



July 25, 2011

The Honorable Jack Conway
Attorney General of Kentucky
700 Capitol Avenue, Suite 118
Frankfort, Kentucky 40601

Dear Attorney General Conway:

Kentucky Voices for Health is a broad coalition of more than 250 organizations and individuals working to improve health and health care coverage for all Kentuckians. One of our current priorities is to educate and engage the public in the implementation of the federal Affordable Care Act (ACA) to ensure Kentuckians realize the maximum benefits of the law. Toward this end, we produced an issue brief last year, *The New Health Reform Law: What It Means for Kentuckians*, and maintain a Speaker's Bureau to educate the public about the new federal health reform law.

Based on your decision not to challenge this groundbreaking legislation, we know you understand its importance to Kentuckians. As you know, the law contains numerous private health insurance market reforms that will promote fairness and make coverage available to many who are now turned away by private insurers and will result in a significant expansion of Medicaid coverage that will make more than 200,000 additional Kentuckians eligible.

The ACA also contains important new requirements involving the review of health insurance rates by state government to ensure that the premiums charged to the public are fair and reasonable in relation to the benefits provided and cost of health services. To boost state capacity to review and regulate health insurance premiums, the law provides States with Health Insurance Premium Review Grants over five years. The Kentucky Department of Insurance received a \$1 million grant under this provision last August.

As you are well aware, while the Department of Insurance has the primary responsibility for regulating health insurance, your office also plays an important role in the process. As the state's chief consumer advocate, copies of all health insurance rate filings must be provided to your office prior to their approval by the Department of Insurance. More important, the Attorney General has specific legal authority under KRS 304.17A-095 to request the Insurance Commissioner to hold a hearing on rate requests that do not comply with state law.

We fully appreciate that having access to adequate actuarial assistance is critical to an effective premium review process, and it is our understanding that DOI is using part of its grant award to obtain additional health insurance actuaries. We are also aware that budget constraints make it difficult for your office to maintain a consulting health insurance actuary.

Kentucky Voices for Health strongly supports the current statutory role of the Attorney General in the health insurance rate review process. To maintain and strengthen this important role, we would urge your office to explore with the Kentucky Department of Insurance the possibility of sharing part of this \$1 million in new funding to allow your office to maintain a consulting health insurance actuary. We would also urge you to consider a joint application with DOI for future federal rate review funding or even a separate grant from your office to obtain needed funding.

To adequately protect consumers from unjustified or excessive rate increases as well as achieve maximum effectiveness, state officials at all levels of the health insurance rate review process must have the necessary actuarial expertise.

Thank you for your consideration of our request.

Sincerely,

A handwritten signature in cursive script that reads "Jodi Mitchell".

Jodi Mitchell
Executive Director

cc: Sharon Clark, Commissioner, Kentucky Department of Insurance