



State of Rhode Island Office of the Health Insurance Commissioner Requested and Approved Summary for 2024 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 2024 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 2022 experience adjusted for trend, the expected experience underlying the 2024 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-formandratereview.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 2024 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, 2023	17,152		22,263		39,415	
CPAIR	\$375.90	\$370.62	\$288.38	\$288.38	\$326.47	\$324.17
Medical Expense Trend Assumptions						
Inpatient Hospital	3.6%	3.4%	8.5%	8.5%	6.4%	6.3%
Outpatient Hospital	7.1%	6.9%	11.1%	11.1%	9.3%	9.3%
Professional	5.8%	5.6%	5.1%	5.1%	5.4%	5.3%
Other Medical	5.8%	5.6%	6.3%	6.3%	6.1%	6.0%
Capitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prescription Drugs	10.3%	10.3%	12.6%	12.6%	11.6%	11.6%
Total Medical Trend	6.8%	6.7%	9.4%	9.4%	8.3%	8.2%
Other Non-Trend Assumptions						
Risk Adjustment	-8.9%	-9.0%	6.8%	6.8%		
Reinsurance	-5.7%	-5.8%	-4.0%	-4.0%		
RI Assessments	1.7%	1.8%	2.4%	2.4%		
Contribution to Reserves/Profit	2.0%	1.0%	1.0%	1.0%		
CPAIR Change from 2023						
	9.3%	7.7%	4.4%	4.4%	6.5%	5.9%

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 Harvard Pilgrim Health Care as part of OHIC’s review of 2024 rates.⁴ **Shading indicates the approved factor differs from the requested factor.**⁵

	BCBSRI SG		NHPRI SG		HPHC SG		HPIC SG		UHCNE SG		UHIC SG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2023	40,772		2,027		697		532		450		1,750		46,228	
Annual Average CPAIR	\$433.05	\$423.67	\$354.48	\$342.99	\$446.88	\$431.19	\$485.69	\$469.02	\$462.68	\$431.63	\$472.09	\$440.72	\$432.19	\$421.49
Medical Expense Trend Assumptions														
Inpatient Hospital	3.7%	3.5%	8.5%	8.4%	5.8%	5.5%	5.8%	5.5%	7.0%	6.0%	7.0%	6.0%	4.2%	3.9%
Outpatient Hospital	7.4%	7.2%	11.1%	10.9%	5.8%	5.5%	5.8%	5.5%	8.3%	6.0%	8.3%	6.0%	7.6%	7.3%
Professional	6.1%	5.9%	5.1%	5.1%	5.8%	5.5%	5.8%	5.5%	8.9%	6.0%	8.9%	6.0%	6.2%	5.8%
Other Medical	6.1%	5.9%	6.3%	6.3%	5.8%	5.5%	5.8%	5.5%	9.5%	6.0%	9.5%	6.0%	6.3%	5.9%
Capitation	0.0%	0.0%	0.0%	0.0%	5.8%	5.5%	5.8%	5.5%	4.9%	4.1%	4.9%	4.1%	0.4%	0.3%
Prescription Drug	10.9%	10.9%	12.6%	12.6%	12.5%	12.5%	12.5%	12.5%	9.7%	9.1%	9.7%	9.1%	10.9%	10.9%
Total Medical Trend	7.1%	6.9%	9.4%	9.3%	7.2%	6.9%	7.6%	7.4%	8.1%	6.1%	8.2%	6.4%	7.2%	7.0%
Other Non-Trend Assumptions														
2022 Medical Base Experience	n/a	n/a	\$263.27	\$253.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Risk Adjustment	-0.4%	-0.3%	n/a	n/a	n/a	n/a	n/a	n/a	1.1%	1.3%	1.1%	1.3%	n/a	n/a
Small Group Market Morbidity Adjustment	n/a	n/a	10.6%	13.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Individual Market Morbidity Adjustment	n/a	n/a	14.9%	9.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MA Manual Rate Morbidity Adjustment	n/a	n/a	n/a	n/a	-4.5%	-6.9%	-4.5%	-6.9%	n/a	n/a	n/a	n/a	n/a	n/a
Credibility Blend MA Manual and RI Experience	n/a	n/a	n/a	n/a	n/a	-0.8%	n/a	-0.8%	n/a	n/a	n/a	n/a	n/a	n/a
Cap on Administrative PMPM Charge	n/a	n/a	13.0%	12.6%	12.0%	11.8%	12.0%	11.9%	12.5%	12.0%	12.5%	12.0%	n/a	n/a
Removal of 1% Primary Care Shortfall from Admin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.0%	0.0%	1.0%	0.0%	n/a	n/a
RI Assessments	1.6%	1.6%	2.2%	2.5%	1.7%	1.4%	1.7%	1.4%	2.1%	2.0%	2.1%	2.0%	n/a	n/a
Contribution to Reserves/Profit	2.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.5%	0.0%	n/a	n/a
CPAIR Change from 2023	5.8%	3.6%	9.5%	5.9%	11.9%	7.9%	11.0%	7.2%	16.1%	8.3%	14.7%	7.1%	6.6%	3.9%

