



State of Rhode Island Office of the Health Insurance Commissioner Requested and Approved Summary for 2022 Rates in the Individual, Small Group, and Large Group Markets

The Rhode Island Office of the Health Insurance Commissioner (OHIC) has completed its review of plan year 2022 rates for the individual, small group, and large group markets. This document is a summary of the requested and approved amounts for each insurer by market.

As required by the ACA, OHIC reviews premiums in the **individual and small group** markets by examining the following components:

- The **CPAIR (Calibrated Plan Adjusted Index Rate)** represents the weighted average base rate across all plan designs calibrated (or normalized) for rating factors.
- The **Overall Weighted Average Rate Increase** represents adjustments to reflect the benefits in plans, including modifications to prior year benefits and pricing and it includes terminated plans. This weighted average rate increase represents the average rate that consumers will experience. The range of rate changes represents variation by plan benefits. It does not include the effect of changes in age.
- In the **small group market**, OHIC also reviews the **quarterly effective date projection factor** which 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 because there are fewer months over which they will experience inflation, assuming that the two small employers have a workforce of the same age.

In the **large group** market, OHIC reviews the **average expected premium increase** which 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. This average expected premium increase is comprised of rate factors that are applied to the employer's existing experience. The resulting weighted average increase across an insurer's large group market represents a maximum average increase that the insurers are committed not to exceed.¹

The **Medical Expense Trend** Assumption is the annualized rate of increase due to increases in the unit cost of services and in the utilization of services. Because rates are generally based on the calendar year 2020 experience adjusted for trend, the expected experience underlying the 2022 rates is projected using two years of medical expense trend. Since COVID-19 had a significant impact on 2020 utilization levels, insurers have estimated how much utilization has been suppressed (**COVID Suppression Assumption**) and built that into their rate projections. The trends shown here do not reflect the impact of COVID-19 as this adjustment is elsewhere in the rate development process.

¹ The rate cap only applies to insurers with greater than one percent of the fully insured Rhode Island market, therefore it does not apply to Aetna and CIGNA.

The **Non-Medical Portion of Premium** represents the percent of overall premium that is required to cover administrative expense, contribution to reserves and required taxes and fees, including premium taxes and ACA fees.²

For more information, please visit <http://www.ohic.ri.gov/ohic-formandraterreview.php>.

² For purposes of the exhibit below, RI OHIC Assessments are included in non-medical portion of premium but some insurers include some of the assessments in medical portion of the premium.

Individual Market Rate Summary | Requested and Approved

The following table depicts the **requested and approved** CPAIR and the key assumptions in their development for the individual (IND) market filed by Blue Cross Blue Shield of Rhode Island (BCBSRI) and Neighborhood Health Plan of Rhode Island (NHPRI), as part of OHIC's review of 2022 rates.³ **Shading indicates the approved factor differs from the requested factor.**⁴

	BCBSRI IND		NHPRI IND		Total	
	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2021	17,159		24,866		42,025	
CPAIR	\$333.01	\$323.41	\$265.27	\$252.93	\$292.93	\$281.71
Medical Trend Assumptions						
Inpatient Hospital	4.5%	4.0%	4.4%	4.4%	4.5%	4.3%
Outpatient Hospital	6.1%	5.6%	6.5%	6.5%	6.3%	6.1%
Professional	5.0%	4.5%	9.9%	9.9%	7.9%	7.7%
Other Medical	5.0%	4.5%	6.0%	6.0%	5.6%	5.4%
Capitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prescription Drugs	6.7%	6.7%	10.9%	10.9%	9.2%	9.2%
Total Medical Trend	5.6%	5.2%	8.4%	8.4%	7.2%	7.1%
Adjustments to Medical Portion of Premium						
Risk Adjustment	-3.2%	-2.1%	1.9%	2.0%		
Silver Plan Load (CSR Load)	24.0%	20.6%	30.0%	30.0%		
COVID-19 Adjustment	0.6%	0.3%	0.0%	0.5%		
Pent Up Demand	n/a	n/a	1.0%	1.0%		
Reinsurance	-6.4%	-6.6%	-4.6%	-4.8%		
Non-Medical Portion of Premium						
RI Assessments	1.4%	1.4%	1.7%	1.4%		
COVID-19 Adjustment	n/a	n/a	1.3%	0.0%		
1332 Waiver	n/a	n/a	0.3%	0.0%		
Contribution to Reserves/Profit	2.5%	0.0%	3.0%	0.0%		
CPAIR Change from 2021	3.1%	0.1%	8.5%	3.5%	6.3%	2.1%

³ The totals are weighted by membership.

⁴ RIOHIC modified and approved select assumptions. Due to the interaction of assumptions, other assumptions may have changed as well. In the individual market, BCBSRI's RI assessment assumptions were modified, however due to the other assumption changes, the percentage assumption remains the same.

Small Group Market Summary | Requested and Approved

The following table depicts the **requested and approved** CPAIR and the key assumptions in their development for the small group (SG) market filed by BCBSRI, NHPRI, United, and Tufts Health Plan as part of OHIC's review of 2022 rates. **Shading** indicates the approved factor differs from the requested factor.

