America's Health Insurance Plans (AHIP)
601 Pennsylvania Avenue, NW
South Building, Suite 500
Washington, D.C. 20004

June 27th, 2023

President & CEO Matt Eyles,

We write to you on behalf of People's Action, a national network of membership-based organizations whose Care Over Cost campaign works to get people the health care they need. People's Action represents one million people in America – many of whom have been harmed by the epidemic of care denials within the private health insurance industry that you represent. We believe everyone should have the health care they need, when they need it, and we demand you stop profiting by denying people their health care.

76% of people in America get their health insurance from a private company[1] based on the promise, explicit or implicit, that they and their covered family members will be able to afford and receive the care that they need.

Everyone deserves to get the care they need, when they need it, but private health insurance companies deny health care for their members well over 248 million times annually.[2] This averages out to more than once per covered member. Increasingly, **the major barrier to people receiving care is not lack of health insurance but the private health insurance corporations themselves** – many of which America's Health Insurance Plans (AHIP) represents.

Denials of care result in significant suffering for tens of millions of people annually in the form of medical debt, bankruptcy, ongoing sickness or injury, and even premature death. According to the Kaiser Family Foundation, 1 in 11 adults reported that they delayed or went without care because of the cost and nearly 1 in 10 adults (23 million people) owe over $250 in medical debt[3].

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[1] https://www.census.gov/library/publications/2021/demo/p60-274.html (66.5% exclusively through a private plan and then an additional 9.5% including privatized Medicaid and Medicare = 76% total insured through private plans)
[2] ACA Marketplace 48.3 million in 2020 in-network claim denials (source: https://www.kff.org/private-insurance/issue-brief/claims-denials-and-appeals-in-aca-marketplace-plans/) . Dept of Labor est. 200 million for employer delivered health insurance in 2017. 2023 number including other private health insurance coverage (Medicare Advantage & Privatized Medicaid) plus increase in ACA/employer markets likely to be much greater.
[3] https://www.healthsystemtracker.org/chart-collection/cost-affect-access-care/

The U.S. has a lower average life expectancy by six years than our peer countries, yet we pay $5,000 more per capita for health care. Meanwhile, AHIP-affiliated corporations rake in tens of billions in profits, while purchasing tens of billions of dollars in shares to inflate prices and over-compensate executives. These profits are taken through inflated premiums from your policyholders and inflated charges to public health insurance programs.

Here are some examples of your member corporations' profiteering:

- **Elevance Health** reported making more than $23 billion in profits and paying out more than $4.49 billion in cash dividends from 2017 through 2021. Additionally, in this period, Elevance repurchased and retired $9.98 billion worth of its stock, another way to reward shareholders and executives by making their shares more valuable. In 2021 alone, Elevance reported more than $6.1 billion in profit after paying expenses and taxes and paying out more than $1.15 billion in dividends to shareholders.[4] Elevance Health's CEO Gail Boudreaux took more than $19 million in compensation in 2021 and stands to take $59 million in a golden parachute if she is terminated even if for "good reason" as defined by the company.
- **Humana** saw a 66% increase in profits–$1.7 billion to $2.8 billion–between 2018 and 2022. These profits were largely gained by taking public money for public health programs and denying care to policyholders, a strategy Humana uses to make rich investors richer.[5] In 2022, Humana bought back $2.1 billion in shares by diverting resources from patients who need care and overcharging public programs. Humana also contributes millions of dollars annually to AHIP for politics and lobbying.[6]

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[4] Thanks to research by the Public Accountability Initiative. These figures come from Elevance's Forms 10-K filed with the IRS from 2021, 2020, and 2019. Available in the "Selected Filings" section at: https://www.sec.gov/edgar/browse/?CIK=1156039&owner=exclude.

