

Health Insurance Premium Rate Review Process Public Comment Solicitation - Individual, Small Employer Group, and Large Employer Group

Introduction

On May 13th, 2024 Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), Harvard Pilgrim Health Care of New England (HPHC), Harvard Pilgrim Health Care Insurance Company (HPIC), United Healthcare (United), Aetna Life Insurance Company (Aetna), and Cigna Health and Life Insurance Company (Cigna) filed with the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) to request approval for health insurance rates to be charged to individuals, small employers, and large employers effective in 2025. BCBSRI and NHPRI have filed in the individual market. BCBSRI, NHPRI, Harvard Pilgrim Health Care of New England (HPHC), Harvard Pilgrim Health Care Insurance Company (HPIC), and United have filed in the small employer market. BCBSRI, Harvard Pilgrim Health Care of New England (HPHC), Harvard Pilgrim Health Care Insurance Company (HPIC), United, Aetna, and Cigna have filed in the large employer market. OHIC has the responsibility of reviewing the rates with the goal of holding the insurers accountable for making health insurance more affordable while ensuring actuarial soundness, solvency, and stability for the health care delivery system.

Plan Year 2025 Individual, Small Group, and Large Group Review Process

OHIC is currently reviewing the requested rates. This review process will culminate in a final decision in August by the Health Insurance Commissioner approving, modifying, or rejecting the requested rates. Here are the components that the Commissioner will use to make decisions:

In the individual market, OHIC's final decision to approve, modify, or reject the requested rates for individuals and families will consist of the following components for each insurer:

- The **Overall Weighted Average Rate Increase** represents adjustments to reflect the benefits in plans, including modifications to prior year benefits and pricing. This weighted average rate increase represents the average rate increase that consumers will experience.
- **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 to approve, modify, or reject the requested rates for small employers will consist of the following components for each insurer: (1) the overall weighted average rate increase, (2) plan relativity factors, as above, plus (3) a quarterly effective date projection factor.

- The **quarterly effective date projection factor** represents the expected annualized inflation 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 employer market, OHIC's final decision to approve, modify, or reject the requested rates for large businesses 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. This average expected premium increase is comprised of rate factors that are applied to the employer's existing experience.

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 5 PM on July 19th, 2024. 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 by email to: OHIC.HealthInsInq@ohic.ri.gov
- OHIC will take public comments from members of the community at a virtual town hall meeting on July 15th, 2024 from 4:30 PM to 5:30 PM. The virtual town hall will occur via Zoom at this link: <https://us06web.zoom.us/j/86730182538?pwd=t7Qombx-6DuQV0on5i-tZVKfoPHDMqg.-Us1-uxjIM7JRpuU>. In addition to oral comments, OHIC encourages members of the public to also submit any oral comment offered at the public input meeting in written form to OHIC.HealthInsInq@ohic.ri.gov by July 19th, 2024.
- This year the Blue Cross Blue Shield of Rhode Island (BCBSRI) individual market rate filing is subject to an administrative hearing that will take place on July 2nd and July 3rd. Oral public comments on the BCBSRI individual market rate filing only will be taken from 6 PM – 7 PM on July 2nd and at 9 AM on July 3rd. The BCBSRI individual market rate hearing will be held at the Rhode Island Public Utilities Commission Hearing Room 89 Jefferson Blvd. Warwick, Rhode Island. Please see the Notice of Public Hearing for more details.

To assist interested stakeholders in developing their comments, OHIC has made the submissions filed by the insurers well as additional information available here: <https://ohic.ri.gov/regulatory-review/rate-review>