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August 6, 2026

Kaitlin Asrow
Acting Superintendent of Financial Services
New York State Department of Financial Services
One State Street
New York, NY 10004-1511

Re: Proposed Premium Rate Increases for 2027 – NYS Marketplace Individual Plans

Dear Acting Superintendent Asrow:

This is a critical time due to changes in federal policy that are causing hundreds of thousands of New Yorkers, including my constituents, to lose or get outpriced of comprehensive health insurance, against the already strained backdrop of rising costs for food and other essentials. I write to strongly urge you to reject the proposed premium rate increases that have been submitted by the 12 carriers that offer on-exchange Quality Health Plans (QHPs) for New York's individual market, and instead, approve the lowest-possible rate for 2027.

I am proud of the New York State of Health Marketplace and the robust selection of health insurance plans available to New Yorkers, but affordability is becoming an issue for an increasing number of individuals, as evidenced by the decrease in enrollees from **307,000 in 2024** to **240,100 in 2025** to **193,400 in 2026**. We are now facing the impacts of the enhanced premium tax credits that expired at the end of 2025, as well as policy changes under HR1, including 444,000 New York residents losing their Essential Plan coverage and thousands more who will no longer be eligible for premium tax credits as of January 1, 2027 due to their immigration status.

It is positive that a portion of the 444,000 individuals who lost Essential Plan coverage are going to the Marketplace for health insurance, hopefully offsetting the over 45,000 individuals who left the Marketplace following the expiration of the enhanced premium tax credits. These individuals, however, have incurred higher monthly expenses as a result and may be forced to select an inadequate insurance policy or forego health insurance altogether in order to make ends meet. In addition, as of January 1, 2027, approximately 55,000 people with lawful immigration statuses, including children, will no longer be eligible for ACA premium tax credits. Some of these individuals are in the group of people who lost Essential Plan coverage, while others already have QHP plans. For both groups, losing access to premium tax credits will likely mean losing access to health care insurance, especially if the proposed premium rate increases before you are approved.

As indicated below, Qualified Health Plan (QHP) providers have submitted proposed rate increases for 2027 that range from a **weighted average of 1.4% to 52.1%.** These proposed rate increases are excessive and unjustified due to lack of substantiation, inconsistencies, and unwarranted adjustments that are requested. Furthermore, the proposed premium rates for 2027 would pose a significant financial burden for my constituents and other New Yorkers who are already struggling financially and would cause even more New York residents to become underinsured or to forgo health insurance altogether in order to reduce monthly expenses.

Marketplace Carrier	Members	Market Share	2027 Proposed Premium Rate Increase and Weighted Average
United Healthcare*	6,272	3.2%	37.1% - 54% / (52.1%)
Fidelis*	72,116	37.4%	0%-33.6% / (28.4%)
Emblem*	2,397	1.2%	0% - 26.9% / (26.8%)
Highmark	2,735	1.4%	0% - 27.2% (23.8%)
Oscar *	8,113	4.2%	10.6% - 30.5% / (23.8%)
Excellus	17,260	8.9%	0% - 96.3% / (17.2%)
MetroPlus*	4,113	2.1%	14.3% - 28% / (17%)
Healthfirst*	32,293	16.8%	14.2% - 17.1% / (14.9%)
IHBC	4,092	2.1%	11.5% - 22.5% / (14.2%)
Anthem*	22,655	11.7%	0% - 26.4% / (11.3%)
MVP*	18,595	9.6%	0% - 72.1% / (10.7%)
CDPHP	2,729	1.4%	-7% - 96.6% / (1.4%)

* Carriers that issue QHP policies in New York City

Should these requested rate increases be approved, 98.6% of members statewide would face an average increase in premiums of over 10% and 47.4% of members would face an average increase of over 20%. In New York City, which is served by eight of the above carriers, 100% of members, including my constituents, would be subject to an average premium increase of over 10% and 53.4% of members would be subject to an average increase of over 20%. For 98.6% of New York policyholders, this would mean an average annual increase in premiums ranging from over $1,000 to over $7,000. Such an increase would be unaffordable and untenable, especially following other sizeable premium rate increases that were approved over the past several years.

I value our strong NYS insurance laws and the NYS Department of Financial Services for the critical role that it serves by evaluating whether proposed premium rates are unreasonable, excessive, inadequate, or unfairly discriminatory in order to help ensure that rates are justified and affordable for New Yorkers.

