

**Written Testimony to House Committee on Energy and Commerce  
Subcommittee on Oversight and Investigations**

**By Jeremy Arnold**

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I am an individual health insurance subscriber who has been directly impacted by Anthem Blue Cross's astonishing proposed rate increases in California.

Because I work as a self-employed writer and also have an additional part-time job, I have had to purchase individual health insurance. At the beginning of 2009, the premiums for my Right Plan PPO 40 policy were \$183 per month, or \$2196 per year. In March 2009, Anthem raised those premiums to \$231 per month, or \$2772 per year – an increase of 26%. Anthem last year also increased my prescription drug co-pay for both brand-name and generic drugs. In January 2010, Anthem informed me that my rates were going up again, to \$319 per month, or \$3828 per year – a further increase of 38%. Compared to what I was paying just 13 months ago, therefore, Anthem is attempting to raise my premiums by a whopping 74%.

This is outrageous. My benefits have not improved in any way, and I don't often go to the doctor. Last year I went a handful of times and paid about \$1250 in medical bills. Anthem paid a balance of about \$1600, far below my \$2700 in annual premiums. I did also take prescription drugs, including a generic and a brand-name drug to manage high cholesterol and blood pressure related to a mild heart condition that began after I joined Anthem. Those drug costs were subject to a separate \$500 brand-name deductible.

In its notice to me last month, Anthem offered to switch me to a plan with a lower increase in premiums but one which does not include brand-name drug coverage. That is unacceptable to me since I need that coverage to treat my condition. There are other Anthem plans, some of which require underwriting – in which case my preexisting condition would not be covered – and some of which don't require it but do carry high deductibles, lower lifetime maximums, and very poor prescription drug coverage, in some cases with a separate \$2000 brand-name deductible. If Anthem goes ahead with its desired rate increase, I will almost certainly be driven to a high-deductible policy and will have to hope that I don't get sick or injured. "Hope" is not an adequate health care policy. I am generally a healthy person who eats right, exercises and takes care of himself, and I resent being squeezed in this way.

Anthem tries to justify these seemingly arbitrary rate hikes by citing rising medical costs. This is disingenuous. If insurance companies believe that medical costs are out of control, they should fight them rather than simply passing them off to ordinary

Americans. Anthem's recent multibillion-dollar profits are repellent because they're at the expense of breaking the backs of people like me.

I don't have a problem with corporate profit-making; it's the foundation of American business and innovation, and it drives our economy. But I do have a problem with profiteering, especially when it's at a level that penetrates so far into the economic and social well-being of our country that Americans are discouraged from pursuing dreams and starting businesses, and are stuck in undesired jobs simply because they worry about losing their health insurance or being able to afford it for their employees. This is wrong. In fact, it's insane. And it must be fixed.

It would be simplistic to think that Anthem's corporate greed is the only problem here, though it is a huge one that I believe requires stringent regulation. Sharing the blame are indeed hospitals and doctors raising rates far above what is defensible and who, like the insurance companies, happily line their own pockets while blaming the other side; a legislature that is too beholden to special interests or consumed with partisan rhetoric on both sides of the aisle to take necessary action; and bloated bureaucracy all around. If all parties – legislators, insurance companies, medical providers – have any shred of fairness and decency, they will do whatever it takes to support and pass meaningful health reform now.