



State of Rhode Island Office of the Health Insurance Commissioner Requested and Approved Summary for 2023 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 2023 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 Full Year Rate** 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 **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 2021 experience adjusted for trend, the expected experience underlying the 2023 rates is projected using two years of medical expense trend.

The **Other Non-Trend Assumptions** represents other key assumptions utilized in the rate development process.

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

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.

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 2023 rates.² **Shading indicates the approved factor differs from the requested factor.**³

	BCBSRI IND		NHPRI IND		Total	
	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2022	17,635		25,023		42,658	
CPAIR	\$360.95	\$339.55	\$273.59	\$277.14	\$309.70	\$302.94
Medical Expense Trend Assumptions						
Inpatient Hospital	6.2%	6.1%	6.1%	6.1%	6.1%	6.1%
Outpatient Hospital	9.6%	9.0%	7.7%	7.7%	8.5%	8.2%
Professional	7.6%	6.1%	10.4%	10.4%	9.2%	8.6%
Other Medical	7.6%	6.1%	8.3%	8.3%	8.0%	7.4%
Capitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prescription Drugs	7.0%	6.8%	10.4%	10.4%	9.0%	8.9%
Total Medical Trend	7.8%	7.1%	8.9%	8.9%	8.4%	8.1%
Other Non-Trend Assumptions						
Risk Adjustment	-2.6%	-7.5%	2.6%	6.8%		
Reinsurance	-6.4%	-6.7%	-4.6%	-4.5%		
Morbidity	n/a	n/a	1.5%	0.0%		
RI Assessments	1.2%	1.3%	1.3%	1.3%		
Contribution to Reserves/Profit	1.0%	1.0%	3.0%	1.0%		
CPAIR Change from 2022	9.6%	3.1%	6.8%	8.2%	8.0%	6.1%

² The totals are weighted by membership.

³ OHIC modified and approved select assumptions. Due to the interaction of assumptions, other assumptions may have changed as well.

Small Group Market Rate 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 2023 rates.⁴ **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, 2022	40,943		1,875		1,205		737		606		2,067		47,433	
1Q CPAIR	\$403.68	\$397.70	\$320.60	\$312.07	\$390.48	\$384.92	\$436.66	\$430.44	\$423.56	\$397.22	\$420.62	\$394.52	\$401.56	\$394.36
Medical Expense Trend Assumptions														
Inpatient Hospital	6.2%	6.1%	6.1%	6.1%	3.8%	3.3%	3.8%	3.3%	7.7%	6.9%	7.7%	6.9%	6.2%	6.0%
Outpatient Hospital	9.6%	9.0%	7.7%	7.7%	7.7%	7.2%	7.7%	7.2%	7.0%	5.9%	7.0%	5.9%	9.3%	8.7%
Professional	7.6%	6.1%	10.4%	10.4%	7.2%	6.7%	7.2%	6.7%	6.0%	5.4%	6.0%	5.4%	7.6%	6.2%
Other Medical	7.6%	6.1%	8.3%	8.3%	5.1%	5.1%	5.1%	5.1%	6.0%	5.1%	6.0%	5.1%	7.4%	6.1%
Capitation	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%	1.2%	1.2%	3.7%	3.7%	3.7%	3.7%	0.3%	0.3%
Prescription Drug	7.0%	6.8%	10.4%	10.4%	3.8%	3.8%	3.8%	3.8%	8.8%	8.8%	8.8%	8.8%	7.1%	6.9%
Total Medical Trend	7.8%	7.0%	8.9%	8.9%	5.9%	5.5%	6.0%	5.6%	6.8%	6.2%	6.8%	6.2%	7.7%	7.0%
Other Non-Trend Assumptions														
Risk Adjustment	-0.5%	-0.2%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	4.8%	3.3%	4.8%	3.3%		
MA Experience Rather Than PA Experience	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-2.2%	n/a	-2.2%		
RI Assessments	1.2%	1.2%	1.5%	1.5%	1.5%	1.2%	1.5%	1.2%	2.4%	1.7%	2.4%	1.7%		
Contribution to Reserves/Profit	1.0%	0.5%	3.0%	0.5%	1.0%	0.5%	1.0%	0.5%	2.0%	0.5%	2.0%	0.5%		
CPAIR 1Q Rate Change	10.5%	8.9%	9.4%	6.5%	8.8%	7.2%	9.9%	8.3%	12.4%	5.4%	10.9%	4.0%	10.4%	8.5%
Overall Weighted Average Full Year Rate Change	11.7%	9.7%	9.7%	6.8%	9.2%	7.4%	10.0%	8.2%	12.3%	5.0%	10.7%	3.5%	11.5%	9.2%

⁴ The totals are weighted by membership.

Large Group Market Rate Summary | Requested and Approved

The following table depicts the **requested and approved** average expected premium increases and the key assumptions behind their development for the large group market filed by BCBSRI, United, and Tufts Health Plan as part of OHIC's review of 2023 rates.⁵ **Shading indicates the approved factor differs from the requested factor.**⁶ 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, 2022	63,300		2,911		3,248		12,471		81,930	
Medical Expense Trend Assumptions										
Inpatient Hospital	6.2%	5.9%	3.8%	3.3%	3.8%	3.3%	7.8%	7.0%	6.3%	5.9%
Outpatient Hospital	9.6%	9.3%	7.7%	7.2%	7.7%	7.2%	7.2%	6.0%	9.1%	8.7%
Professional	7.6%	6.4%	7.2%	6.7%	7.2%	6.7%	6.1%	5.5%	7.4%	6.3%
Other Medical	7.6%	6.4%	5.1%	5.1%	5.1%	5.1%	6.1%	5.2%	7.2%	6.1%
Capitation	0.0%	0.0%	1.2%	1.2%	1.2%	1.2%	3.7%	3.7%	0.6%	0.6%
Prescription Drug	7.0%	7.0%	3.8%	3.8%	3.8%	3.8%	8.8%	8.8%	7.0%	7.0%
Subtotal Excl. Leverage	7.7%	7.2%	6.0%	5.6%	6.0%	5.6%	6.9%	6.3%	7.5%	6.9%
Leverage	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.9%	0.9%	0.8%	0.8%
Total Incl. Leverage	8.6%	8.0%	6.7%	6.3%	6.7%	6.3%	7.9%	7.2%	8.3%	7.8%
Other Non-Trend Assumptions										
RI Assessments	1.0%	1.1%	2.1%	1.6%	2.1%	1.6%	2.4%	1.7%		
Contribution to Reserves/Profit	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	3.0%	1.0%		
Expected Average Overall Rate Change from 2022	7.0%	5.9%	10.4%	8.8%	10.3%	8.9%	11.7%	8.0%	8.0%	6.4%

⁵ The totals are weighted by membership.

⁶ OHIC modified and approved select assumptions. Due to the interaction of assumptions, other assumptions may have changed as well.

	AETNA LG		CIGNA LG	
	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2022	69		656	
Medical Expense Trend Assumptions				
Subtotal Excl. Leverage	9.6%	7.1%	6.5%	6.5%
Leverage	1.2%	1.2%	1.0%	1.0%
Total Incl. Leverage	10.9%	8.3%	7.6%	7.6%
Other Non-Trend Assumptions				
Contribution to Reserves/Profit	6.5%	1.0%	3.5%	1.0%
Expected Average Overall Rate Change from 2022				
	13.4%	5.4%	8.5%	5.7%