plan.

According to State Marketplace data, 233,151 people were enrolled in Qualified Health Plans through the Marketplace, as of May 2024. Data provided by the Department indicated that individual market "off-exchange" enrollment as of April 30, 2024, was approximately 34,542.[3] Accordingly, total individual market enrollment is approximately 268,000 people – a 13 percent increase over 2023.

This 13 percent increase in memberships of the individual market will be further stabilized by the 1332 State Innovation Waiver Application's Insurer Reimbursement Implementation Plan (IRIP). The IRIP will provide federal funding to offset any premium increases in the individual market related to the migration of individuals with incomes between 200-250 percent of the Federal Poverty Level, who are assumed to be both healthier and lower utilizers of health care.

Accordingly, the Department should carefully evaluate each carrier's rate request with the following factors in mind: (1) there appears to be a 13 percent increase in enrollment; (2) these members are believed to have a healthier risk profile; and (3) the IRIP will adequately compensate the carriers for any losses related to the migration of former individual market members to the Essential Plan.

C. **New York's rate requests far surpass those of its peer states.**

The New York carriers' proposed rate increases are national outliers, far surpassing the requests of carriers in other states that have similarly sized or significantly smaller risk pools. (Table 4 below.) New York is a large state, with the most carriers, yielding a highly competitive market. As a result, New York State is well positioned to control prices that would discourage New Yorkers from purchasing coverage on the individual market.

Should the Department grant the increases proposed by New York's carriers, the average monthly premiums would range from $731 to $1,666 with an average of $980. Over half of consumers (58 percent) are somewhat insulated from these increases because they receive premium subsidies through the temporary enhancements to the Affordable Care Act.[4] However, not only are these enhancements set to expire, but the remaining 42 percent of New York's enrollees do not receive subsidies and pay full price.[5] Nationally, the average premium for a

[3] CSS correspondence with the Department, June 18, 2024.
[4] The American Rescue Plan and the Inflation Reduction Act enhanced these subsidies to be both more generous and extend to more people.
[5] *2024 Marketplace Open Enrollment Period Public Use Files – 2024 OEP State-Level Public Use File*, Centers for Medicare & Medicaid Services, March 22, 2024, https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2024-marketplace-open-enrollment-period-public-use-files.

benchmark plan in 2024 is $477. In New York, the average premium for a benchmark plan is $736, 150 percent higher, making it the fifth most expensive state for marketplace insurance in the country.[6]

CMS has approved a 3.7 percent increase for Medicare Advantage plans for 2025. Carriers in the states have likewise sought relatively reasonable rate increases (See Table 4.) For example, Washington and New York have comparable individual markets with similar numbers of carriers and risk pools, yet Washington's carriers seek only an 11.3 percent average rate increase. Only two of the states in Table 4, Oregon and Maryland, have reinsurance programs that explain why their carriers' rate requests are significantly lower than those filed in New York.[7] New York carriers do not provide an adequate explanation in their public rate filings as to why their premiums are so much higher than those requested in peer states or at the federal level.

With the IRIP, New York has additional leverage to alleviate premium increases in the individual market related to the purported erosion of risk related to the 1332 Waiver.

Table 4. Proposed 2025 Rate Increases in State Individual Markets

	Average Request	*Number of People in Individual Market*	*Number of Carriers*
New York	16.6%	307,000	12
Vermont[8]	14.0%	33,780	2
Washington[9]	11.3%	284,300	13
Oregon[10]	9.3%	126,400	6
Connecticut[11]	8.3%	141,100	3

[6] *Average Marketplace Premiums by Metal Tier, 2018-2024*, KFF, https://www.kff.org/affordable-care-act/state-indicator/average-marketplace-premiums-by-metal-tier/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.
[7] *State-based Reinsurance Programs via 1332 State Innovation Waivers,* State Health Access Data Assistance Center, November 2023, https://www.shadac.org/publications/resource-state-based-reinsurance-programs-1332-state-innovation-waivers.
[8] *View Filings,* Vermont Rate Review, May 2024, https://ratereview.vermont.gov/view-filings.
[9] *Thirteen insurers request average 11.3% rate change for 2025 individual health insurance market,* Office of the Insurance Commissioner Washington State, May 29, 2024, https://www.insurance.wa.gov/news/thirteen-insurers-request-average-113-rate-change-2025-individual-health-insurance-market?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=.
[10] *Oregon Health Rates – 2025 Rates*, Oregon.gov Division of Financial Regulation, May 2024, https://dfr.oregon.gov/healthrates/pages/index.aspx.
[11] *Connecticut Insurance Department Releases Health Insurance Rate Request Filings for 2025*, CT Insurance Department, June 7, 2024, https://portal.ct.gov/cid/home/press-releases/2024-press-releases/2024-06-07?utm_medium=email&utm_campaign=ACA+Health+Insurance+Rate+Request+Filings+for+2025&utm_content=

