



**For Immediate Release**  
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**For More Information:**  
Elisabeth Benjamin (917) 364-3332  
Jessica Wisneski (845) 901-0264

## **State Budget Extends Lifeline to New Yorkers Includes Method to Regulate Health Insurance Rate Hikes**

Last night, the Legislature passed a budget extender that once again enables the State Department of Insurance to approve health insurance premium hikes on insurance policies for individuals and small groups (like small businesses) before they go into effect. Until today, insurance companies were able to simply file a rate increase and use it. This reinstatement of “prior approval” issues a lifeline to New York families that have been crippled by ever-increasing premiums.

“Between 2000 and 2009, health insurance premiums have increased by 92%, while median wages have only increased by 14%,” said Elisabeth Benjamin, Vice President of Health Initiatives at the Community Service Society and a founder of Health Care for All New York, “the Governor and the Legislature’s move to re-regulate out-of-control insurance rate hikes is a desperately needed State lifeline while we wait for the fruits of federal health reform.”

“Women juggling household budgets and arranging doctor visits for family members know that health care costs must be affordable,” said Lois Uttley, co-founder of Raising Women’s Voices for the Health Care We Need “that’s why the women of New York State applaud this important step in regaining public control over spiraling health insurance costs.”

This measure also limits insurance company administrative expenses and profits by requiring them to spend 82% of premium dollars on medical costs.

“Raising medical loss ratios will slow the growth in premiums and make sure that our health insurance system operates more efficiently,” said Mark Hannay, Director of Metro New York Health Care for All Campaign.

The law requires insurers to post a notice on the State Department of Insurance website of all proposed rate increases and for the Department to receive public comment. Although HCFANY is disappointed that the prior approval measure does not require public hearings for proposed rate hikes, it notes that consumers can still have meaningful input in the rate approval process. “We call upon the Insurance Department to post full



details of rate change applications online so that advocates and consumers will be able to offer informed comments on whether increases are excessive or unreasonable,” said Heidi Siegfried, Director of Health Policy for New Yorkers for Accessible Health Coverage.

“New York’s state legislature and Governor Paterson stood up *against* the big health insurance industry and their well-heeled lobbyists and stood up *for* health care consumers today.” said Jessica Wisneski, Legislative Director of Citizen Action of New York, “With the passage of this bill, the state can protect consumers from unjustified premium hikes and make big insurance companies spend more of our premium dollars on health care claims instead of CEO bonuses. We are proud of the legislature’s steps toward health care justice and thank champions like Senator Neil Breslin for working to get this done this year.”

HCFANY applauds the Legislature for its support of New York families in this time of economic hardship.

Read more about prior approval on HCFANY’s website: [www.hcfany.org](http://www.hcfany.org).

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***About Health Care For All New York (HCFANY)***

HCFANY is a coalition of more than 100 groups in New York State who are working to achieve affordable quality health care for all New Yorkers. *For more information, visit [www.hcfany.org](http://www.hcfany.org)*