



## Analysis of Rhode Island Commercial Insurance Enrollment Trends by Line of Business and Carrier as of December 2010

### Overview:

- The following graphs measure total health plan enrollment by the following lines of business as of December of each year from 2005 through 2010:
  - Enrollment by Large Group- employers defined as those with over 50 employees.
  - Enrollment of Self-Insured
  - Enrollment by Small Group- employers are defined as those with between 1 and 50 employees.
  - Individual Purchase ("Direct Pay") – Included in totals graph only.

### Key Takeaways:

- The total RI commercial insurance enrollment has declined by 10% in the last 5 years (from 620,000 covered lives to 555,000 covered lives).
- The decline in enrollment has been consistent at 1-2% per year, with the exception of an especially high decline in 2009 (8%). The decline in 2010 appears to be back to the 1-2% level.
- The combined large group/self insured market has declined by 9% (48,000 lives) in the last 5 years and there has also been a shift from large group to self-insured.
- The small group market has declined by 15% in the last 5 years (15,000 lives).

### Methodology

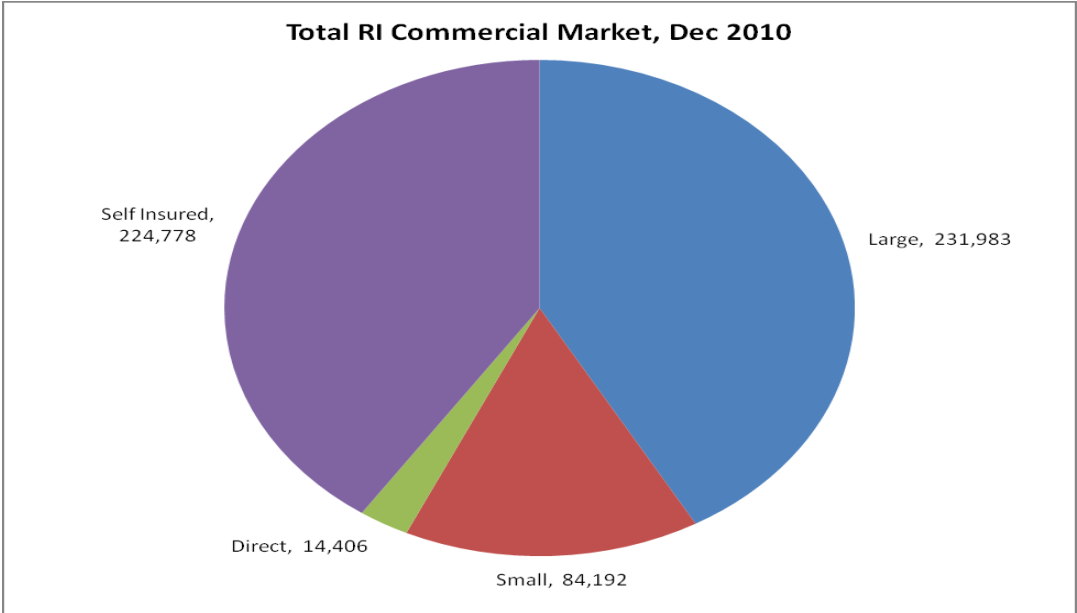
- Enrollment defined as Rhode Island residents, regardless of business location.
- Source: Carrier self reporting for all affiliated companies submitted by BCBSRI, United, & Tufts.
- Limitations: Survey does not capture RI residents enrolled through other third party administrators or other commercial carriers. This is thought to be a small number, given total RI population under age 65. It is possible, though not likely, that losses by these carriers have been offset by gains in other insurers

