



PRESS RELEASE

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**Health Insurance Commissioner Significantly Lowers
All Requested Health Insurance Premium Increases**

Rhode Island Employers Will See Average Expected Premium Increases from 1.65% to 5.53%

Cranston, Rhode Island, September 20, 2012- Today Health Insurance Commissioner Christopher F. Koller announced his final decision which significantly lowers all requested 2013 health insurance premium increases for small and large employers who purchase their coverage from Blue Cross Blue Shield of Rhode Island (BCBSRI), Tufts Health Plan (Tufts) and United Healthcare (United). Commissioner Koller was joined by Governor Lincoln D. Chaffee and Lieutenant Governor Elizabeth H. Roberts at a public event held at EpiVax, Inc. in Providence, Rhode Island to announce the final decision.

Commissioner Koller's final decision will result in average expected premium increases ranging from 1.65% to 5.53% for BCBSRI, Tufts, and United small and large employer subscribers who are renewing in 2013. These increases are some of the lowest average premium increases seen in several years for both small and large employers. The following tables show the requested and approved average premium increases for small and large employers for each health insurer:

2013 Small and Large Employer Average Expected Premium Increases: Requested and Approved

Small Employers

Insurer	Requested	Approved
BCBSRI	4.15%*	1.65%
Tufts	6.00%	5.30%
United	6.20%	2.54%

Large Employers

Insurer	Requested	Approved
BCBSRI	5.88%*	3.98%
Tufts	6.00%	4.50%
United	7.80%	5.53%

*Only BCBSRI's requested average expected premium increases include Affordable Care Act assessments of 1.80% for small employers and 1.60% for large employers because BCBSRI did not submit a scenario for OHIC to consider that did not include these assessments.

BCBSRI, Tufts, and United's approved average premium increases for small employers and large employers (with the exception of Tufts for small employers) are the lowest approved since 2010. "The public comment my office has received made it clear that Rhode Island employers need relief now from the unsustainable rise in health insurance costs," said Commissioner Koller. "The requests filed by the insurers made it clear that Rhode

Island is making some progress on this front. By lowering the average premium increases requested by each insurer, my office making sure insurers and the providers with whom they contract stay focused on this need.”

The premiums charged by insurers to large and small employers are the result of each insurer’s: (1) medical expenses, (2) administrative costs, and (3) contributions to reserves and profit. The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) reviews these three components each year with the goal of holding Rhode Island insurers publicly accountable for making health insurance more affordable—concluding with Commissioner’s Koller’s final decision approving the average expected premium increase for the next year for each insurer for both small and large employers. The resulting expected premium increases are averages—employers will see higher and lower rates depending on demographic changes in their workforce and—in the case of large employers—their own company’s rates of medical care utilization.

Commissioner Koller’s final decision made the following changes to each insurer’s medical expenses, administrative costs, and contributions to reserves and profit. For BCBSRI and Tufts in both the small and large employer markets, medical expenses and contributions to reserves and profit were left unchanged but administrative costs were lowered to be in line with the Rhode Island market average. For United in both the small and large employer markets, administrative costs and contributions to reserves and profit were left unchanged, but medical expenses were lowered in light of OHIC’s previously stated expectation all insurers submit a medical expense increase of no higher than 4.00%.

“Health insurance continues to be expensive because the underlying cost of health care itself is expensive. This is why the relief this year in rates of increase is by no means assured in the future” Commissioner Koller continued. “With the strong leadership and support of Governor Chafee and Lieutenant Governor Roberts, my office is continuing to work to address these underlying costs in collaboration with consumers, employers, government officials, insurers, and providers by promoting measures that directly reform the way that insurers pay health care providers and redesign how providers deliver health care. A sustained commitment to this work by all involved stakeholders is absolutely necessary to slow the growth in health care costs to a rate that will result in more affordable health insurance over the long-term.”

For more information, please visit www.ohic.ri.gov.

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About the State of Rhode Island Office of the Health Insurance Commissioner

The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) was established by legislation in 2004 to broaden the accountability of health insurers operating in the Rhode Island. Under this legislation, OHIC is dedicated to:

1. Protecting consumers
2. Guarding the solvency of health insurers
3. Encouraging the fair treatment of health care providers
4. Improving the health care system as a whole

OHIC sets and enforces standards for health insurers in each of these four areas.

Protecting Consumers • Ensuring Solvency • Engaging Providers • Improving the System
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