Unjustified Proposed Premium Rate Increases

QHP providers seek to justify the need for sizeable premium rate increases based on the impacts of market dynamics, including: enrollment of former Essential Plan enrollees, annual claim trend estimates, administrative costs, GLP-1 adjustments, legislative change adjustments, Medical Loss Ratio (MLR) considerations, profit estimates, and other adjustments. Many of these justifications are unsound. I urge you to closely scrutinize these arguments and to approve the lowest-possible rate.

Enrollment of Former Essential Plan (EP) Members
QHP providers are inconsistent in the adjustments they seek for the enrollment of former EP members who recently lost their coverage, **ranging from 3.6% to -4.4%**, with a higher number of providers proposing a negative adjustment, and a portion that did not seek an adjustment. As Health Care for All New York highlights in their comments, enrollment of this population may improve the risk pool. This could transpire, as EP members are generally younger and healthier than QHP members, less costly to insure, and are anticipated to have lower utilization of health care services.[1] I would add that because the EP provides good benefits, former EP members are likely to have had regular check-ups and received medical care for any health care issues. For the above reasons, proposed positive adjustments do not appear to be warranted.

Annual Claim Trend Estimates
The annual claim trend is a combination of the frequency and cost of claims. QHP providers are inconsistent in the annual claim trends they estimate for 2027, **ranging from 8.9% to 14.7%,** with an average of 11.3%. As Health Care for All New York states, this suggests an inflated trend, and it is a notable spike as compared to the approved trend of 6.7% (weighted average) over the last five years.[2] I urge you to closely scrutinize the conditions that are contributing to this spike. Factors such as upcoding and use of AI for billing, amongst others, artificially cause health care costs and insurance premiums to increase.[3] Without substantiation, it would be reasonable to reject the QHP providers' trend estimates for 2027 and approve the lowest-possible estimate for each carrier.

Administrative Costs
Proposed premium rate increases include administrative cost estimates **that range from 7.7% - 17%** to cover costs such as: general administration, broker and marketing expenses, quality improvement, utilization management, and selling expenses.

In its *2026 Premium Rate Approval – Decision Summary*, DFS explained that upon review of the data, **upper bounds of 10.95% and 13.30%** were established on administrative costs for larger for-profit insurers and smaller regional non-for-profit insurers, respectively.[4] There is a robust selection of ACA Navigators that help New Yorkers enroll in QHP plans at no charge and my constituents continue to have difficulty finding an in-network provider, getting information about coverage benefits, and dealing with coverage denials (some of which are in error). Based on affordability concerns, policyholder experience, and the implications for accessing the health care they need, I urge you to maintain those upper bounds, or lower them if justified, and to reject any requested increases in administrative costs.

GLP-1 Adjustments
GLP-1 medications were initially launched to treat diabetes and have rapidly gained in popularity for their weight loss benefits. These medications are expensive; however, they have been shown to help with cardiovascular, kidney, liver, arthritis, and sleep apnea disorders and to reduce the risk of major adverse cardiovascular events, including heart attack, stroke, heart failure, and death.[5] Such health benefits are accompanied by reduced health care costs. In addition, coverage of GLP-1 medications for obesity treatment in ACA Marketplace plans is limited.[6]

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[1] See: https://hcfany.org/wp-content/uploads/2026/07/MVP-2027-HCFANY-Comments.pdf, page 7.
[2] See: https://hcfany.org/wp-content/uploads/2026/07/MVP-2027-HCFANY-Comments.pdf, page 10.
[3] See: https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2027/#Distribution%20of%20proposed%202027%20rate%20changes%20among%20276%20ACA%20Marketplace%20insurers
[4] See: https://myportal.dfs.ny.gov/documents/538523/45010887/Anthem_HP_IND_BOTHX_AWLP-134536531_DecisionSummary
[5] See: https://pmc.ncbi.nlm.nih.gov/articles/PMC12281309/
[6] See: https://www.kff.org/medicaid/medicaid-coverage-of-and-spending-on-glp-

As illustrated below, the following QHP carriers request GLP-1 adjustments that range from 1% to 2.5%, while a portion of the providers do not request this adjustment, or it is unclear whether they do, establishing significant inconsistency in this rate setting consideration.