### Areas for Further Investigation Suggested by these Graphs:

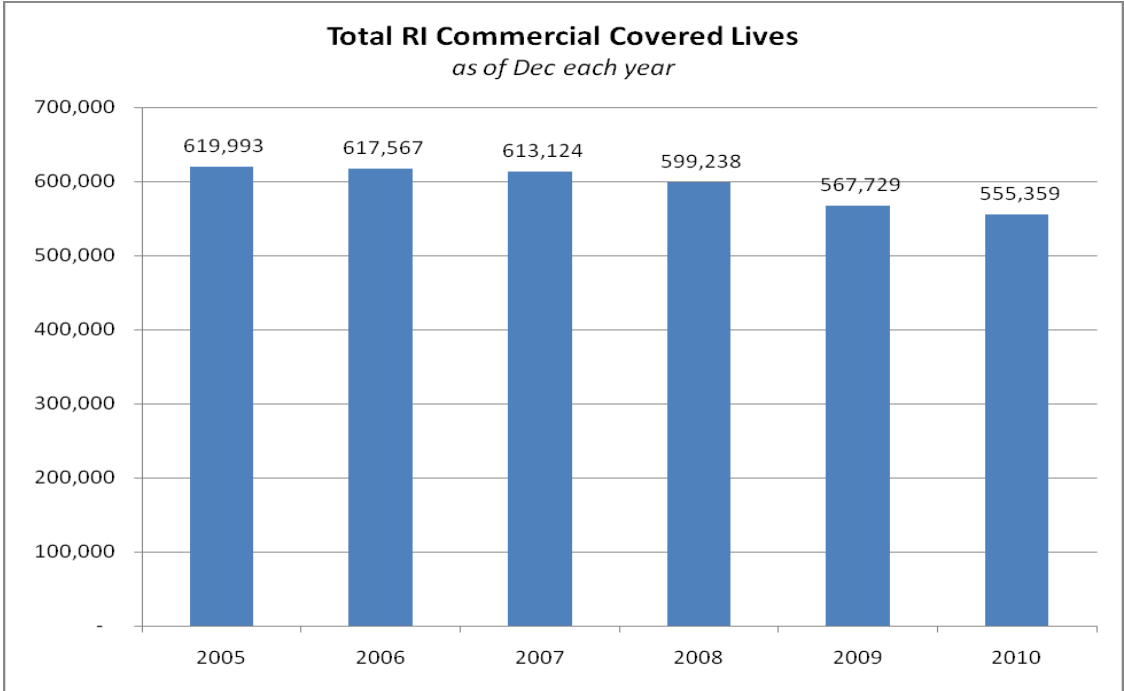
To understand shifts in the commercial market, this analysis should be paired with trends in uninsured, Medicaid, other commercial carrier, other third party administration and total RI under 65 population during this time.

# OHIC Commercial Enrollment Trends – May 2011

The estimated total RI Commercial Market is 555,359 covered lives as of December 2010. The largest segments are large group (42% of covered lives) and Self Insured (40%). Small Group is 15% of the market and direct is only 3%.

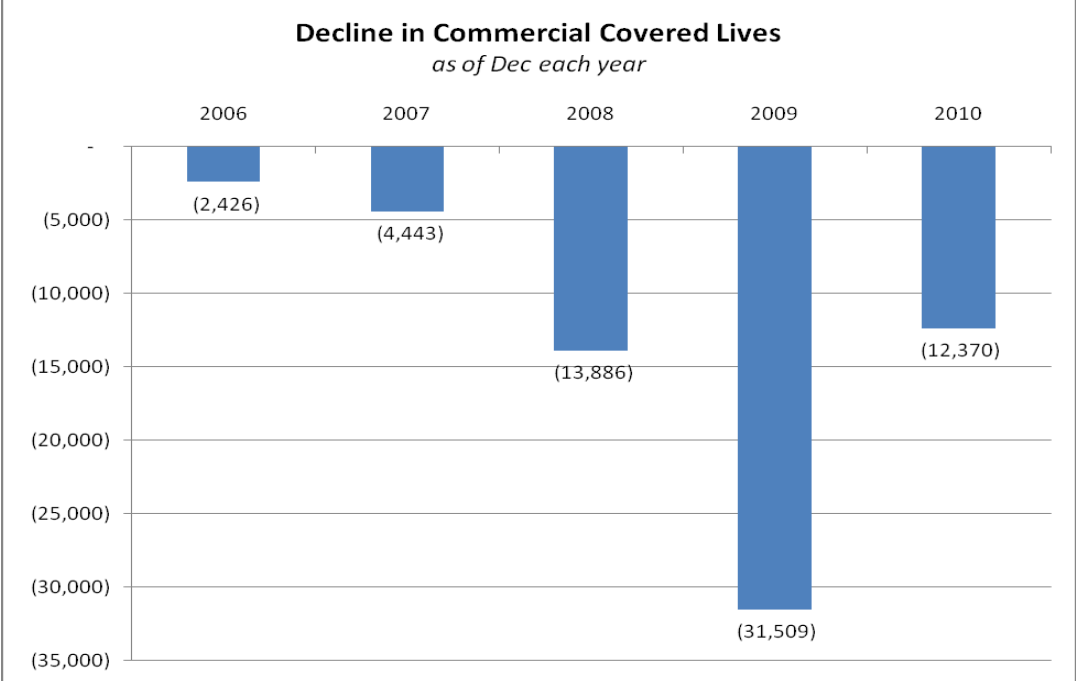


The total commercial covered lives has declined by 10% since 2005 (nearly 65,000 lives).

