

# OHIC NEWS

## OHIC MEDICARE SUPPLEMENT REVIEW HAS SAVED SENIORS \$650,000 SINCE 2014

### Savings is difference between requested and approved premium increases

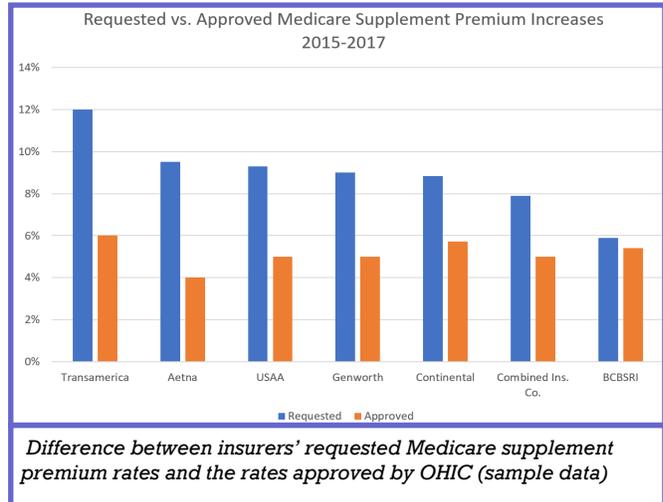
The Office of the Health Insurance Commissioner (OHIC) has saved Medicare supplement plan purchasers more than \$650,000 over the past 3 years through its comprehensive form and rate review process.

The savings are the difference between Medicare supplement premium increases requested by insurers and the final rates approved by OHIC, according to Victor Woods, Principal Policy and Programming Specialist for the Office.

Health insurers in Rhode Island must have approval from OHIC before changes in their premium rates can take effect. This process is separate from OHIC's annual Rate Review for regular commercial plans, but it has been in place since the creation of OHIC in 2005, and more recently enhanced under the Affordable Care Act.

Medicare Supplement plans are sold by private companies to cover the out-of-pocket costs that original Medicare doesn't cover, like copayments, coinsurance, and deductibles.

The overall marketplace for Medicare supplement plans is smaller than the regular commercial market, with an average of 50,000 covered lives. But OHIC ex-



pects the number of consumers purchasing and covered by these plans to grow significantly.

“As our population ages, and more Rhode Islanders purchase Medicare supplement plans, the rate review and approval process for these plans becomes more important,” Woods said.

More details about Medicare Supplement rate filings can be found on the OHIC website: <http://www.ohic.ri.gov/ohic-formandraterereview.php>

## Quarterly Public Meeting Scheduled for May 16 at Blackstone Valley Community Health Care

Health insurance purchasers and other members of the public will have an opportunity to bring their comments and concerns directly to the Health Insurance Commissioner and her advisory council at a public meeting in Pawtucket next month.

The Office of the Health Insurance Commissioner (OHIC) and the Health Insurance Advisory Council (HIAC) will hold their next Quarterly Public Meeting on Tuesday, May 16 from 4:30-6:00 PM at Blackstone Valley Community Health Care, 39 East Ave, Pawtucket.

OHIC and HIAC hold these public meetings in locations throughout the state to hear from healthcare consumers – including individual and employer purchasers of

health insurance – and share with them information about OHIC's efforts to improve insurance affordability, access, and quality in Rhode Island.

“Public engagement is very important to my office, and we are looking forward to a well-attended and productive meeting in Pawtucket,” said Health Insurance Commissioner Kathleen Hittner.

An agenda for the meeting will be posted in the coming weeks. For more information, visit the HIAC page on the OHIC website: <http://www.ohic.ri.gov/ohic-hiac.php>

## Ask the Commissioner: Open Enrollment

Welcome to "Ask the Commissioner," a regular column where Commissioner Hittner answers common questions about health insurance and healthcare policy.

### Why can I only purchase an individual health plan during an open enrollment period?

The Affordable Care Act established a marketplace for consumers to buy individual and family coverage. It also established an open enrollment period during which those plans can be purchased. The 2017 open enrollment period ended on January 31. The open enrollment period will start again on November 1, 2017, for coverage beginning in 2018.

Open enrollment is important to a functioning insurance marketplace. Think of the monthly insurance premiums consumers pay as going into a big pot. Everyone who purchases a health plan is put into a risk pool, with their premium dollars going into this pot.

When a member of the risk pool gets sick, the insurance company takes money from the pot and uses it to pay some or all of the cost of the health care services the consumer receives. Since the risk pool is balanced, there are more healthy people paying into the pot than there are sick ones taking money out.

If there were no open enrollment period, and consumers

were able to purchase insurance whenever they wanted, most would opt to forgo paying for insurance until they needed it – that is, when they get sick or injured and need to see a doctor. This would create a serious imbalance in the risk pool. There would be more money going out than there would be coming in, and the insurance company would quickly go out of business.

From time to time, legislators will introduce measures to allow consumers with certain medical conditions to purchase a health plan outside of open enrollment. Many of these measures have the laudable goal of protecting vulnerable populations. But they also have the potential to destabilize insurer risk pools and, subsequently, the entire health insurance marketplace. Policymakers must carefully weigh these risks when considering such legislation.

Certain life events - including loss of health coverage, moving, getting married, having a baby, or adopting a child - will qualify consumers for a special enrollment period, allowing them 60 days to purchase a health plan outside of open enrollment.

Along with the tax penalty for not having health insurance, the open enrollment period creates an incentive for healthy consumers to purchase insurance. This helps to keep the risk pools balanced and stabilize premiums for all consumers.



Dr. Kathleen Hittner

## Upcoming Meetings

### State Innovation Model (SIM) Steering Committee

Meets the 2nd Thursday of every month

Thursday, April 13 5:30—7:30 PM  
HP Conference Center  
301 Metro Center Blvd., Warwick

### Health Insurance Advisory Council

Meets the 3rd Tuesday of every month

Tuesday, April 18, 4:30—6 PM  
Department of Labor and Training Conference Rm.  
1511 Pontiac Ave. Building 73-1, Cranston

### Primary Care Alternative Payment Model Workgroup

Friday, April 21, 7:30—9:30 AM  
Department of Labor and Training Conference Rm.  
1511 Pontiac Ave. Building 73-1, Cranston

### High-risk Patient Identification Workgroup

Thursday, April 21, 9:30—11:30 AM  
Department of Labor and Training Conference Rm.  
1511 Pontiac Ave. Building 73-1, Cranston

### Small Practice Engagement Workgroup

Monday, April 24, 7:30—9:30 AM  
Department of Labor and Training Conference Rm.  
1511 Pontiac Ave. Building 73-1, Cranston



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