Maryland[12]	6.7%	259,600	5
District of Columbia[13]	6.3%	9,800	2
Medicare Advantage[14]	3.7%	n/a	n/a

New York does not incorporate an affordability standard through its rate review process. Rhode Island offers a model for affordability standards that insurers must meet to have their rates approved. Their standards include increased spending on primary care and working towards comprehensive payment reform. As a part of the payment reform, Rhode Island carriers must maintain contracted hospital price increases below inflation plus one percent. In addition, the carriers must ensure that at least half of the average rate increase will be for expected quality incentive payments.[15] A 2019 Health Affairs study of the implementation of these standards found an average net reduction in quarterly health care spending of $55 per enrollee.[16]

Given New York's carriers' extremely high rate requests, in 2026 the Department should propose to amend the prior approval statute to implement an affordability standard as a part of the rate review process. Evaluating proposed rate increases based on affordability criteria such as income levels and premium tax credits would allow the Department to better hold insurance companies accountable for the affordability and quality of their products. Improved affordability of insurance products could reduce the number of uninsured New Yorkers impacted by medical debt.

In addition, the State should implement benchmarks for health care growth to ensure that premium dollars are being correctly spent. For example, New York's carriers pay an outsized portion of their premiums for expensive hospitalization instead of primary care. Nationally, New York is the state with the highest amount of health care expenditures per capita at $14,007 compared to the $10,191 national average.[17] New York also spends 39.3 percent of its health

ACA+Health+Insurance+Rate+Request+Filings+for+2025+CID_ca97c7ca9abeb9f84bf56c7357f4e8f0&utm_source=CID+Campaign+Monitor&utm_term=Read+on+CTGOV&language=en_US.

[12] *Insurance Administration Rate Review,* Maryland.gov, June 2024, http://www.healthrates.mdinsurance.state.md.us/.

[13] *Information About Proposed Rates for January 2025 Health Plan Offerings on DC Health Link,* District of Columbia Department of Insurance, Securities & Banking, https://disb.dc.gov/page/information-about-proposed-rates-january-2025-health-plan-offerings-dc-health-link.

[14] *2025 Medicare Advantage and Part D Rate Announcement,* Centers for Medicare & Medicaid Services, April 1, 2024, https://www.cms.gov/newsroom/fact-sheets/2025-medicare-advantage-and-part-d-rate-announcement.

[15] Butler, Johanna, *Disrupting Hospital Price Increases: Using Growth Caps in Insurance Rate Review*, National Academy for State Health Policy (NASHP), December 2021, https://nashp.org/disrupting-hospital-price-increases-using-growth-caps-in-insurance-rate-review/#:~:text=A%202019%20Health%20Affairs%20review,%2455%20from%202010%20to%202016.

[16] Baum, Aaron et al. *Health Care Spending Slowed After Rhode Island Applied Affordability Standards To Commercial Insurers*, Health Affairs, February 2019, https://doi.org/10.1377/hlthaff.2018.05164.