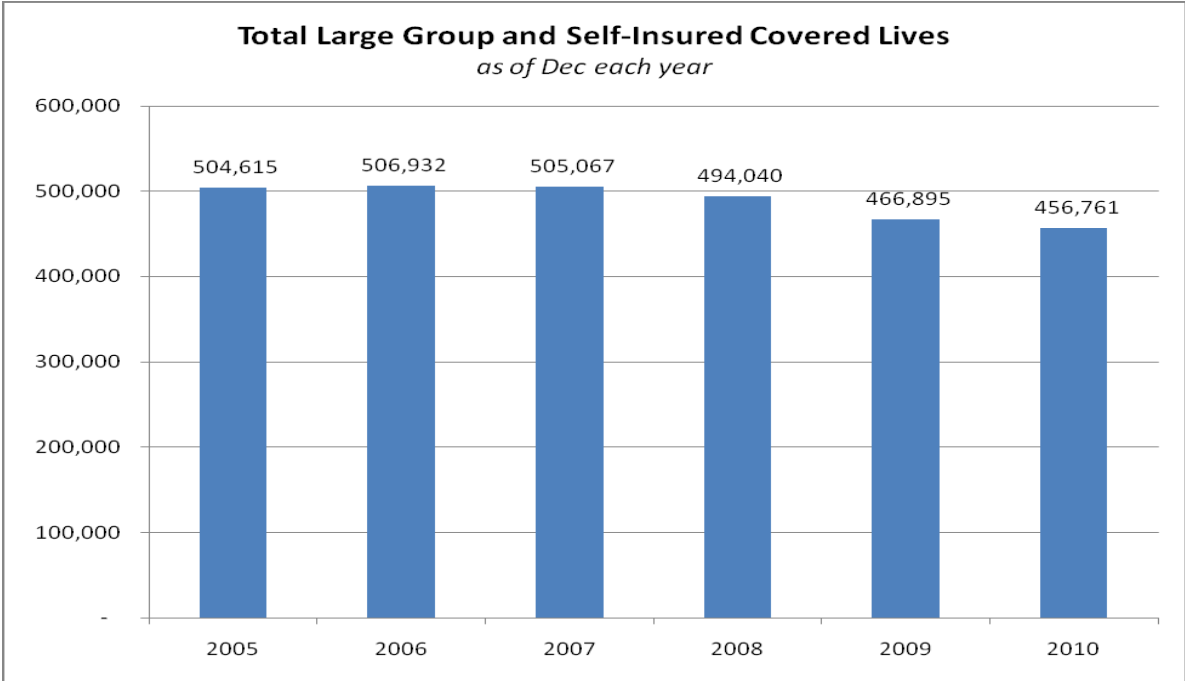


# OHIC Commercial Enrollment Trends – May 2011

Total covered lives has been declining 1-2% per year, however 2009 was an especially bad year with an 8% decline (loss of 31,500 lives). This coincides with the economic recession. The decline seems to have steadied out back to a 2% loss for 2010.

