



June 23, 2015

Peter Lee, Executive Director
California Health Benefit Exchange
1601 Exposition Blvd.
Sacramento, CA 95815

Dear Peter,

We were disturbed to learn that Covered California has successfully lobbied the federal government to delay public disclosure of qualified health plan rate change proposals for six weeks. Citizens of every other state now have access to proposed rate hikes, except the people of California, who are already disadvantaged by the absence of rate regulation in this state.

We call upon you to publicly disclose the health insurance plans' proposed 2016 rates now.

The people of California are entitled to see the proposed rate changes for 2016 prior to any modifications (increases or decreases) that Covered California's intervention may inspire.

You have previously acknowledged that Covered California's approach to balancing its various interests does not always result in the lowest possible rate for each carrier. In addition, industry sources have suggested that Covered California has previously asked some regional insurance companies to raise their rates in order to be more in line with Anthem Blue Cross, a favored carrier at the exchange.

California consumers are entitled to know what baseline proposals health plans submit so that they can more fully understand any alteration in those proposals and whether they are getting the lowest rates possible.

As you know affordability continues to be a critical issue for California policyholders and Covered California members, as evidenced by the May Kaiser Family Foundation survey.

How can the public judge what kind of deal Covered California is getting for members if the initial rate proposals are not posted? This is especially true given that prior Covered California negotiating teams have had prior employment with the health insurance industry. You have a duty to the public to supply such basic information, as is now disclosed in every other state, given the secrecy and exceptionalism Covered California enjoys.

Your unusual lobbying of the federal government to make an exception for California in disclosing rate hikes raises significant questions about the exchange's need for secrecy. You can put these issues to rest today by making California health plans' initial proposed rate changes public.

We also understand you have met multiple times with the health insurance plans to give them direction and guidance. As these meetings contain information that all QHPs are privy to, their disclosure could not compromise Covered California's one-on-one negotiations with insurers. Under separate cover, we are submitting a Public Records Act request that you disclose information concerning these meetings.

Given the revelation in yesterday's Los Angeles Times that you have thrown consumers' personal health information privacy to the wind, it would be the height of hypocrisy should you simultaneously seek to keep insurers' rate proposals and other information secret.

Thanks for your prompt response.

A handwritten signature in black ink that reads "Carmen Balber". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Carmen Balber

A handwritten signature in black ink that reads "J. Court". The signature is cursive and stylized, with a prominent initial "J" and a large, sweeping "C".

Jamie Court