[17] *Health Care Expenditures per Capita by State of Residence*, KFF, 2020,

care expenditures on hospital care, more than the national average of 37.8 percent.[18] Nationally, primary care accounts for 35 percent of health care visits annually. However, only around five percent of all health care expenditures are for primary care services.[19] Many states have already adopted policies to increase spending on primary care over time.[20] Rhode Island was the first state to mandate commercial insurers increase primary care spending by 1 percent per year, with the goal of reaching 10 percent of the total cost of care. As a result, primary care spending in Rhode Island grew by 37 percent from 2008 to 2012. During the same period, total medical spending fell 14 percent.[21]

New York carriers' 2025 rate requests exceed the requests of other states, making it a national outlier. The Department should continue its practice of cutting the carriers' requests to what is reasonable, particularly given the growth and stabilization of New York's individual market. To better protect consumers in future years, the Department should propose to amend the prior approval statute to implement an affordability standard as a part of the rate review process. In addition, the State should implement benchmarks for health care growth to ensure that premium dollars are being correctly spent on primary care in lieu of expensive hospitalizations. These changes would benefit consumers but also help bring down overall healthcare system costs.

D. Medical Loss Ratios

Consistent with the experience of carriers throughout the United States, New York plans experienced very high profits in 2020, followed by much lower profits from 2021 to 2023. The carriers' medical loss ratios (MLRs) show how much revenue they spent on health care for members as opposed to administrative costs and profit. For 2023, the carriers reported an unweighted average MLR of 99 percent.

In their filings, the carriers project a much lower unweighted average MLR of 93.4 percent for the 2024 plan year, indicating a substantial stabilization in the wake of two years of historic rate increases.

Table 5. Medical Loss Ratios in New York's Individual Market, 2021-2025

https://www.kff.org/other/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.

[18] *Distribution of Health Care Expenditures by Service by State of Residence (in millions)*, KFF, 2020, https://www.kff.org/other/state-indicator/distribution-of-health-care-expenditures-by-service-by-state-of-residence-in-millions/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Hospital%20Care%22,%22sort%22:%22desc%22%7D.

[19] *Implementing High-Quality Primary Care Rebuilding the Foundation of Health Care*, National Academy of Science, Engineering and Medicine, 2021, https://www.nap.edu/read/25983/chapter/3.

[20] Koller, C. & Khullar, D. *Primary Care Spending Rate - A Lever for Encouraging Investment in Primary Care,* The New England Journal of Medicine, 2017, https://www.nejm.org/doi/full/10.1056/NEJMp1709538.

[21] *Primary Care Spending in Rhode Island*, Office of the Health Insurance Commissioner – State of Rhode Island, January 2014, https://ohic.ri.gov/sites/g/files/xkgbur736/files/documents/Primary-Care-Spending-generalprimary-care-Jan-2014.pdf.

Plan	*2021*	*2022*	*2023*	*Projected 2024*	*Requested 2025*
Highmark	108.6%	117.4%	121.1%	111.0%	91.8%
Emblem	95.6%	104.6%	116.2%	99.3%	82.1%
IHBC	100.7%	116.2%	113.3%	96.0%	83.5%
CDPHP	112.2%	116.1%	99.6%	96.4%	85.5%
Excellus	97.5%	99.6%	96.8%	90.9%	87.8%
Oscar	99.9%	90.0%	96.1%	93.0%	85.8%
MetroPlus	113.8%	102.2%	95.8%	89.0%	88.4%
Fidelis	89.4%	104.2%	95.4%	83.2%	84.6%
MVP	99.0%	92.4%	95.2%	87.1%	86.6%
United	96.7%	97.8%	87.8%	95.1%	88.1%
HealthPlus	81.9%	80.8%	86.0%	89.9%	89.7%
Healthfirst	89.3%	86.3%	84.8%	90.4%	91.2%
Average	**98.7%**	**100.6%**	**99.0%**	**93.4%**	**87.1%**

Somewhat elevated MLRs do not necessarily mean the carriers should receive another large rate increase in 2025. Nearly all the carriers reporting very high MLRs in 2023 are already estimating that their MLR will be lower in 2024. Some carriers seek unnecessarily low MLRs. For example, Emblem requests a 51 percent rate increase to drive its MLR from 116.2 percent (reported so far for 2023) to just 82.1 percent in 2025. The Department should require carriers like Emblem to reexamine its own operational practices that make it a market outlier instead of making its enrollees bear such a large rate increase to achieve this low MLR.

Accordingly, the Department should rigorously evaluate the carriers' projected MLRs for the 2025 plan year and return to its historic practice of protecting individual market consumers by curbing the carriers' proposed requests dramatically.

