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*TESTIMONY OF  
ATTORNEY GENERAL GEORGE JEPSEN  
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE  
FEBRUARY 24, 2015*

I appreciate the opportunity to provide testimony on Senate Bill 9, An Act Concerning the Rate Approval Process for Certain Health Insurance Policies and Senate Bill 413, an Act Requiring a Public Hearing for Certain Health Insurance Rate Increase Requests. These bills would require the Insurance Department to conduct a limited number of public symposia for certain health insurance rate filings that seek to increase rates by a specified percentage. The proposals are similar to a bill the legislature passed in 2011. That bill was vetoed. In lieu of a vote to override the veto, the Insurance Commissioner and the Healthcare Advocate entered a letter agreement on August 1, 2011. Under that agreement, the Department agreed to hold up to four public hearings, when requested by the Healthcare Advocate, for health insurance rate filings seeking increases of 15 % or more. The letter agreement specified that such hearings would be held in accordance with the Uniform Administrative Procedures Act ("UAPA").

Since the letter agreement was entered, the Insurance Department has held one such hearing at the Healthcare Advocate's request. That hearing, which concerned a rate filing by Anthem Blue Cross and Blue Shield, was held in June 2014. My Office represented the Healthcare Advocate, who formally intervened in the administrative proceeding. Members of the public also attended and provided testimony in opposition to the rate increase. Many others filed written comments with the Department. Following the hearing, the Insurance Department issued a decision denying Anthem's request to increase rates.

I firmly believe the transparency of the hearing process in the Anthem rate proceeding, including the opportunity to cross-examine Anthem's witnesses, contributed significantly to the Department's decision to deny Anthem's application. Such hearings also give the public greater confidence in the process used to evaluate rates.

The bills before the Committee today would codify and make permanent an opportunity for public input in the rate review process. If the Committee elects to adopt such legislation, it must consider carefully the manner in which hearings shall be held, the frequency of such hearings, and the scope of the parties' participation in such hearings.

As currently drafted, Senate Bills 9 and 413 assign to my Office roles for which we are ill-suited. In particular, the bills authorize the Attorney General to request rate hearings. They also authorize the Attorney General to be a party to such proceedings. My Office is comprised of lawyers. Though we are capable of providing legal representation to the Healthcare Advocate,

as we did in the most recent rate hearing, we lack the expertise to evaluate whether a particular rate filing warrants a public hearing.

Because of these concerns, I respectfully request that any proposals on this subject not include provisions authorizing the Attorney General to request rate hearings or participate as a party. The Healthcare Advocate is better suited to serve those functions. The Attorney General's role should be limited to providing legal representation to the Healthcare Advocate in such proceedings.

Thank you once again for the opportunity to testify about this important matter. Please feel free to contact me if you have any questions about my testimony.