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Resistance To Anthem Rate Increase

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The state's health care advocate called on Anthem Blue Cross and Blue Shield of Connecticut on Wednesday to withdraw a proposal that would increase rates on individual health insurance policies by as much as 32 percent — and urged the state insurance commissioner to reject the proposal if Anthem refuses.

HEALTH CARE

“The audacity of Anthem’s request and insensitivity to the families of Connecticut is troubling,” said Kevin Lembo, the state’s health care advocate. “In light of the terrible economic conditions of our country, state and, most importantly, our families, all health insurers

should be held to a zero increase in rates.”

The Courant reported Wednesday that Anthem wants to raise the rates on insurance policies that consumers buy on their own — not the group plans sold through large employers — by an average of 23 percent. The request affects 56,000 customers.

The state insurance department said Wednesday that Commissioner Thomas Sullivan understands “the impact this rate increase may have on certain Anthem members.”

“However, as the state’s insurance regulator, he is obligated to deal with this rate filing as he does with any other: carefully, thoughtfully, and in accordance with state law,” said Debra Korta, a department spokeswoman.

The department is not required to hold hearings on rate increase proposals, except for Medicare supplements. Korta could not say

whether a hearing could be held if there was a public outcry. Lembo said the commissioner has the power to call a hearing.

“If the insurance department is truly committed to protecting consumers and not just insurance companies, they will take any and all action,” Lembo said.

The rate hike request comes as lawmakers are debating state and national health care reforms, with individual rates at the heart of the dispute over how to expand coverage.

“From my standpoint, it’s a textbook example of what’s broken in the system and why health care reform is needed,” U.S. Rep. Joe Courtney, D-2nd District, said Wednesday.

Anthem said it needs the rate increases because its claim costs are rising and that it wants the increases to take effect Oct. 1 instead of the usual Jan. 1 start. On Wednesday, Anthem said it wouldn’t withdraw its proposal.

“The bottom line is that increases in claim costs for Anthem’s individual plans have surpassed premium increases significantly enough to require that we request a rate increase in October,” said Sarah Yeager, an Anthem spokeswoman.

Lembo said Gov. M. Jodi Rell could use her “executive authority” to “freeze all health insurers at their current approved rates” if Sullivan does not reject the request. Rell’s office declined comment Wednesday.

Lembo said he will propose in the next regular legislative session that the state form an independent oversight board to conduct rate hearings and make final judgments on requests for premium increases. Rate hearings should be required and “a higher standard of justification must be adopted,” he said.

“In the interim, the insurance companies must be forced to stand down,” Lembo said.