

TUESDAY, FEBRUARY 24, 2009 TESTIMONY:

Good afternoon members of the Insurance Committee. My name is Lynn Gelinas and I'm here to testify in support of House Bill 6531, An Act Clarifying Postclaims Underwriting.

In May 2007 I decided to change my job. Since my husband was self-employed, I always carried the medical insurance for our family through my employer. The new insurance would not be effective until 8/1/07 so I needed an inexpensive short-term policy to cover myself, my husband and my two teenage children.

I went online and looked at different plans through Anthem and Health Net. The cost for the four of us was about \$1,000 per month so I had to find something else. On 6/5/07 I called HPA – Health Plan Administrators-- and requested a quote. I answered “no” to eight questions over the phone and told him the medications we all take. Seven of the eight questions were short and straightforward questions but question number 6 was not. It stated, “*Within the past 5 years have you or any person proposed for coverage been aware of, received an abnormal test report, been diagnosed with, treated by or received follow-up care with a member of the medical profession or taken medication for heart disorder including but not limited to heart attack, stroke, cancer, tumor, emphysema or COPD, diabetes, liver disorder, kidney disorder other than stones, degenerative disc disease or herniated disc, rheumatoid or psoriatic arthritis, degenerative joint disease of the knees or hips, alcohol abuse or chemical dependency, hemophilia?*” I was told to answer the questions regarding myself and for anyone else on the policy. I was then quoted \$136/month with a \$2,500 deductible. I told the representative from HPA I wanted to check out his company and I'd call back. I then Googled HPA and saw they were registered with the State of Connecticut.

Two days later I called the same representative back to say I checked them out and wanted to purchase a policy. He said my information was no longer in the computer so I needed to re-apply. He asked the same eight questions as mentioned before, including the 88 words in question #6, and he quoted me a premium of \$269/month - \$133 more than two days ago! I was angry that the premium went up so much and he told me the computer calculates the quote and didn't know why it was different. Thinking I was being scammed, I hung up.

Thinking about it later that day, I realized I needed insurance so I called back and got another agent, Christine. She asked the same eight questions, including the 88-word question #6, and I also told her the medications we all take. I was quoted \$263/month with a \$2,500 deductible. She said there would also be a \$100 application fee. Coverage would begin 6/8/07. She did not ask to speak to my husband. I downloaded my temporary insurance cards. She never asked me to sign anything. I never even saw the completed application or had a chance to review the accuracy of Christine's entries on the application until later on.

My husband went into the hospital 7/28/07 with Congestive Heart Failure; HPA was notified and I assumed he would be covered. Steve died 11 days later after surgery for a valve replacement.

On 10/16/07 I received a certified letter from Caroline Wallin, Analyst with HPA stating there was a discrepancy with the way I answered question six, and she requested a written response

within 10 days. She said the question was answered “no” which contradicts the information they received from my husband’s Primary Care Physician, Dr. Deluca. Dr. Deluca stated that my husband was seen in 2003, 2004 and 2006 for tests on his heart. They also enclosed the application that I’d never seen before but the eight questions were familiar. As I said before, I never signed the application since these questions were asked over the phone, but my name and my husband’s were typed on the Signature lines. After reading her letter, I began to cry. I had lost my husband just two months ago and now they are questioning the application, which I thought might mean they would deny all the claims. I typed a letter in response and faxed it to Ms. Wallin. I stated how surprised I was to receive her letter and stated I was not aware that my husband had a heart problem. All I knew of my husband’s heart problems was that he had a heart murmur. He never disclosed to me that he was diagnosed in 2003 with mild aortic stenosis, as Dr. Deluca’s records indicated.

Five months later I received several letters from HPA saying all the doctors, labs and hospital for Steve’s claims were being denied for “Treatment for a preexisting condition” that was not disclosed on the application. All the letters from HPA said I could appeal the denial in writing within 60 days after receipt of the notice, which I did but they still would not pay the claims. The bills total about \$200,000.

I contacted the Office of the Healthcare Advocate for assistance with this case. They contacted HPA and explained the situation and requested that HPA allow me the opportunity to explain the circumstances of the application – my lack of knowledge of the pre-existing condition, but HPA would not budge.

Today, a year and a half later, the bills still aren’t paid. In September, I began paying \$5 to \$10 per month to the doctors and labs. Waterbury Hospital is still fighting HPA because it believes that HPA was wrong.

Thank you.