

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 111<sup>th</sup> 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