

2015 Health Insurance Premium Rate Review Process Small Employer Group 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 small employer group (SG) market filed by Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), Tufts Health Plan (Tufts), 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.

Small Group EHB Base Rate Summary (Data as of June 15, 2015)

	BCBSRI	NHPRI	Tufts HMO	Tufts PPO	United HMO	United PPO
EHB Base Rate ¹	\$385.56	\$315.97	\$404.59	\$409.85	\$430.26	\$435.04
Medical Expense Trend Assumptions						
Hospital Inpatient	3.4%	5.7%	3.5%	3.5%	2.2%	2.2%
Hospital Outpatient	5.1%	4.4%	1.7%	1.7%	6.0%	6.0%
Primary Care	5.4%	2.5%	3.0%	3.0%	4.3%	4.3%
Other Medical/Surgical	1.7%	2.5%	3.5%	3.5%	4.3%	4.3%
Prescription Drug	9.5%	10.4%	17.8%	17.8%	9.5%	9.5%
Capitation	0.0%	0.0%	0.0%	0.0%	4.7%	4.7%
Total Weighted Trend	4.5%	5.9%	5.3%	6.1%	5.3%	5.3%
Claims Adjustments Assumptions						
Reinsurance Assumption	-0.3%	-0.3%	-0.3%	-0.3%	0.0%	0.0%
Retention Charges Assumptions						
Administrative Expense	12.8%	22.2%	11.1%	11.4%	11.1%	11.1%
ACA Fees ²	2.3%	0.1%	2.1%	1.0%	3.3%	3.3%
State Premium Tax	2.0%	2.0%	2.3%	2.0%	2.0%	2.0%
Contribution to Reserves	4.0%	2.0%	0.0%	0.0%	3.0%	3.0%
HealthSource RI Assessment ³	1.0%	1.0%	1.0%	1.0%	0.8%	0.8%

OHIC is currently reviewing the requested rate components. 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 costs associated with ACA's health insurance annual fee, and Patient-Centered Outcomes Research Trust Fund fee but excludes the Transitional Reinsurance Program fee

³ 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 funding methodology. Current estimates put the individual market percentage at an average of 0.59% across all carriers. However, the final assessment amount will vary by carrier.