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## **2025 Commercial Health Insurance Rates Have Been Approved with Modifications**

**CRANSTON, R.I. (September 3, 2024)** – Commercial health insurance premiums for 2025 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 \$29.6 million in 2025 compared to what the commercial health insurers requested. In the months since the rate filings were submitted in May, OHIC has reviewed the medical and pharmacy 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 premiums approved by OHIC are predominantly driven by payments to health care providers and drug costs, due to increasing unit prices and use of health care goods and services.

The approved rates do not apply to self-funded employer groups that account for approximately 65% of Rhode Islanders with employer-sponsored coverage. Self-funded employers pay the health care expenses of their employees and dependents directly, commonly relying on health insurance companies for administrative services, such as member enrollment, provider contracting, and claims processing.

In addition to OHIC’s review, the Rhode Island Attorney General’s Office (RIAG) conducted an independent review of the rate filings across all markets. The RIAG submitted comments and actuarial reports with recommendations on each rate filing to OHIC, consistent with the practice of years past. The RIAG actuarial reports are posted on the OHIC website for the public to review. The RIAG also participated in the BCBSRI individual market rate hearing in July.

Tables 1 – 3, below, summarize the approved rates for 2025 and the enrollment with each insurer, by market, as of March 2024. The rate change approved by OHIC is shown along with the recommendations from 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 7.8% for the individual market, 12.4% for the small group market, and 11.2% for the large group market. To lower rates, OHIC reduced medical trend and severity assumptions, rejected insurer administrative cost increases that exceeded the rate of inflation, and modified insurer requested margin.

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**Table 1: Individual Market Approved – Weighted Average Rate Change**

Insurer	Enrollment	OHIC Approved	RIAG Actuary Recommendation	Insurer Requested
BCBSRI	17,614	11.0%	14.2%	14.3%
NHPRI	29,713	5.9%	7.6% <sup>1</sup>	5.6%

**Table 2: Small Group Market Approved – Weighted Average Rate Change**

Insurer	Enrollment	OHIC Approved	RIAG Actuary Recommended	Insurer Requested
BCBSRI	39,660	12.9%	15.2%	15.6%
NHPRI	2,203	6.0%	7.9%	8.9%
UHCNE	403	1.0%	4.1%	8.8%
UHIC	1,644	14.0%	18.0%	22.7%
HPIC	435	6.9%	6.5%	10.2%
HPHC	427	7.5%	7.0%	11.0%

**Table 3: Large Group Market Approved – Weighted Average Rate Change**

Insurer	Enrollment	OHIC Approved	RIAG Actuary Recommended	Insurer Requested
BCBSRI	59,990	11.3%	13.0%	13.5%
UnitedHealthcare	12,314	10.6%	10.5%	14.9%
HPHC	2,897	11.4%	12.8%	13.6%
HPIC	3,709	11.1%	12.5%	13.3%
Aetna	74	7.5%	6.2%	7.9%
Cigna	383	0.9%	1.3%	2.5%

<sup>1</sup> The Office of Attorney General Peter Neronha submitted an actuarial report concerning NHPRI’s individual market rate filing on August 8, 2024. Attorney General Neronha’s actuary recommended increasing NHPRI’s contribution to reserve/surplus (CTR) to 3%, stating: “a contribution to surplus lower than 3% presents significant risk of Company insolvency.” See [RIAG NHPRI](#), p.5. OHIC concurred with the recommendation to increase the CTR to 3% but modified the rate filing in other ways. Attorney General Neronha did not agree with his actuary’s recommendation for NHPRI, or any other rate filing. See <https://riag.ri.gov/press-releases/attorney-general-neronha-objects-proposed-rate-increases-health-insurers>

“Each year my office must strike a difficult balance between affordability, the funding needs of the health care delivery system, and insurer solvency.” said Health Insurance Commissioner Cory B. King. He continued: “Rising premiums negatively impact Rhode Islanders’ economic well-being. When insurers pay more for health care goods and services, premiums go up. Addressing the rising cost of health care is a core focus of my office, and we will continue our work with health care providers and insurers to lower Rhode Islanders’ health care costs.”

### **Why Are Premiums Increasing Over Time?**

The principal driver of premiums are the claims payments that health insurers make to health care providers, including hospitals, physicians, and pharmacies. These payments account for 82 cents on the premium dollar, on average. Three major factors drive increases in claims: increased use of services (such as hospital admissions, outpatient surgeries, physician visits, and dispensing of drugs), higher reimbursement, and provision of higher intensity services, all else equal. New benefit mandates and restrictions on cost sharing also increase claims payments and premiums. Other factors, such as administrative charges, fees, and higher margin requests likewise increase premiums. To address these factors, the 2025 decision rejected all monthly administrative charge increases above the rate of inflation.

### **More Rate Review Resources**

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

For more information on the health insurance market in Rhode Island see: [Rhode Island 2024 Market Summary](#).

For more information on health care spending trends and quality for the state as a whole see: <https://ohic.ri.gov/policy-reform/health-spending-accountability-and-transparency-program>