Carrier	GLP-1 Adjustment
Highmark	1%
Healthfirst	1.01%
CDPHP	1.2%
IHBC	2.2%
Excellus	2.3%
United	2.3%
Anthem	2.5%

Most of these carriers are consistent, however, in failing to provide adequate explanation of their requested adjustments, with the exception of Healthfirst. Considering the above-mentioned cost-savings factors, it would be reasonable to reject the requested GLP-1 adjustments.

Legislative Change Adjustments

Anthem, Highmark, and Emblem are outliers in requesting adjustments for legislative changes and they are also inconsistent in the legislative changes they cite, with one exception. Anthem and Highmark both request adjustments for coverage of epi-pens. Highmark specifies coverage required by 2024 bill S.7114-A, which provides for at least two medically-necessary epinephrine auto-injector devices for the emergency treatment of life-threatening allergic reactions, with annual out-of-pocket costs capped at $100. Anthem states that more details are provided in Exhibits E and F, but these Exhibits were not accessible.

Highmark is the only carrier that seeks an adjustment for the legislative change requiring coverage of additional breast cancer screenings when such screening is deemed necessary (2024 bill S.2465-C). Anthem seeks adjustments for additional coverage requirements, including: inhaler cost share, additional lung cancer diagnostics, and donor breast milk coverage. As mentioned above, it was not possible to see the details provided in Exhibits E and F.

Emblem proposes a 0.49% adjustment due to provisions in the FY2027 Enacted State Budget not reflected in the experience data, which limit the number of utilization reviews required for individuals with chronic health conditions. While Emblem estimates that the new policy will increase costs, the American Medical Association points to utilization reviews as increasing costs for carriers, as well as for patients and health care providers.[7] Furthermore, a KFF survey found that four out of 10 individuals with chronic health conditions consider utilization review to be the most significant challenge they experience with accessing health care.[8]

Highmark and Emblem indicated in their rate applications that the legislative changes are not reflected in existing data and the projected impact is based on estimated costs. Neither of the three carriers provides substantiation for their adjustment requests. Furthermore, all of the above coverage requirements are preventative measures with the potential to significantly reduce health care costs that would quickly add up if a person receives a later diagnosis of cancer, has a life-threatening pulmonary emergency, experiences complications if there is a delay in accessing health care, or if an infant does not have the necessary nutrients, antibodies, and enzymes necessary for

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[7] See: https://hcfany.org/wp-content/uploads/2026/07/Emblem-HIP-2027-HCFANY-Comments.pdf

[8] See: https://www.kff.org/from-drew-altman/are-the-tradeoffs-from-prior-authorization-worth-it/

growth, immune system development, and overall health. As a result, it seems reasonable to reject these proposed adjustments.

Medical Loss Ratio
The Medical Loss Ratio (MLR) is the percentage of each premium dollar that an insurance carrier spends on medical claims vs. administrative costs and profit, and as such, is one indicator of whether a proposed premium rate is reasonable. QHP carriers request MLRs for 2027 that **range from 82% to 91%**, with an average of 87%. Although all 12 carriers request MLRs at or above the minimum of 82%, an MLR in the mid-80's is the market norm for individual market plans.[9] When evaluating the proposed MLRs, I urge you to approve rates that will have the least negative impact on New Yorkers and help to stabilize enrollment.

Profit Estimates
The proposed premium rate increases include profit estimates, **ranging from 1% to 5%.** Considering that DFS placed a cap on profit margins of 0.5% for 2023 rates, 1% for 2024 and 2025, and 2% for 2026,[10] and based on the need to protect consumer access to health care, it would be prudent and reasonable to place a cap of 0.5% or 1% on profit percentages for 2027.

Other Adjustments
Finally, QHP providers request additional adjustments in their rate applications, as summarized below:

Anthem

- Anthem is alone in requesting an above average **"Grace Period" adjustment of 1.02%** to account for enrollees not paying premiums owed during the first month of the 90-day grace period when the QHP is responsible for paying claims.[11] Furthermore, Anthem also included a 1.02% "Grace Period" adjustment in its 2026 rate application, which was rejected by DFS.[12] Accordingly, this proposed adjustment for 2027 should be rejected as well.