E. Medical trend

New York's carriers provide a variety of medical trend estimates that indicate that they are capable of meaningfully controlling health care costs over time. Medical trend is the portion of the rate request based on changes in prices and utilization. The purpose of insurance is to both spread risk and to aggregate its enrollees' bargaining power to leverage price negotiations with providers, drug makers, and medical equipment manufacturers. On average, New York's individual market carriers seek a 9 percent medical trend, far exceeding national norms. (See Table 6.)

Table 6. Estimated 2025 Medical Trend by Carrier, New York	
Carrier	*Estimated Medical Trend*
CDPHP	14.2%
Emblem	11.7%
Highmark	9.8%
United	9.6%
MetroPlus	8.9%
Excellus	8.7%
IHBC	8.4%
HealthPlus	8.3%
Fidelis	7.9%
MVP	7.7%
Healthfirst	7.0%[22]
Oscar	5.9%
Average	**9.0%**

The Department has a critical role in controlling medical cost inflation. To this end, it should impose greater standardization in medical trend estimates within New York. There is significant variation in the trend estimates among the carriers, from 5.9 percent to 14.2 percent (see Table 6). In 2023, New York carriers were granted an 8.1 percent average medical trend. In 2024, the carriers requested an average of 7.8 percent medical trend which the Department lowered to an average of 7.1 percent.

At the national level, medical cost inflation is considerably lower than those proposed by New York's carriers. (See Table 7). Like some New York carriers, these experts identified the rising cost of GLP-1 drugs as driving costs up in 2024. Segal, Milliman, and CMS provided a breakdown of medical and pharmacy trends used to calculate the composite. PWC only provided a composite trend.

Table 7. Average Annual Medical Trend Projection, National Sources			
Source	*Medical Trend (60%)*	*Pharmacy Trend (40%)*	*Composite*

[22] Healthfirst 2025 Rate Application, Actuarial Memorandum, page 4. See Healthfirst carrier-specific letter for details on inconsistencies within its projected medical trend.

Segal[23]	7.3%	9.9%	8.3%
PWC[24]	n/a	n/a	7.0%
Milliman[25]	7.1%	5.6%	6.5%
CMS[26]	5.2%	6.8%	5.8%
Average			**6.9%**

New York's rates have already incorporated increases based on 2024 trend rate of 7.1 percent. Both real and medical inflation have tapered in the past year. Accordingly, in setting the 2025 rates, the Department should secure downward trend adjustments across all carriers and enforce a trend cap of 6.9 percent that is consistent with expert national projections.

F. Administrative costs and profit

Administrative costs and profits are another area in which there is excessive variation in carriers' rate applications. On average, the carriers seek to spend 11.4 percent of their rates on administrative costs (Table 7). Emblem expects the biggest proportion to go toward administrative costs, at 16 percent. Highmark expects the lowest, at 7 percent. New York has a robust individual market, with many carriers, and the state is in a strong position to improve affordability for consumers by capping administrative costs.

Accordingly, the Department should consider setting a ceiling expense ratio ceiling of 10 percent.

Table 8. Administrative Costs vs Profit

Carrier	*Projected Administrative Costs*	*Requested Profit/Surplus*
Emblem	16.0%	2.0%
CDPHP	13.5%	1.0%
IHBC	13.5%	3.0%
Fidelis	12.8%	1.0%
Healthfirst	12.6%	1.0%

[23] *What Are the Projected 2024 Health Plan Cost Trends*, Segal, September 2023, https://www.segalco.com/consulting-insights/2024-health-plan-cost-trend-survey.
[24] *Medical Cost Trend: Behind the Numbers 2024*, PWC, https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html.
[25] *Healthfirst 2025 Rate Application*, Actuarial Memorandum, page 4.
[26] *National Health Expenditure Projections 2023-2032*, CMS, https://www.cms.gov/files/document/nhe-projections-forecast-summary.pdf.

MVP	11.9%	1.5%
Excellus	10.7%	1.5%
Oscar	10.4%	3.8%
MetroPlus	10.1%	1.5%
United	9.6%	5.0%
Anthem	8.3%	2.0%
Highmark	7.0%	1.0%
Average	**11.4%**	**2.0%**

Profit and surplus requests range from 1 to 5 percent. The Department capped profit and surplus at 0.5 percent for the 2023 rates but did not do so in 2024. This contributed to consumers experiencing the highest rate increases since the power of prior approval was restored to the Department by the State Legislature.