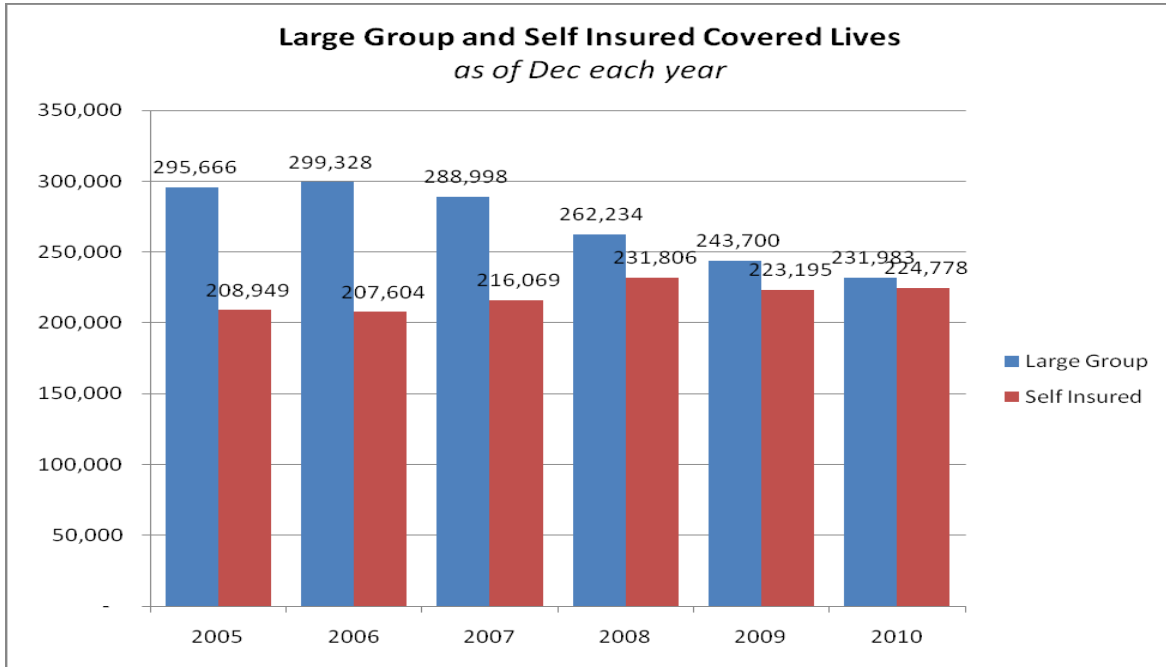


The combined large group/self insured market has declined by 9% (48,000 lives) in the last 5 years.

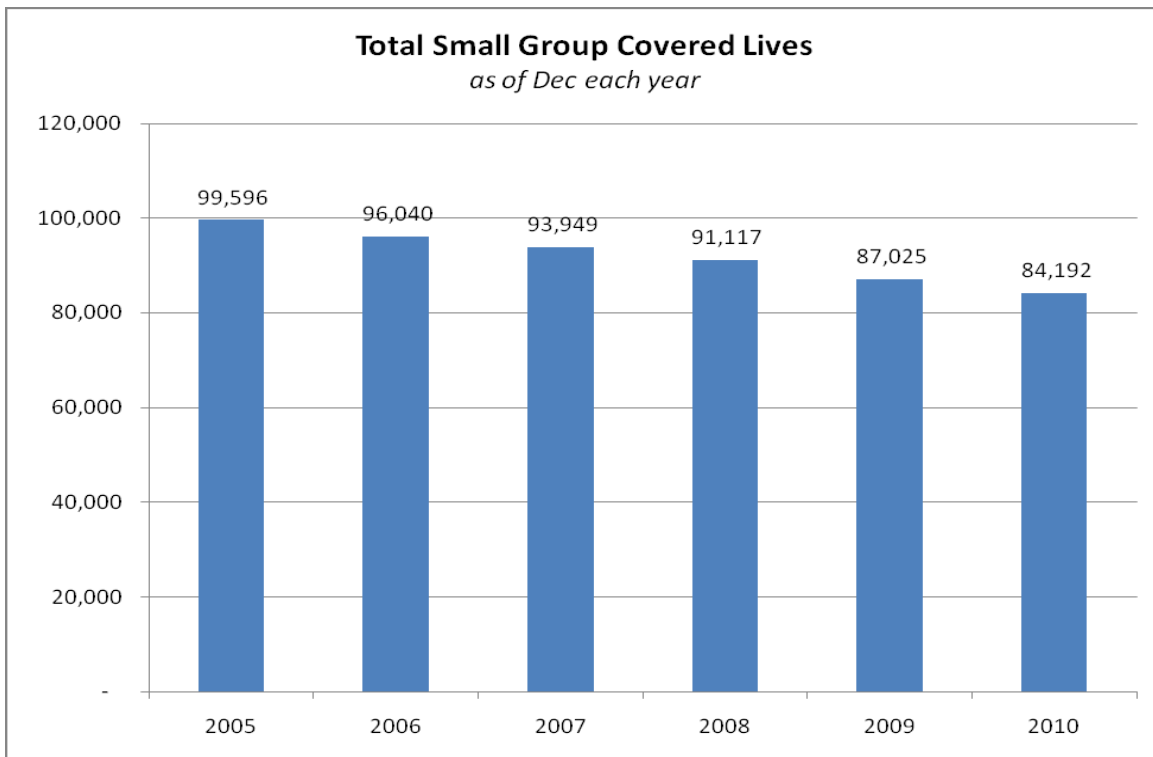


## OHIC Commercial Enrollment Trends – May 2011

There has also been a partial shift from large group to self-insured. Large group has declined by 22% (64,000 lives) while Self insured has increased by 8% (16,000 lives).

