



State of Rhode Island Office of the Health Insurance Commissioner 2013 Individual, Small Employer Group, and Large Employer Group Health Insurance Premium Rate Review Process Public Comment Solicitation

Introduction

On April 15, 2013 and May 15, 2013, Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), Tufts Health Plan (Tufts), and United Healthcare (United) filed with the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) to request approval for rates to be charged to individuals, small employers, and large employers effective in 2014. BCBSRI and NHPRI have filed in the individual market. All four commercial health insurers have filed in the small employer market. BCBSRI, Tufts, and United have filed in the large employer market. OHIC has the responsibility of reviewing the rates with the goal of holding the insurers publicly accountable for making health insurance more affordable while ensuring their solvency.

2013 Individual, Small Employer Group, and Large Employer Group Review Process

OHIC is currently reviewing the requested rates. This review process will culminate in a final decision by Commissioner Christopher F. Koller approving, modifying, or rejecting the requested rates in June 2013. The Affordable Care Act requires a more detailed level of review in the individual and small employer markets compared to the level of review in prior years. In the large group market, OHIC's level of review remains unchanged.

Specifically, in the individual market, OHIC's final decision will consist of the following components for each insurer: (1) an essential health benefits (EHB) base rate and (2) plan relativity factors.

- The **EHB base rate** represents the monthly average rate for a standard plan for a 21-year old for a given insurer in a given market. It is the basis for the rates that will be charged for plans offered by a given insurer in a given market.
- **Plan relativity factors** represent the differences in plan design features among plans for a given insurer in a given market. Plan design features include items such as: benefits, cost sharing (deductibles, co-insurance, and co-payments) and provider network.

In the small employer market, OHIC's final decision will consist of the following components for each insurer: (1) an EHB base rate, (2) plan relativity factors, and (3) a monthly effective date projection factor.

- The **monthly effective date projection factor** represents the expected annualized inflation rate for rates charged to small employers renewing at different points during a year. For example, a small employer renewing in January will pay a lower rate than a small employer renewing in December for the same plan, assuming that the two small employers have a workforce of the same age.

In the large employer market, OHIC's final decision will consist of an average expected premium increase for each insurer.

- The **average expected premium increase** represents the average expected percentage change in premiums from one year to the next, holding benefits constant, across all employers that are up for renewal within a given market. It is weighted by employer size.

Opportunities to Submit Public Comment to OHIC

As a part of its review of the rates filed, OHIC is soliciting public comment on what has been submitted by the insurers. OHIC believes that public input is essential and will take all input received into account in developing its final decision. All public comments must be received by OHIC by June 12, 2013. Following this deadline, OHIC will make all comments received publicly available. Comments may be submitted in two ways:

- Written comments may be sent for consideration to healthinquiry@ohic.ri.gov.
- The public is invited to attend a public input meeting on May 29, 2013 from 12:00 P.M. to 1:30 P.M. at the State of Rhode Island Department of Labor and Training, located at 1511 Pontiac Avenue, Building 73-1 in Cranston. Public comments will be taken in order of sign-up at the meeting. While oral comments are welcome, OHIC encourages members of the public to also submit any oral comment offered at the public input meeting in written form to healthinquiry@ohic.ri.gov. Please contact Nicole Renzulli at (401) 462-9639 or nicole.renzulli@ohic.ri.gov to arrange for special accommodations or for more information about the public input meeting.

To assist interested stakeholders in developing their comments, OHIC has made the submissions filed by the insurers well as additional information available here:
<http://www.ohic.ri.gov/2013%20Rate%20Factor%20Review.php>.