Facing a third round of unprecedented rate increases, the Department should consider protecting consumers and return to its prior practice of capping profit and surplus at 0.5 percent for the 2025 plan year.

G. The Degrading Quality of Carriers' Rate Request Documentation

In order to have a meaningful public rate review process, the Department and the public should be able to review clear and comparable filings. But the quality of the rate filings by the carriers continues to deteriorate – with many actuarial memoranda providing little or no meaningful justifications for the carrier's requests.

In the carrier's rate applications for 2025, there are many cases where there is an inadequate amount of information for consumers and consumer advocates to evaluate and comment on their claims. Further, there were several cases of: inconsistent information between the carriers' actuarial memoranda and their exhibits; typos; and disregard of the Department's instructions around what should not be included in the 2025 rates due to the IRIP.

Proffering comprehensible actuarial memoranda is attainable. For example, Healthfirst provided a comprehensive and detailed actuarial memorandum. In addition to listing the premium adjustments the carrier seeks, it also provides its sources, calculations, and justification for each adjustment. This should be the standard among individual market carriers. By contrast, MVP's actuarial memorandum provides a very brief description of medical trend with no numbers, sources, or justification that is unique to 2025.

Starting in 2026, the Department should address this problem by issuing a standardized template Actual Memorandum and requiring the carriers to comprehensively detail their rate

increases in a standardized memorandum format with citations. The Department should reject rate increases for carriers whose memoranda include redactions or do not follow the template

H. Complaint and quality data

HCFANY also urges the Department to incorporate its own complaint and quality information into the rate review process. The Department publishes the New York Consumer Guide to Health Insurers each year so that consumers can see which plans perform the best. The report provides data on how many complaints the Department receives for each company, how many coverage appeals are filed and what proportion result in reversals of the plan's decisions, and how often appeals are escalated outside of the company to the State's External Appeal program. When plans have high reversal rates, it sometimes means they deny care without any basis and then spend administrative resources on appeals that should not be necessary. The report also shows how well the companies do on performance measures such as access to preventive care or ensuring people with chronic conditions are receiving the care they need.

The Department should also revise this Guide so that it lives up to its "consumer" title by including complaint and quality data for all plans available through the individual market. For example, the largest individual market carriers are omitted from the Guide, including Fidelis, Healthfirst and MetroPlus. The Department could easily gather this data from its sister agency, the New York State Department of Health, or its own External Appeals database, located on the Department's website. Including all individual market carriers would benefit those consumers who are most likely to use it to support their enrollment decisions.

The state should integrate these independent—consumer facing--measures of product value into its prior approval review. If plan members are unable to access care, that company should be asked to improve in advance of authorizing large rate increases.

II. HealthPlus

HealthPlus, formerly Empire, is a for-profit health insurer that offers individual HMO plans in the following regions: Albany, Long Island, Mid-Hudson, New York City, and Upstate (Clinton and Essex). HealthPlus's 2024 filings indicate that it covers 25,138 people, up from 18,929 in 2023 – a 33 percent increase in membership. Since 2021, HealthPlus has increased members each year following a decline in membership from a high of 54,058 in 2017 to 14,719 members in 2021. Its past membership declines were driven by two factors: (1) a major reduction of network size; and (2) consumer confusion caused by multiple years of substituting new products and networks, causing major disruptions in the member experience.

Despite radically reducing its commercial network to its smaller and cheaper public program network, HealthPlus continues to be the third most expensive plan in the state in 2024. For 2025, HealthPlus seeks a 14.5 percent rate increase. If approved, the weighted premiums would be $929 per member per month.

The Department should consider rejecting HealthPlus's request for a rate increase. Last year, the Department wisely rejected its 20.7 percent rate request, awarding just 8.6 percent. Most importantly, HealthPlus's three-year average Medical Loss Ratio (MLR) of 82.9 percent (2021-2023) is the lowest of all carriers and barely meets the state minimum of 82 percent, indicating that it is still substantially over-priced.