	BCBSRI SG		NHPRI SG		TUFTS HMO SG		TUFTS PPO SG		UNITED HMO SG		UNITED PPO SG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2021	40,255		1,730		1,879		946		906		2,220		47,936	
1Q CPAIR	\$381.04	\$369.85	\$305.39	\$291.08	\$356.36	\$354.58	\$401.97	\$399.97	\$410.01	\$376.26	\$403.56	\$368.93	\$379.34	\$367.09
Medical Expense Trend Assumptions														
Inpatient Hospital	4.7%	4.2%	4.5%	4.5%	3.5%	3.5%	3.5%	3.5%	6.8%	6.8%	6.8%	6.8%	4.8%	4.3%
Outpatient Hospital	6.3%	5.8%	6.5%	6.5%	7.5%	7.5%	7.5%	7.5%	6.5%	6.5%	6.5%	6.5%	6.4%	6.0%
Professional	5.2%	4.7%	10.0%	10.0%	7.0%	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%	6.0%	5.5%	5.1%
Other Medical	5.2%	4.7%	6.0%	6.0%	5.1%	5.1%	5.1%	5.1%	5.6%	5.6%	5.6%	5.6%	5.2%	4.8%
Capitation	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%	0.9%	0.9%	8.8%	8.8%	8.8%	8.8%	0.6%	0.6%
Prescription Drug	6.9%	6.9%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	10.1%	10.1%	10.1%	10.1%	7.5%	7.5%
Total Medical Trend	5.8%	5.4%	8.7%	8.7%	7.0%	7.0%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%	6.0%	5.7%
Adjustments to Medical Portion of Premium														
Risk Adjustment	-1.6%	-0.9%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.3%	1.3%	2.3%	1.3%		
Manual Rate Morbidity Adjustment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.146	1.151	1.146	1.151		
COVID-19 Adjustment	0.6%	0.3%	0.0%	0.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Prior Period Adjustment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.1%	0.0%	5.1%	0.0%		
Non-Medical Portion of Premium														
RI Assessments	1.4%	1.3%	2.0%	1.6%	2.3%	1.8%	2.3%	1.8%	3.3%	2.4%	3.3%	2.4%		
COVID-19 Adjustment	n/a	n/a	1.4%	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Contribution to Reserves/Profit	2.5%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	2.0%	0.0%		
CPAIR 1Q Rate Change	2.9%	-0.2%	6.4%	1.4%	5.3%	4.8%	5.1%	4.6%	17.3%	7.6%	11.2%	1.7%	3.8%	0.4%
Overall Weighted Average Full Year Rate Change	2.9%	-0.3%	6.5%	1.5%	5.2%	4.7%	5.1%	4.6%	17.5%	7.8%	10.7%	1.3%	3.8%	0.3%

Large Group Rate Summary | Requested and Approved

The following table depicts the **requested and approved** average expected premium increases and the key assumptions behind their development as filed by BCBSRI, United, and Tufts Health Plan in the large group market as part of OHIC's review of 2022 rates. **Shading indicates the approved factor differs from the requested factor.** The approved premium increase, or rate cap, only applies to insurers with greater than one percent of the fully insured Rhode Island market, therefore it does not apply to Aetna and CIGNA and these two insurers are shown separately.

	BCBSRI LG		TUFTS HMO LG		TUFTS PPO LG		UNITED LG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2021	68,936		3,430		3,159		15,461		90,986	
Medical Expense Trend Assumptions										
Inpatient Hospital	4.4%	4.4%	3.6%	3.6%	3.6%	3.6%	6.9%	6.9%	4.8%	4.8%
Outpatient Hospital	6.1%	6.1%	7.5%	7.5%	7.5%	7.5%	6.5%	6.5%	6.3%	6.3%
Professional	5.0%	5.0%	6.9%	6.9%	6.9%	6.9%	5.9%	5.9%	5.3%	5.3%
Other Medical	5.0%	5.0%	5.1%	5.1%	5.1%	5.1%	5.6%	5.6%	5.1%	5.1%
Capitation	0.0%	0.0%	0.9%	0.9%	0.9%	0.9%	8.8%	8.8%	1.6%	1.6%
Prescription Drug	6.9%	6.9%	11.0%	11.0%	11.0%	11.0%	10.2%	10.2%	7.8%	7.8%
Subtotal Excl. Leverage	5.5%	5.5%	7.1%	7.1%	7.1%	7.1%	7.2%	7.2%	5.9%	5.9%
Leverage	0.60%	0.60%	0.8%	0.8%	0.8%	0.8%	1.1%	0.8%	0.7%	0.7%
Total Incl. Leverage	6.1%	6.1%	8.0%	8.0%	8.0%	8.0%	8.50%	8.50%	6.7%	6.7%
2021 Leverage	n/a	n/a	n/a	n/a	n/a	n/a	1.3%	0.9%	n/a	n/a
Adjustments to Premium										
RI Assessments	1.2%	1.1%	1.2%	0.9%	1.2%	0.9%	2.6%	1.9%		
COVID-19 Adjustment	0.5%	0.5%	n/a	n/a	n/a	n/a	n/a	n/a		
Impact of Alternative Rate Increase Calculation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-1.6%		
Contribution to Reserves/Profit	2.5%	0.0%	1.0%	0.0%	1.0%	0.0%	3.0%	0.0%		
Expected Average Overall Rate Change from 2021	7.4%	4.6%	9.1%	7.7%	9.1%	7.7%	14.1%	7.7%	8.7%	5.4%

	AETNA LG		CIGNA LG	
	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2021	0		617	
Medical Expense Trend Assumptions				
Subtotal Excl. Leverage	9.2%	9.2%	5.5%	5.5%
Leverage	1.2%	1.2%	1.0%	1.0%
Total Incl. Leverage	10.5%	10.5%	6.5%	6.5%
Adjustments to Premium				
Contribution to Reserves/Profit	6.6%	0.0%	4.5%	0.0%
Expected Average Overall Rate Change from 2021				
	9.0%	1.8%	5.3%	0.0%