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Statement of State Healthcare Advocate Kevin Lembo in response to today's release of:

"Insurance Companies Prosper, Families Suffer: Our Broken Health Insurance System"

by the U.S. Department of Health and Human Service

Hartford, CT – On behalf of consumers across Connecticut, I commend HHS Secretary Sebelius for her advocacy on this important issue and agree that federal reform will, in part, help to fix what's broken in our system. The other critical piece, however, is fixing the present crazy-quilt of state-based insurance regulation, and creating meaningful standards and broad consumer protection authority shared by states and the federal government.

I have always been skeptical of the State Insurance Department's claim that it lacks the tools and authority necessary to dig deep on rate increase requests. More often than not, the companies get exactly what they ask for. (See the report by the non-partisan Office of Legislative Research here.) If, in fact, there is a question of authority, the Insurance Department must be given the right tools and compelled by law to use them appropriately.

Someone must put the interest of consumers first. Individuals and businesses are forced to accept these outrageous increases in insurance premiums, because they have no real power to change the outcome; no voice in the process; no real, open market. That must change.

Insurers must be forced to explain why they continue to raise prices on consumers, when they are already realizing historic profits. I completely agree with the Secretary that, "a broken health insurance system works for insurance companies – not families."

Connecticut, however, cannot wait for federal help. The Attorney General and I, together with the co-chairs of the Insurance Committee of the General Assembly, have proposed state legislation that will:

- Require public hearings for all insurer-proposed rate increase requests;
- Compel insurers to notify all policyholders of rate hike applications and dates of public hearings;
- Require the Insurance Department to approve, deny or modify every application (under current law, rate increases may go into effect without department action);
- Presume all information submitted at a rate proceeding is public, with the burden of proof on the insurer to show why it should not be disclosed;
- Empower the Attorney General's Office and the Healthcare Advocate to intervene as parties in all rate cases, and appeal rate decisions to the Superior Court, if necessary.

A public hearing on the Connecticut bill, S.B. 194, is scheduled for Thursday, February 25th, 1:00 pm, at the Legislative Office Building. Health insurance consumers of this state are strongly urged to attend or submit written comment.

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