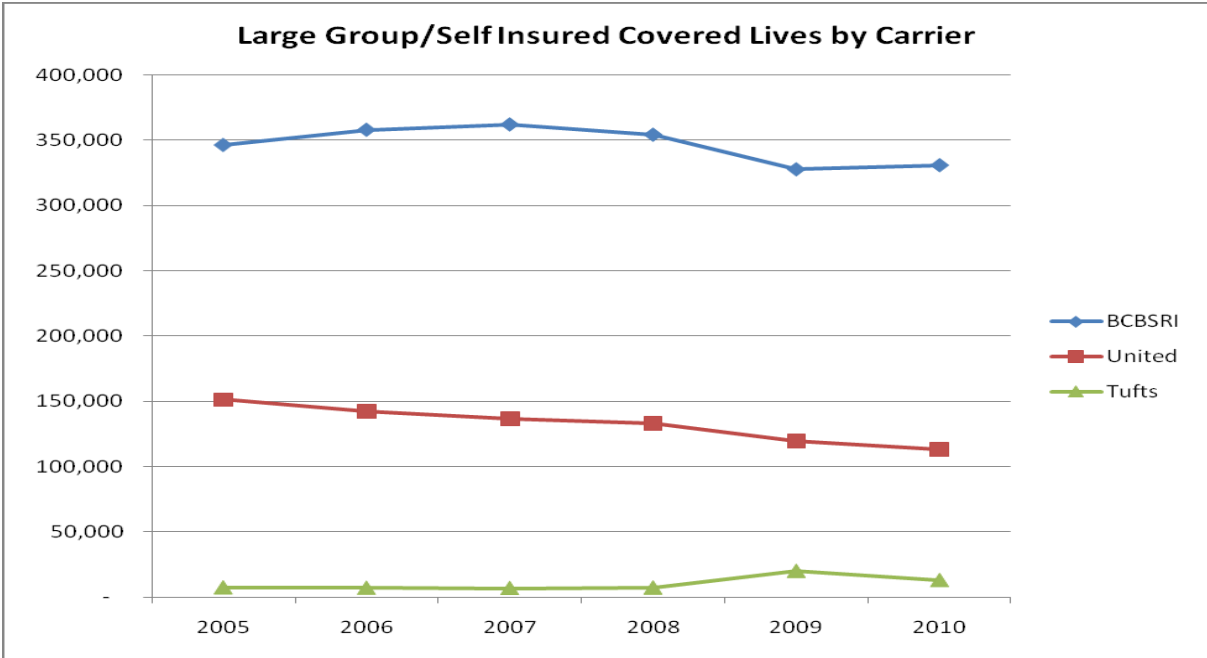


The small group market has declined by 15% in the last 5 years (15,000 lives).

