



Health Insurance Bulletin 2020-07
Effective January 1, 2021
2021 CPI- Urban (Affordability Standards)

- a) **Purpose and Authority.** This Bulletin is issued by the Office of the Health Insurance Commissioner for the purpose of determining and identifying the US All Urban Consumer Less Food and Energy CPI (CPI-Urban) percentage increase for calendar year 2021. This determination of CPI-Urban is made pursuant to 230-RICR-20-30-4.10, subsections 4.10(D)(2) and 4.10(D)(6). The CPI-Urban percentage increase identified below must be used by health insurers in connection with maximum, annual hospital rate increases (230-RICR-20-30-4.10(D)(6)(e)(1)), and in connection with maximum, annual increases for population-based contracts (230-RICR-20-30-4.10(D)(2)(f)).
- b) **Definitions.** The terms in this Bulletin shall have the meaning of those terms as defined in 230-RICR-20-30-4.
- c) **2021 CPI-Urban.** The CPI-Urban percentage increase for calendar year 2021 shall be: **2.05%**. The figure is based on the most recently published 12-month percentage change in the CPI-Urban (less Food & Energy) by the U.S. Bureau of Labor Statistics (September 2020) averaged with the CPI-Urban percentage increase identified in OHIC Bulletin 2019-2. Reference series ID: CUUR0000SA0L1E. The Commissioner's decision to average two years is a temporary measure to address provider financial performance as a result of the COVID-19 public health emergency.
- d) **Hospital Contracts.** In connection with maximum, annual hospital rate increases, the contractual rate of increase shall be no more than 3.05% during the period January 1, 2021 through December 31, 2021.
- e) **Population-based Contracts.** In connection with maximum, annual increases for population-based contracts, the contractual rate of increase shall be no more than 3.55% during the period January 1, 2021 through December 31, 2021.

Dated at Cranston, Rhode Island this 9th day of November 2020.

Marie Ganim

Marie Ganim, PhD, Commissioner