

April 30, 2010

Senator Dianne Feinstein
United States Senate
331 Hart Office Building
Washington, D.C. 20510

Representative Jan Schakowsky
United States House of Representatives
2367 Rayburn Office Building
Washington, DC 20515

Dear Senator Feinstein and Representative Schakowsky,

As leading provider, consumer, small business, faith, civil rights, and labor organizations, **we write today to express our strong support of The Health Insurance Rate Authority Act of 2010 (S. 3078/H.R. 4757).**

With recession already stretching the finances of American families, and with many small businesses struggling to afford health coverage, large premium increases by the health insurance industry have put both America's economy and its health at risk. With the enactment of the Patient Protection and Affordable Care Act and the Health Care And Education Reconciliation Act of 2010, the 111th Congress took strong steps to curb insurance industry abuses and make health insurance affordable—including requiring insurance plans to dedicate 80-85% of premium dollars to care, insisting that insurers post their proposed rate increases online, and denying access to health insurance exchanges for plans that inflict exorbitant rate hikes on their customers.

But now, just as the federal government is preparing to implement strong, pro-consumer and small business reforms, insurers are exploiting gaps in some states' consumer protection laws to boost premiums at the expense of consumers and small businesses. According to press reports and research conducted by Health Care for America Now and the U.S. Department of Health and Human Services, Anthem Blue Cross of California's outrageous attempt to raise premiums by up to 39% appears now to be the beginning of a wave of proposed premium increases.

While some states do require insurers to file their proposed rate increases for regulatory review and approval, others provide only for weak oversight. Twenty-six states lack strong review authority, leaving unjustified and excessive rate hikes unchecked by state law. No individual or small business should have to rely on the word of their insurers that their rates are fair when the stakes for patients and their families are so high. The Health Insurance Rate Authority Act would end this unfortunate disparity.

This bill builds on the strong consumer and small business protections already enacted in this year's federal health reform legislation. The new Health Insurance Rate Authority would work collaboratively with state insurance regulators, coordinating with those that already have adequate rate review processes and acting as a federal backstop for states that currently lack such protections. Making information about insurers' rate proposals publically available over the internet will bring much-needed transparency, allowing consumers and small businesses to understand what's behind the new rates they're being asked to pay. By providing regulators with a flexible range of potential remedies, including the possibility of requiring insurance companies to provide rebates to their customers, your bill ensures that officials reviewing unjustified rate increases have the tools necessary to correct them.

This bill, if enacted, will be a significant step forward for America's consumers and small businesses. We commend you for your continued leadership and look forward to working with you to win passage of this important consumer protection.

Sincerely,

National Organizations:

Alliance for Retired Americans
American Federation of State, County, and Municipal Employees (AFSCME)
American Federation of Teachers
American Medical Student Association
Americans for Democratic Action, Inc.
America's Agenda: Health Care for All
Campaign for America's Future
Center for Community Change
Communications Workers of America (CWA)
Community Catalyst
Consumer Action
Consumer Federation of America
Direct Care Alliance
Doctors for America
Families USA
Health Care for America Now
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
Main Street Alliance
National Council of La Raza (NCLR)
National Education Association
National Physicians Alliance
National Women's Health Network
National Women's Law Center
OWL - The Voice of Midlife and Older Women
PHI: Health Care for Health Care Workers
Progressive Future
Progressive States Network
Raising Women's Voices for the Health Care We Need
Service Employee International Union (SEIU)
Small Business Majority
United Food and Commercial Workers (UFCW)
USAction
U.S. Public Interest Research Group

State and Local Organizations:

Citizen Action of New York
Citizen Action of Wisconsin
Connecticut Citizen Action Group
Florida CHAIN (Community Health Action Information Network)
Granite State Organizing Project

Health Access California
Idaho Main Street Alliance
Illinois Main Street Alliance
Main Street Alliance of Washington
New Jersey Citizen Action
New Jersey Main Street Alliance
New York Immigration Coalition
North Carolina Fair Share
Northeast Action
Northwest Federation of Community Organizations
Oregon Action
Organize Now
Philadelphia Unemployment Project
Progressive Leadership Alliance of Nevada
South Carolina Fair Share
South Carolina Small Business Chamber of Commerce
Take Action Minnesota
Virginia Organizing Project
West Virginia Citizen Action Group