



## State of Rhode Island Office of the Health Insurance Commissioner Requested and Approved Summary for 2025 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 2025 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.<sup>1</sup>

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 2023 experience adjusted for trend, the expected experience underlying the 2025 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-formandraterreview.php>.

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<sup>1</sup> 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 2025 rates.<sup>2</sup> **Shading** indicates the approved factor differs from the requested factor.<sup>3</sup>

	BCBSRI IND		NHPRI IND		Total	
	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 2024	17,614		29,713		47,327	
CPAIR	\$424.45	\$412.08	\$309.86	\$310.85	\$352.51	\$348.52
<b>Medical Expense Trend Assumptions</b>						
Inpatient Hospital	5.1%	4.3%	5.5%	5.2%	5.4%	4.8%
Outpatient Hospital	8.8%	8.2%	6.7%	6.3%	7.5%	7.0%
Professional	7.2%	6.8%	5.4%	5.4%	6.1%	5.9%
Other Medical	7.2%	6.8%	6.2%	6.2%	6.6%	6.4%
Capitation	6.4%	6.0%	0.0%	0.0%	2.4%	2.2%
Prescription Drugs	9.7%	9.7%	10.3%	10.3%	10.1%	10.1%
<b>Total Medical Trend</b>	<b>7.8%</b>	<b>7.3%</b>	<b>7.1%</b>	<b>6.9%</b>	<b>7.3%</b>	<b>7.0%</b>
<b>Other Non-Trend Assumptions</b>						
Risk Adjustment	-9.1%	-9.1%	7.8%	6.9%		
Reinsurance	-6.5%	-6.6%	-3.8%	-3.8%		
RI Assessments	1.2%	1.2%	1.6%	1.6%		
Base Period Experience (Incurred Claims PMPM)	\$604.91	\$602.27	n/a	n/a		
Pharmacy Rebate Trend	10.6%	16.0%	n/a	n/a		
Cap on Administrative PMPM Charge	\$85.73	\$81.87	\$67.00	\$66.01		
Contribution to Reserves/Profit	2.0%	1.0%	1.5%	3.0%		
<b>CPAIR Change from 2024</b>	<b>14.3%</b>	<b>11.0%</b>	<b>5.6%</b>	<b>5.9%</b>	<b>8.8%</b>	<b>7.8%</b>

<sup>2</sup> The totals are weighted by membership. The Health Insurance Commissioner approved a 3.3% administrative PMPM charge trend. The 3.3% is the average of the CPI for all items less food & energy for the months of May (3.4%), June (3.3%), and July (3.2%). [12-month percentage change, Consumer Price Index, selected categories \(bls.gov\)](https://www.bls.gov)

<sup>3</sup> 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 2025 rates.<sup>4</sup> **Shading indicates the approved factor differs from the requested factor.**<sup>5</sup>

	BCBSRI SG		HPHCNE SG		HPIC SG		NHPRI SG		UHC SG		UHCNE SG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 2024	39,660		427		435		2,203		1,644		403		44,772	
CPAIR	\$486.81	\$475.38	\$480.97	\$465.77	\$513.27	\$497.78	\$377.87	\$367.85	\$539.86	\$501.60	\$475.27	\$441.26	\$483.49	\$470.87
<b>Medical Expense Trend Assumptions</b>														
Inpatient Hospital	5.3%	4.3%	6.3%	5.4%	6.3%	5.4%	5.5%	5.2%	8.1%	6.9%	8.1%	6.9%	5.5%	4.5%
Outpatient Hospital	9.2%	8.3%	6.3%	5.4%	6.3%	5.4%	6.7%	6.4%	7.5%	6.2%	7.5%	6.2%	8.9%	8.0%
Professional	7.5%	6.9%	6.3%	5.4%	6.3%	5.4%	5.4%	5.4%	6.8%	4.0%	6.8%	4.0%	7.3%	6.6%
Other Medical	7.5%	6.9%	6.3%	5.4%	6.3%	5.4%	6.2%	6.2%	7.0%	4.1%	7.0%	4.1%	7.4%	6.7%
Capitation	6.7%	6.1%	6.3%	5.4%	6.3%	5.4%	0.0%	0.0%	6.0%	6.0%	6.0%	6.0%	6.3%	5.8%
Prescription Drugs	11.1%	11.1%	10.5%	10.5%	10.5%	10.5%	10.2%	10.2%	10.1%	10.1%	10.1%	10.1%	11.0%	11.0%
<b>Total Medical Trend</b>	<b>8.3%</b>	<b>7.6%</b>	<b>7.2%</b>	<b>6.4%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>7.1%</b>	<b>6.9%</b>	<b>7.7%</b>	<b>6.4%</b>	<b>7.8%</b>	<b>6.6%</b>	<b>8.2%</b>	<b>7.5%</b>
<b>Other Non-Trend Assumptions</b>														
Base Period Experience (Incurred Claims PMPM)	\$514.89	\$511.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Risk Adjustment	0.0%	0.2%	n/a	n/a	n/a	n/a	n/a	n/a	-0.4%	-2.9%	-0.4%	-2.9%		
Small Group Market Morbidity Adjustment	n/a	n/a	n/a	n/a	n/a	n/a	1.155	1.086	n/a	n/a	n/a	n/a		
Individual Market Morbidity Adjustment	n/a	n/a	n/a	n/a	n/a	n/a	1.214	1.191	n/a	n/a	n/a	n/a		
MA Manual Rate Morbidity Adjustment	n/a	n/a	-4.7%	-6.1%	-4.7%	-6.1%	n/a	n/a	1.279	1.267	1.279	1.267		
Pharmacy Rebate Trend	10.6%	18.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
RI Assessments	1.1%	1.1%	2.5%	2.4%	2.4%	2.2%	1.7%	1.8%	1.3%	1.2%	1.3%	1.2%		
Cap on Administrative PMPM Charge	\$88.18	\$86.76	\$91.05	\$83.53	\$97.09	\$90.36	n/a	n/a	\$94.67	\$81.12	\$94.67	\$81.12		
Contribution to Reserves/Profit	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%		
<b>CPAIR Change from 2024</b>	<b>15.6%</b>	<b>12.9%</b>	<b>11.0%</b>	<b>7.5%</b>	<b>10.2%</b>	<b>6.9%</b>	<b>8.9%</b>	<b>6.0%</b>	<b>22.7%</b>	<b>14.0%</b>	<b>8.8%</b>	<b>1.0%</b>	<b>15.4%</b>	<b>12.4%</b>