A. **HealthPlus has a history of low MLRs that suggests it does not need a rate increase for 2025.**

In 2020, HealthPlus had an MLR of just 69.0 percent, far below any of the other carriers (the next lowest was 77.2 percent) and the legally required 82 percent. In 2021, HealthPlus reported an MLR of 80.4 percent, again failing to meet the statutory minimum. In 2022, for the first time in several years, HealthPlus finally—and just barely—met the statutory MLR at 84.6 percent. In 2023, its MLR was higher at 86 percent; however, it was significantly lower than the 99 percent average amongst all individual marker carriers.

For 2025, HealthPlus projects an MLR of 89.7 percent. In 2024, HealthPlus seeks to keep 11.1 percent of its premium payments for an MLR of 89.9 percent. The Department should consider rejecting or substantially paring back HealthPlus's rate increase for the following reasons: (1) it has failed to meet the legally required minimum MLR for three out of the past four years; (2) it received a substantial rate increase last year; and (3) its products remain overvalued.

B. **HealthPlus's proposed medical trend of 8.3 percent should be reduced to 6.9 percent.**

HealthPlus's actuarial memoranda provides no detail about why it seeks a higher-than-average medical trend, except to cite amorphous "known cost drivers." The Department should require carriers to provide meaningful, specific details about their trend estimates in their actuarial memoranda. Other carriers, like Excellus, include a trend chart in their actuarial memo that includes projected medical and drug trends broken down by unit cost and utilization.

As described above in Section E. of the General Comments the Department should consider reducing the carrier's trend adjustment to 6.9 percent, consistent with expert projections for 2025.

C. **HealthPlus should not be granted a two percent profit for 2025.**

Last year, the Department allowed HealthPlus to retain a 1 percent profit, over consumer objections. For the 2025 plan year, HealthPlus seeks to retain 2 percent of its premium revenue as profit.

As described above in Section F. of the General Comments, the Department should consider returning to its practice of capping profit at 0.5 percent as it has done in the past for all carriers.

In HealthPlus's case, a downward adjustment of profits to 0.5 percent is particularly warranted given its multi-year failure to maintain an adequate MLR and its over-priced product offering,

D. **HealthPlus's adjustment for legislative changes should be rejected.**

HealthPlus seeks an adjustment of 2 percent due to New York State legislative changes not reflected in the experience data. The carrier cites the impact of the state-mandated GLP-1 drug coverage. HealthPlus is the only carrier to cite a significant fiscal impact of this policy change and propose to increase its premiums accordingly.

Other carriers do cite GLP-1 cost and utilization in their justification for medical trend; however, HealthPlus's medical trend justification in its actuarial memorandum is so vague that it does not cite any specific drug or drug class. The carrier refers to specialty drugs, including weight loss drugs, as a driver for health costs in its narrative summary but does not quantify the impact of these drugs. This rationale is inadequate, and the Department should therefore reject any upward adjustment related to GLP-1 products.

E. **HealthPlus's adjustment for a grace period factor should be rejected.**

HeathPlus has proposed a 0.03 percent increase for incidences of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims.

HealthPlus is the only carrier to cite a significant fiscal impact of this policy change and proposes to increase its premiums accordingly. The Department should reject this request.

F. **HealthPlus's 0.02 percent upward adjustment for Covid-19 should be rejected.**

In 2025 less than half of carriers made an upward adjustment for the impact of the change in the expected unit cost and utilization of Covid-19 testing and vaccination. HealthPlus's actuarial memorandum provides no detail for this adjustment. It only states, "this factor reflects the difference in actual Covid-19 claims cost in the experience period and the projected claims cost for the rating period."

The Department should consider rejecting an upward adjustment for Covid-19 in the absence of detail as to why HealthPlus costs for covid testing and vaccination would be different than its peer plans, which either made no adjustment at all or a downward adjustment.

G. **HealthPlus's quality and appeal data should be considered when reviewing its rate request.**

The Department should refer to its Consumer Guide in determining whether HealthPlus, a subsidiary of Empire, warrants a substantial rate increase. According to the 2023 Consumer Guide, Empire's enrollees filed the largest number of external review requests (743 out of

1,640).[27] Its reversal rate was around the same (43 percent) as the state's average of 45 percent, indicating that its enrollees may be experiencing unnecessary claim denials for the large premiums that they pay. Empire ranks poorly in prompt payment complaints (12 out of 15).[28]

Empire's quality of care rankings are poor in several measures, including: getting care quickly, child and adolescent well-care visits, and breast cancer screening.[29] These indicators should be considered as the Department conducts its review of Empire's rate increase request.