⁴ The totals are weighted by membership. The Health Insurance Commissioner approved a 4.9% administrative PMPM charge trend as a cap on administrative charge growth. The 4.9% is the average of the CPI for all items less food & energy for the months of May (5.3%), June (4.8%), and July (4.7%). [12-month percentage change, Consumer Price Index, selected categories \(bls.gov\)](https://www.bls.gov)

⁵ OHIC modified and approved select assumptions. Due to the interaction of assumptions, other assumptions may have changed as well.

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 Harvard Pilgrim Health Care as part of OHIC's review of 2024 rates.⁶ **Shading indicates the approved factor differs from the requested factor.**⁷ 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		UHCNE & UHIC LG		HPHC & HPIC LG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 31, 2023	63,321		11,303		6,112		80,736	
Medical Expense Trend Assumptions								
Inpatient Hospital	3.6%	3.4%	7.3%	5.6%	5.7%	5.4%	4.3%	3.9%
Outpatient Hospital	7.1%	6.9%	8.7%	6.9%	5.7%	5.4%	7.2%	6.8%
Professional	5.8%	5.6%	9.1%	7.4%	5.7%	5.4%	6.3%	5.9%
Other Medical	5.8%	5.6%	9.9%	8.1%	5.7%	5.4%	6.4%	6.0%
Capitation	0.0%	0.0%	9.9%	8.2%	5.7%	5.4%	1.8%	1.6%
Prescription Drug	10.1%	10.1%	9.7%	8.0%	12.2%	12.2%	10.2%	9.9%
Subtotal Excl. Leverage	6.5%	6.3%	8.8%	7.1%	6.9%	6.7%	6.8%	6.4%
Leverage	1.0%	1.0%	1.4%	1.4%	0.3%	0.3%	1.0%	1.0%
Total Incl. Leverage	7.5%	7.3%	10.3%	8.6%	7.3%	7.1%	7.9%	7.5%
Other Non-Trend Assumptions								
RI Assessments	1.4%	1.4%	1.6%	1.5%	2.2%	1.6%		
Removal of 1% Primary Care Shortfall from Medical	n/a	n/a	1.0%	0.0%	n/a	n/a		
2021 Experience Base Period Trend Adjustment	n/a	n/a	n/a	n/a	3.8%	2.8%		
Contribution to Reserves/Profit	2.0%	1.0%	3.0%	1.0%	0.0%	0.0%		
Expected Average Overall Rate Change from 2023	10.2%	8.8%	12.4%	5.9%	12.0%	10.0%	10.7%	8.5%

⁶ The totals are weighted by membership. HPHC and HPIC are shown combined in this table, but when separated the HPHC large group rate change is 10.4% and the HPIC large group rate change is 9.6%.

⁷ 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, 2023	60		325	
Medical Expense Trend Assumptions				
Subtotal Excl. Leverage	9.0%	5.1%	6.5%	6.5%
Leverage	1.0%	1.0%	0.7%	0.7%
Total Incl. Leverage	10.1%	6.2%	7.3%	7.3%
Other Non-Trend Assumptions				
Contribution to Reserves/Profit	4.0%	1.0%	1.0%	1.0%
Expected Average Overall Rate Change from 2023				
	6.6%	0.3%	5.9%	5.9%