<sup>4</sup> The totals are weighted by membership. The Health Insurance Commissioner approved a 3.3% administrative PMPM charge trend. The 3.3% is the average of the CPI for all items less food & energy for the months of May (3.4%), June (3.3%), and July (3.2%). [12-month percentage change, Consumer Price Index, selected categories \(bls.gov\)](https://www.bls.gov)

<sup>5</sup> 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, Harvard Pilgrim Health Care, and United as part of OHIC's review of 2025 rates.<sup>6</sup> **Shading indicates the approved factor differs from the requested factor.**<sup>7</sup> 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		HPhC & HPIC LG		UHCNE & UHIC LG		Total	
	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved
Enrollment as of March 2024	59,990		6,606		12,314		78,910	
<b>Medical Expense Trend Assumptions</b>								
Inpatient Hospital	5.1%	4.1%	5.6%	4.6%	7.9%	7.4%	5.6%	4.7%
Outpatient Hospital	8.8%	8.0%	5.6%	4.6%	7.4%	6.8%	8.3%	7.5%
Professional	7.2%	6.7%	5.6%	4.6%	6.8%	5.4%	7.0%	6.3%
Other Medical	7.2%	6.7%	5.6%	4.6%	6.9%	5.5%	7.0%	6.3%
Capitation	7.1%	6.6%	5.6%	4.6%	7.4%	7.2%	7.0%	6.5%
Prescription Drug	10.9%	10.9%	14.4%	14.4%	10.1%	9.9%	11.1%	11.0%
<b>Subtotal Excl. Leverage</b>	<b>7.9%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>6.2%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>7.8%</b>	<b>7.2%</b>
Leverage	0.9%	0.9%	1.2%	1.2%	1.1%	1.1%	1.0%	1.0%
<b>Total Incl. Leverage</b>	<b>8.9%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>7.5%</b>	<b>9.1%</b>	<b>8.4%</b>	<b>8.9%</b>	<b>8.2%</b>
<b>Other Non-Trend Assumptions</b>								
RI Assessments	1.1%	1.1%	1.5%	1.3%	1.6%	1.4%		
Base Period Experience (Incurred Claims PMPM)	\$513.48	\$512.25	n/a	n/a	n/a	n/a		
Pharmacy Rebate Trend	10.6%	19.8%	n/a	n/a	n/a	n/a		
2022 Experience Base Period COVID PMPM	n/a	n/a	\$12.43	\$4.90	n/a	n/a		
Cap on Administrative PMPM Charge	n/a	n/a	\$123.14	\$122.44	\$46.12	\$41.41		
Contribution to Reserves/Profit	2.0%	2.0%	1.0%	1.0%	2.0%	1.0%		
<b>Expected Average Overall Rate Change from 2024</b>	<b>13.5%</b>	<b>11.3%</b>	<b>13.5%</b>	<b>11.2%</b>	<b>14.9%</b>	<b>10.6%</b>	<b>13.7%</b>	<b>11.2%</b>

<sup>6</sup> 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 11.4% and the HPIC large group rate change is 11.1%. The Health Insurance Commissioner approved a 3.3% administrative PMPM charge trend. The 3.3% is the average of the CPI for all items less food & energy for the months of May (3.4%), June (3.3%), and July (3.2%). [12-month percentage change, Consumer Price Index, selected categories \(bls.gov\)](#)

<sup>7</sup> 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 2024	74		383	
<b>Medical Expense Trend Assumptions</b>				
<b>Subtotal Excl. Leverage</b>	<b>7.7%</b>	<b>7.2%</b>	<b>7.6%</b>	<b>6.0%</b>
Leverage	0.8%	0.8%	0.7%	0.7%
<b>Total Incl. Leverage</b>	<b>8.6%</b>	<b>8.1%</b>	<b>8.4%</b>	<b>6.7%</b>
<b>Other Non-Trend Assumptions</b>				
Contribution to Reserves/Profit	1.0%	1.0%	1.0%	1.0%
<b>Expected Average Overall Rate Change from 2024</b>	<b>7.9%</b>	<b>7.5%</b>	<b>2.5%</b>	<b>0.9%</b>