

Executive Committee

October 25, 2010

Phil Wheeler
President of CEO

Dan Livingston
LAPM&K

Lori Pelletier
AFL-CIO

Paul Filson
SEIU

Governor M. Jodi Rell
Executive Office of the Governor
State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Rell:

Tom Swan
CCAG

Sal Luciano
AFSCME

We are writing to you on behalf of Citizens for Economic Opportunity (CEO), a statewide coalition of labor unions, community, faith based, and citizen action groups working for corporate responsibility and transparency. CEO was originally formed in 1995 to combat harmful mega-mergers in the health care industry and to demand that the needs of consumers, employees and the community were not left out of the process. Our mission is to challenge corporations to meet the highest standards of honest and equitable treatment of their employees, communities and consumers.

We are requesting that you remove Thomas Sullivan as Insurance Commissioner. Connecticut consumers should be provided with affordable health care coverage and they should be protected from unjustified rate increases. There are several reasons we are disappointed with Commissioner Sullivan's failure to take action and protect consumers:

- Commissioner Sullivan has consistently approved the rate increases the insurance industry has requested, leaving consumers with medical needs driven to financial ruin. Recently Commissioner Sullivan approved rate increases for Anthem Blue Cross and Blue Shield by as much as 47% for policies in the individual market. Furthermore, Commissioner Sullivan has been quoted as saying that he approved the recent rate requests because federal health reform includes new benefits that insurers must provide starting September 23. Commissioner Sullivan's statement is total fabrication of the facts. Federal officials, consumer advocates and even Oxford Health Insurance say the price change should be 1-2 percent.
- Medicare Advantage Plans are an example of a successful program that has been able to lower their costs as a result of greater transparency and competition. The Centers for Medicare and Medicaid Services (CMS) recently announced that the Medicare Advantage plans will see an average drop of one percent in 2011. The Patient Protection and Affordable Care Act gave CMS the authority to negotiate with health plans in a competitive market. As a result, beneficiaries will save money and maintain their benefits. This illustrates how a program can be run more effectively when there is transparency and accountability.

- Mr. Sullivan is opposed to holding public hearings and conducting a thorough rate review. During the 2010 legislative session Commissioner Sullivan testified against S.B. 194 which would have established a new rate approval process for individual health insurance companies, HMOs, hospital and medical service corporations. The bill required a public hearing to be held on a proposed rate filing if it would increase rates by more than 10% and the healthcare advocate or attorney general requests the hearing. In his testimony, Mr. Sullivan called the bill “severely flawed.” What is Mr. Sullivan afraid of? When the system is more transparent and consumers have a voice in the process and rate decisions are made openly, everyone benefits.
- The Insurance Department must halt the argument that they have to pass along higher rates to consumers because of the federal reform law that was passed. Radical right politicians across the country are spreading this distortion. Filings with the U.S. Securities and Exchange Commission reveal that the five largest for-profit health insurance companies received huge profit gains for the first three months of 2010 compared with a year earlier. WellPoint, UnitedHealth Group, Aetna, Humana and CIGNA have reported a combined net income of \$3.2 billion, a 31 percent leap from the same period in 2009. Despite this outrageous injustice, Commissioner Sullivan consistently rubber stamps rate increases for individual health insurance policies.
- Commissioner Sullivan’s rubberstamping of virtually every insurance company request continues to reinforce the public perception that government officials appointed by Republicans end up as shills for the very industries they are supposed to regulate. This does great damage to the trust and respect people ought to have for the government they elect.

It is apparent that Connecticut is not being served effectively. We have concluded that the Insurance Department would be better served with new leadership. We urge you to act now to replace Commissioner Sullivan with a more consumer oriented individual. Your administration and Commissioner Sullivan are allowing our health care system to be rationed by health insurance companies who only give care to those who are healthy or wealthy enough to receive it.

Thank you for your attention to this matter. We look forward to your response.

Sincerely,

Phil Wheeler
President
Citizens for Economic Opportunity

Karen Schuessler
Director
Citizens for Economic Opportunity