H. **Enrollees' concerns should be honored.**

Last, but not least, we urge the Department to consider the concerns of Empire/HealthPlus's enrollees, who so eloquently have voiced their objection to its proposed rate increase.

- "Continued rate increases are creating undue financial hardship for customers who want to keep having health insurance. The system needs to do better. It is unconscionable to keep increasing rates. I've switched plans 4 times already because of this."
- "I am a small business and health insurance over the past ten years has gotten increasingly crazily expensive with FEWER AND FEWER COVERAGES. I took a brief turn inside a company recently [...] Back in business for myself, and of course I find that the insurance options are worse than ever and more expensive than ever. I am now paying MORE for a bronze level plan that I did just 2-3 years ago for a silver plan."
- "I already pay so much more than I ever have in any other state for my insurance and it is the worst coverage and plan I've ever had. In CT I paid $250 a month and had all my meds accepted for coverage easily. In NJ, I paid $400 and had no issues. Here I pay over $600 a month and I can't even get the prescriptions approved that my doctor prescribes. You don't need more of my money - you need to stop being money hungry savages"
- "Dear Department of Financial Services, I am writing to register a vehement objection to the proposed 20% increase in my health insurance premium, as submitted by Anthem Blue Cross Blue Shield. This exorbitant adjustment, arriving barely into the second month of my policy, is not only unjust but also in flagrant violation of consumer protection laws both in New York State and the United States. Under the auspices of New York's health insurance protection laws, insurers are obligated to operate with fairness, transparency, and accountability. It is incumbent upon them to provide reasonable justifications for any proposed premium changes, especially when such alterations significantly impact policyholders' financial well-being. My decision to opt for this particular health insurance plan was informed by a desire to minimize out-of-pocket costs while ensuring comprehensive coverage. However, the proposed premium hike directly contradicts the assurances made during the enrollment process. This unilateral action not

[27] 2023 New York State Consumer Guide to Health Insurers, Department of Financial Services (DFS), p.22, https://www.dfs.ny.gov/consumers/health_insurance/guide_2023.
[28] Ibid. at 11.
[29] Ibid. At 36, 45.

only undermines the trust between policyholders and insurers but also disregards the fundamental principles of consumer rights. Furthermore, as a diligent and responsible policyholder, I have yet to utilize any medical services or medications covered by my policy. This underscores the inequity of the proposed premium increase, as it penalizes proactive individuals who seek to maintain their health without burdening the healthcare system unnecessarily. I implore the Department of Financial Services to intervene decisively in this matter and hold Anthem Blue Cross Blue Shield accountable for its unjust practices. The laws and regulations governing health insurance in New York and the United States must be enforced rigorously to protect the interests of policyholders and ensure fair treatment by insurers. In conclusion, I demand a thorough review of the proposed premium increase and insist on its immediate retraction. Anything short of this would be a betrayal of the principles of fairness, equity, and consumer rights that form the bedrock of our healthcare system. Thank you for your attention to this urgent matter."

- "I am an independent contractor who pays more than $704 per month plus high deductibles and copays. This is not affordable health insurance. It a burden to pay this much. I can't imagine paying even more - especially given the poor quality of the insurance. Recently I attempted to find an dermatologist who took this insurance. I called for days and had Anthem look too. Anthem could not even find a dermatologist in NYC who took their insurance. They offered to refer me to their team to help me find a new plan. I ultimately found a corporate chain dermatology company who took Anthem but when I showed up for the appointment refused to take my referral because it didn't have a reference number or my new doctor (from my old doctor's group practice) listed a my primary care doctor. I fixed that error and then had to call my primary doctor mulitple times to get the right referral to see the dermatologist. Once I finally saw a dermatologist, I was referred to another subcontracted prescription company to get approval from Anthem for a medication I have had for years. The bureaucracy of insurance companies are why the premimums are going up. It absurd I should have to pay more."

Thank you for your consideration of these comments.

Very truly yours,

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