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State Reduces Health Care Premium Increases Requested for 2018

Since 2012, OHIC has saved ratepayers \$236 million by approving lower rates than proposed.

CRANSTON, RI – Health insurance premium rates for 2018 have been approved by Rhode Island’s Office of the Health Insurance Commissioner (OHIC).

- Overall, these 2018 premiums will be \$16.7 million dollars lower than what the insurers asked OHIC to approve.
- OHIC’s decisions include some reductions in insurers’ cost estimates and contributions to reserves and profit.

Across the US, health insurers are seeking double-digit rate increases for 2018 plans. Insurers in several states are seeking increases of 20% or greater according to a Kaiser Family Foundation [report](#) released on August 10. By comparison, insurers in RI requested premium increases averaging from 5% to 13.9%.

According that Kaiser national study, RI has among the lowest cost health insurance plan in the country offered on a health insurance exchange or marketplace.

The main drivers of Rhode Island premiums for 2018 are:

- Double digit annual increases for prescription drug costs, which range from 9.7% to 13.7% across insurers.
- Higher hospital outpatient use than in recent years.
- The reinstatement of a federal health insurance tax, which adds up to 2% to most premiums.

“Fortunately, the outlook is better in Rhode Island relative to health insurance premium increases in other states, and we have been able to reduce the 2018 rate increases by \$16.7million. However, health insurance costs are already very high for many Rhode Islanders, and we understand that annual increases are a burden for individuals and companies in our state,” said state health insurance commissioner Marie Ganim. “It is our job at the Office of the Health Insurance Commissioner to continue to work to transform the health care system to get costs under control.”

OHIC is dedicated to protecting consumers; guarding the solvency of health insurers; encouraging the fair treatment of health care providers; and improving the health care system as a whole. Examples of OHIC’s pro-consumer work include:

- an annual cap on increases in hospital prices paid by health insurers and
- requiring insurers to invest in primary care. Investments in the adoption of the patient centered medical home model over a four year period has yielded a return of approximately \$2.50 in savings for each dollar spent, according to estimates from Blue Cross Blue Shield of Rhode Island.

These policies are part of OHIC’s overall efforts to protect consumers by controlling health care costs in Rhode Island.

Protecting Consumers • Ensuring Solvency • Engaging Providers • Improving the System
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**2018 Individual Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2018 – Requested	2018 – Approved	2017 - Requested	2017 - Approved	2016 - Requested	2016 - Approved
BCBSRI	13.9%	12.1%	9.0%	5.9%	11.0%	3.8%
NHPRI	5.0%	5.0%	-5.0%	-5.9%	8.6%	5.8%

**2018 Small Group Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2018 – Requested	2018 – Approved	2017 - Requested	2017 - Approved	2016 - Requested	2016 - Approved
BCBSRI	8.6%	7.3%	3.9%	2.1%	2.3%	0.0%
NHPRI	6.3%	6.3%	-2.2%	-3.1%	0.8%	2.4%
UnitedHealthcare (HMO)	12.8%	8.1%	0.4%	-1.8%	13.5%	7.2%
UnitedHealthcare (PPO)	12.8%	8.1%	0.4%	-1.8%	13.5%	7.2%
Tufts Health Plan (HMO)	6.0%	6.0%	-1.0%	-1.0%	-2.5%	-4.1%
Tufts Health Plan (PPO)	6.5%	6.5%	-0.9%	-0.9%	-2.9%	-4.5%

**2018 Large Group Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2018 – Requested	2018 – Approved	2017 – Requested	2017 – Approved	2016 - Requested	2016 - Approved
BCBSRI	11.9%	10.5%	8.9%	7.0%	7.3%	5.1%
UnitedHealthcare	10.3%	8.0%	5.3%	3.6%	7.6%	4.4%
Tufts Health Plan HMO	9.8%	9.8%	4.8%	4.8%	6.7%	6.1%
Tufts Health Plan PPO	10.4%	10.4%	4.3%	4.3%	7.2%	6.6%

The tables reflect the average premium increase to consumers, before reflecting changes in age. Final rates will differ based on a subscriber's age and the benefits he or she chooses. In the large group market, the expected premium increases are averages—employers will see higher and lower rates depending on demographic changes in their workforce and their own company's rates of medical care utilization.