



2015 Health Insurance Premium Rate Review Process Individual Essential Health Benefits Base Rate Summary

The following table depicts the essential health benefits (EHB) base rate and the key assumptions behind its development for the individual market filed by Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), and UnitedHealthcare (United) as part of the State of Rhode Island Office of the Health Insurance Commissioner's (OHIC) 2015 rate review process (for rates effective in 2016). This information is subject to change as the rate review process continues. Please see our 2015 Rate Review Process Public Comment Solicitation for more information about the rates and this process.

Individual EHB Base Rate Summary – Requested Amount (Data as of June 15, 2015)

	BCBSRI	NHPRI	United
EHB Base Rate ¹	\$389.57	\$320.28	\$331.80
Medical Expense Trend Assumptions			
Hospital Inpatient	3.4%	5.7%	2.2%
Hospital Outpatient	5.1%	4.4%	6.0%
Primary Care	5.4%	2.5%	4.3%
Other Medical/Surgical	1.7%	2.5%	4.3%
Prescription Drug	9.5%	10.4%	9.5%
Capitation	0.0%	0.0%	4.7%
Total Weighted Trend	4.5%	5.3%	5.3%
Claims Adjustments Assumptions			
Reinsurance Assumption ²	6.9%	2.9%	2.6%
Retention Charges Assumptions			
Administrative Expense	11.0%	14.8%	9.0%
ACA Fees ³	2.3%	0.1%	2.1%
State Premium Tax	2.0%	2.0%	2.0%
Contribution to Reserves	3.0%	2.0%	1.9%
HealthSource RI Assessment ⁴	4.7%	5.0%	3.6%

OHIC is currently reviewing these assumptions. This review process will culminate in a final decision by Commissioner Kathleen C Hittner approving, modifying, or rejecting the requested rates.

For more information, please visit <http://www.ohic.ri.gov/2015%20Rate%20Factor%20Review.php>.

¹ Represents the monthly average rate for a standard plan for a 21-year old for a given insurer in a given market, excluding the cost of pediatric dental

² Represents reimbursement to insurers for some expenses resulting from covering high-cost individuals through the ACA's Transitional Reinsurance Program, net of the fees to fund the program

³ Represents costs associated with ACA's health insurance annual fee, and Patient-Centered Outcomes Research Trust Fund fee but excludes the Transitional Reinsurance Program fee

⁴ Represents the assessment being charged to fund the ongoing operations of RI's state-based insurance marketplace, HealthSource RI. This number was based off of a previous methodology and will change once the Legislature has approved the final funding methodology. Current estimates put the individual market percentage at an average of 2.86% across all carriers. However, the final assessment amount will vary by carrier.