Emblem

- Citing a significant number of members with HIV/AIDS and increasing costs of caring for them, Emblem requests a 1.04% adjustment. Health Care for All New York points out in their comments that this factor is already accounted for in Emblem's federal risk adjustment. Additionally, Health Care for All New York asserts that the cost of PrEP should not be factored, as it should also be covered by the federal risk adjustment. I encourage you to investigate these claims and to remove this adjustment if warranted.
- Emblem is the only QHP provider to request an adjustment for gene therapy, a type of treatment that is in its infancy. This proposed adjustment is based on cost estimates generated by a simulation model,[13] is speculative, and should be rejected.

Healthfirst

- It is unclear whether Healthfirst proposes an adjustment for maternity and diabetes cost-sharing benefits. If so, the adjustment should be removed, as these benefits will no longer be in effect as of January 1, 2027, due to the termination of the 1332 waiver.

[9] See: https://scienceinsights.org/what-is-a-good-medical-loss-ratio-for-health-insurance/
[10] See: https://hcfany.org/wp-content/uploads/2026/07/MVP-2027-HCFANY-Comments.pdf
[11] See: https://hcfany.org/wp-content/uploads/2026/07/Anthem-HP-2027-HCFANY-Comments.pdf
[12] See: https://myportal.dfs.ny.gov/documents/538523/45010887/Anthem_HP_IND_BOTHX_AWLP-134536531_DecisionSummary
[13] See: https://www.nature.com/articles/s41434-023-00419-9

Highmark

- Highmark is the only QHP carrier that requests a 2.4% "non-system claims" adjustment; and furthermore, does not provide adequate explanation to demonstrate that this adjustment is warranted or justified. I encourage you to reject or substantially reduce the proposed adjustment.

IHBC

- IHBC requests an adjustment for upcoming FDA approvals for breakthrough drugs or new indications for existing drugs, but the proposed adjustment is not substantiated. IHBC is the only QHP carrier that includes this proposed adjustment, which suggests they are not effectively mitigating high launch prices. At this time, when many New Yorkers are struggling to pay for health insurance, this adjustment should be rejected.

MVP

- For the second year in a row, MVP proposes an inflated adjustment of 6.8% for the expiration of the enhanced premium tax credit, asserting that a disproportionate number of healthy members are anticipated to exit the market, causing higher morbidity. The 6.8% rate is excessive for the following reasons: 1) DFS approved a 5% adjustment last year,[14] 2) 6.8% is higher than the market average,[15] and 3) Most New Yorkers who could no longer afford a QHP plan after losing the enhanced premium tax credit have already left the market. Accordingly, if an adjustment is approved, it should be considerably lower.
- MVP requests a 0.8% adjustment for broker fees, an estimate of broker costs based on the 2025 broker penetration rate. With a robust selection of ACA Navigators that provide free enrollment services, it would be reasonable to remove this adjustment.

United

- United is the only carrier to request the following adjustments: 1) A 0.3% adjustment for the New York State requirement to have an adequate behavioral health network; 2) A 0.76% adjustment for Independent Dispute Resolution process costs; 3) A 0.95% adjustment for the potential impact of "tariffs" on pharmacy and other supplies; and 4) A 0.5% adjustment for an unrealized premium tax. An adjustment should not be granted for complying with network adequacy requirements, especially when ghost networks are an ongoing issue, and the remaining adjustments lack substantiation, and are speculative or unwarranted. These proposed adjustments should be rejected.

QHP carriers have proposed excessive premium rate increases for 2027 based on inadequate or unfounded arguments. Should these rates be approved, my constituents and other New Yorkers, who are already struggling financially or experiencing food, housing, and health care insecurity, would be subject to sizeable premium rate increases. Such increases would cause even more New Yorkers to become underinsured or to forgo health insurance in order to make ends meet.

At this time, when 444,000 New York residents have lost their Essential Plan coverage, enhanced premium tax credits have expired, concerns about health care affordability and losing access to health insurance are paramount, and New York's Marketplace enrollment is on a downward trend, the proposed premium rate increases are untenable for New Yorkers. I strongly urge you to reject the proposed rate increases and approve the lowest-possible rates in order to help protect access to

[14] See: https://myportal.dfs.ny.gov/documents/538523/45010887/MVP_HP_IND_BOTHX_MVPH-134515640_DecisionSummary

[15] See: https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2027/#Distribution%20of%20proposed%202027%20rate%20changes%20among%20276%20ACA%20Marketplace%20insurers

health care in New York. Should you have any questions, please contact Dawn Gresham in my office at (212) 490-9535.

Sincerely,

Liz Krueger
State Senator