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2024 Commercial Health Insurance Rates Have Been Approved with Modifications

CRANSTON, R.I. (September 15, 2023) – Commercial health insurance premiums for 2024 have been approved by the State of Rhode Island’s Office of the Health Insurance Commissioner (OHIC), with modifications. As a result of these changes, Rhode Islanders will save \$23.8 million in 2024 compared to what the commercial health insurers requested. In the months since the rate filings were submitted in May, OHIC has reviewed the medical expense trend assumptions, administrative charges, and margin requests for each insurer. Additionally, OHIC staff reviewed the benefit coverage documents for each health plan to ensure compliance with state and federal laws. The approved premiums are predominantly driven by the cost of health care—the increasing unit prices and use of health care goods and services.

In addition to OHIC’s review, the Rhode Island Attorney General’s Office (RIAG) conducted an independent review of rate filings across all markets. The RIAG submitted comments and actuarial reports on each rate filing to OHIC. This year the RIAG’s consulting actuary provided tables in their reports showing a “range of reasonable 2024 rate changes” for each insurer.¹

Tables 1 – 3, below, summarize the approved rates for 2024 and the enrollment with each insurer, by market, as of March 2023. The rate change approved by OHIC is shown along with the range proposed by the RIAG’s consulting actuary, and the rate change requested by the insurers in the May filings. Overall, the OHIC approved weighted average rate changes are 5.9% for the individual market, 3.9% for the small group market, and 8.5% for the large group market.

**Table 1: Final Individual Market Rates for 2024
 Overall Weighted Average Rate Change**

Insurer	Enrollment (March 2023)	OHIC Approved	RIAG Actuary “Range of Reasonable Rate Changes”	Insurer Requested
BCBSRI	17,152	7.7%	6.3% - 10.2%	9.3%
NHPRI	22,263	4.4%	0.3% - 4.3%	4.4%

¹ The RIAG recommended OHIC consider the lower bound of the range to inform the rate approval decision. It is of note that some of the ranges presented by the RIAG-sponsored actuarial reports include upper bounds that are higher than what the insurer requested. See BCBSRI, Cigna, and HPIC/HPHC large group.

**Table 2: Final Small Group Market Rates for 2024
Overall Weighted Average Rate Change**

Insurer	Enrollment (March 2023)	OHIC Approved	RIAG Actuary "Range of Reasonable Rate Changes"	Insurer Requested
BCBSRI	40,772	3.6%	3.6% to 6.6%	5.8%
NHPRI	2,027	5.9%	4.8% to 9.0%	9.5%
UHCNE	405	8.3%	11.4% to 15.3%	16.1%
UHIC	1,750	7.1%	10.2% to 14.1%	14.7%
HPIC	532	7.2%	-(1.9)% to 4.9%	11.0%
HPHC	697	7.9%	-(1.3)% to 6.2%	11.9%

**Table 3: Final Large Group Market Rates for 2024
Overall Weighted Average Rate Change**

Insurer	Enrollment (March 2023)	OHIC Approved	RIAG Actuary "Range of Reasonable Rate Changes"	Insurer Requested
BCBSRI	63,321	8.8%	7.6% to 10.8%	10.2%
UHCNE/UHIC	11,303	5.9%	1.3% to 7.1%	12.4%
HPIC	2,944	9.6%	10.4% to 13.3%	11.6%
HPHC	2,847	10.4%	11.2% to 14.1%	12.4%
Aetna	60	0.3%	-(2.6)% to 3.8%	6.6%
Cigna	325	5.9%	4.1% to 7.7%	5.9%

"I firmly believe that all stakeholders, including health insurers, health care providers, and government must share accountability for promoting affordable health care for all Rhode Islanders" said Acting Health Insurance Commissioner Cory B. King. He continued: "The approved premiums strike a balance between the funding needs of Rhode Island's health care delivery system, actuarial soundness, and affordability. The increasing cost of health care is the principal driver of premiums. Addressing these rising costs requires careful analysis of data, strategic investments in primary care and behavioral health, and collective efforts by insurers, providers, and government to manage cost growth. OHIC is committed to working collaboratively with all stakeholders to promote affordable health insurance."

Every year payments to health care providers account for the dominant share of the premium dollar. This can be seen in OHIC's most recently published [Rhode Island Market Summary – Part 2: Loss Ratios, Profitability & Risk Adjustment](#) which presents data on the distribution of the premium dollar between claims payments to providers, insurer administrative charges, taxes, and contribution to reserves/profit. For the individual and group markets combined, in 2021, medical and pharmacy claims accounted for 82 cents of the premium dollar, insurer administrative costs consumed 13 cents, state and federal taxes accounted for 3 cents, and 2 cents was retained as profit. In this year's rate review, OHIC modified proposed rates in a number of ways, including reducing medical expense trend assumptions, cutting insurer administrative charges, and reducing insurer requested profit or contribution to reserve margins. To promote affordability over the long term the cost of health care must be addressed through data-driven strategies.

OHIC's Efforts to Address Health Care Costs

OHIC is leading efforts to support data-driven action to address health care costs in Rhode Island with a focus on all payers. The all-payer focus is important because the burden of rising health care costs is more widely experienced than the state-regulated individual and group insurance markets subject to rate review. This is because the preponderance of working Rhode Islanders, including public servants, are covered through health insurance that is self-funded by their employer. This means that the employer funds the health care costs of their employees and dependents directly, commonly relying on health insurance companies for administrative services, such as member enrollment, provider contracting, and claims processing. Self-funded plans are not subject to state insurance regulation, including rate review. However, the same dynamics that drive up health care costs and premiums, particularly the prices of health care goods and services, affect self-funded employers and impact employee paychecks.

OHIC described recent trends in health care costs impacting all Rhode Islanders in its recent [Annual Report: Health Care Spending and Quality in Rhode Island](#). Additionally, OHIC is producing the data Rhode Islanders need to understand the drivers of health care cost growth and is working with stakeholders to act. In May 2023, OHIC launched the [OHIC Data Hub](#) which presents interactive public-facing dashboards on health care expenditures, prescription drug costs, and mental health claims that draw from Rhode Island's All-Payer Claims Database. More dashboards on other topics are in production. OHIC will continue to build on these efforts to promote accountability for health care costs and transparency into how Rhode Islanders' health care dollars are spent.

Additional Resources on Health Care Costs

The public is encouraged to utilize the resources OHIC has produced to inform a data-driven discourse on health care costs.

- [Annual Report: Health Care Spending and Quality in Rhode Island](#)
- [Advancing Health Care Cost Transparency: New Data Dashboards](#)
- [OHIC Data Hub](#)
- [Rhode Island Market Summary – Part 1: Enrollment, Premium, and Claims](#)
- [Rhode Island Market Summary – Part 2: Loss Ratios, Profitability, and Risk Adjustment](#)
- [Data Spotlight: Employer-sponsored health insurance coverage and the impact of rising health care costs on working Rhode Islanders' paychecks.](#)

For more detailed information on the filings please visit: <https://ohic.ri.gov/regulatory-review/rate-review>

Rate Review Resources

[2024 Premium Approved and Requested Summary](#)

[2024 Health Insurance Rate Review – Actuarial Memoranda](#)

[Public Comments](#)