[5] Research by the Public Accountability Initiative: Humana bought back over $2.1 billion in shares in 2022, a five year high and nearly two times more than the company spent on stock buybacks in 2018. These stock buybacks allow the company to inflate the price of its shares by removing a portion from the market and, in turn, boost returns for shareholders. The Humana stock price has risen over 20% in the past year (as of May 23rd, 2023), which likely allowed the Humana board to announce a new quarterly cash dividend of 88.5 cents per share to shareholders. This represents a 12% increase over the previous quarterly cash dividend of 78.75 cents. This means that some of Humana's largest shareholders, like BlackRock and Vanguard, will be handed tens of millions of dollars every year, while the company squeezes more in premium revenue from the country's seniors. Thanks to research by the Public Accountability Initiative: "According to the latest annual filing, Humana receives 82% of total premium and service revenue from federal government contracts".

[6] Humana spends the most on average to America's Health Insurance Plans (AHIP). The company pays $2.5 million in base dues to the group and helps finance the trade group's lobbying activities to the tune of about $1.3 million per year. Given Humana's focus on increasing enrollment in Medicare Advantage, its involvement in AHIP makes sense. AHIP is currently lobbying to prevent the federal government from cracking down on alleged overpayments to Medicare Advantage providers. If successful, the AHIP could save large insurers millions of dollars just from this one policy battle.

- **Aetna's** parent company, CVS Health, took $12 billion in profit in the last two years[7], while over the last five years paying out $12.7 billion in the form of dividends to make its rich shareholders richer, and authorizing $20 billion in share buybacks to inflate the value of those same shares.[8]
- **Cigna** was caught using a software program to auto-deny people's prior-authorization requests and claims without reviewing relevant medical case files.[9]

Your organization, America's Health Insurance Plans, takes money from your corporate members that should be spent on people's care and instead uses it to lobby against policies that would prioritize their policyholders' health. In 2022, you spent $13.3 million on lobbying lobbying against policies that would prioritize policyholders' health,[10] while $3 million went to your top three executives.[11]

Your member corporations' profiteering by denying care is a disgrace. Your informational brochure states "AHIP is committed to driving the innovation needed to create a more equitable, affordable, and sustainable health care system that allows every American to access the best possible care and live the healthiest possible life." If you truly wanted to achieve this goal, you and your constituent corporations would immediately:

- Stop denying claims and overturn any existing denials for treatments recommended by medical professionals;
- Provide transparency around denied claims/prior-authorizations by market, state, geography, gender, and race;
- Share monetary value of total denied claims/prior-authorizations broken down by internal and external appeals processes and total percentage of profits taken by denying care for their members;
- Hold monthly open microphone meetings with policyholders to discuss problems with your insurance products;
- Relinquish ownership of and transfer over the claim appeals process to relevant public authorities;
- Reverse the specific care and claim denials in the cases we will bring to you in an in-person meeting; and
- Cease overriding the will of people who need health care within public policy with lobbying and monetary contributions to politicians' campaigns, PACs and any other entities that can advocate for or against the defeat of elected officials.

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[7] Research using publicly available records by the Public Accountability Initiative: $4.1 billion in profit in 2022 with the previously mentioned five-year high profit of $7.9 billion accruing in 2021.
[8] Thanks to research by Public Accountability Initiative: CVS Health Forms 10-K from 2020-2022
[9] https://www.propublica.org/article/cigna-pxdx-medical-health-insurance-rejection-claims
[10] https://www.opensecrets.org/federal-lobbying/industries/summary?cycle=2022&id=F09
[11] According to America's Health Insurance Plans 2021 & 2022 990 forms filed with the Internal Revenue Service

People's Action takes seriously the harm you and your member corporations cause our people. We demand your timely response through an agreement to meet with us in-person or over a video call within the next three months to respond to these concerns and negotiate an in-writing explanation of changes you will make.

Sincerely,

Sulma Arias, Director, People's Action
Aija Nemer-Aanerud, Health Care for All Campaign Director, People's Action
Ronald Harrison, Co-Chair, www.careovercost.org, Northwest Bronx Community & Clergy Coalition
Audrey Gerard, Co-Chair, www.careovercost.org, Michigan United