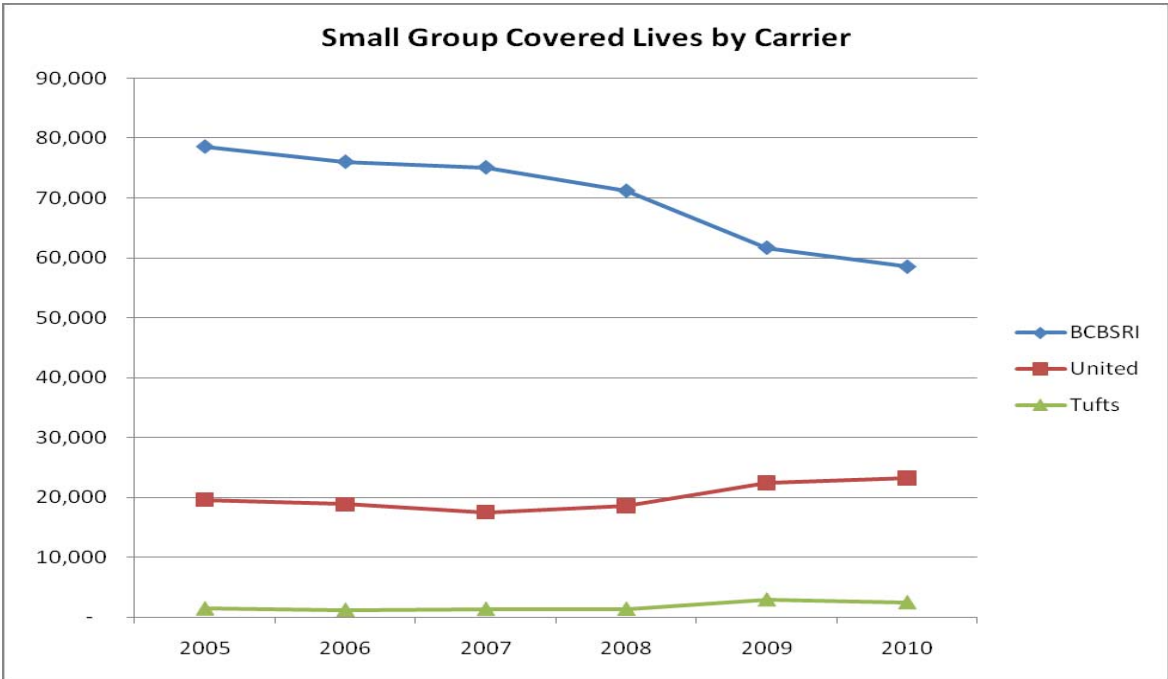


# OHIC Commercial Enrollment Trends – May 2011

BCBSRI is by far the largest carrier in the large group/self insured market, with 72% of the covered lives. BCBSRI enrollment for this combined market segment has declined 4% (15,000 lives) over the last 5 years. United enrollment, while smaller, has declined 25% (38,000 lives) since 2005. Tufts enrollment has grown slightly from a very small base.

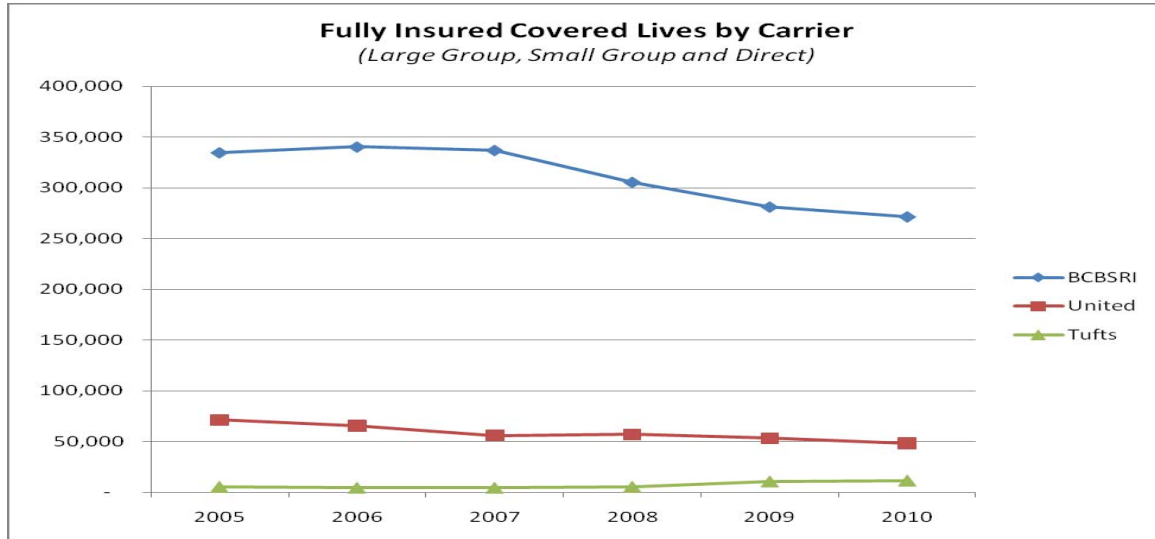


In the small group market, BCBSRI enrollment has declined 26% (20,000 lives) since 2005 while United enrollment has increased 11% (4,000 lives) over the same time period. Again Tufts enrollment has grown slightly from a very small base.

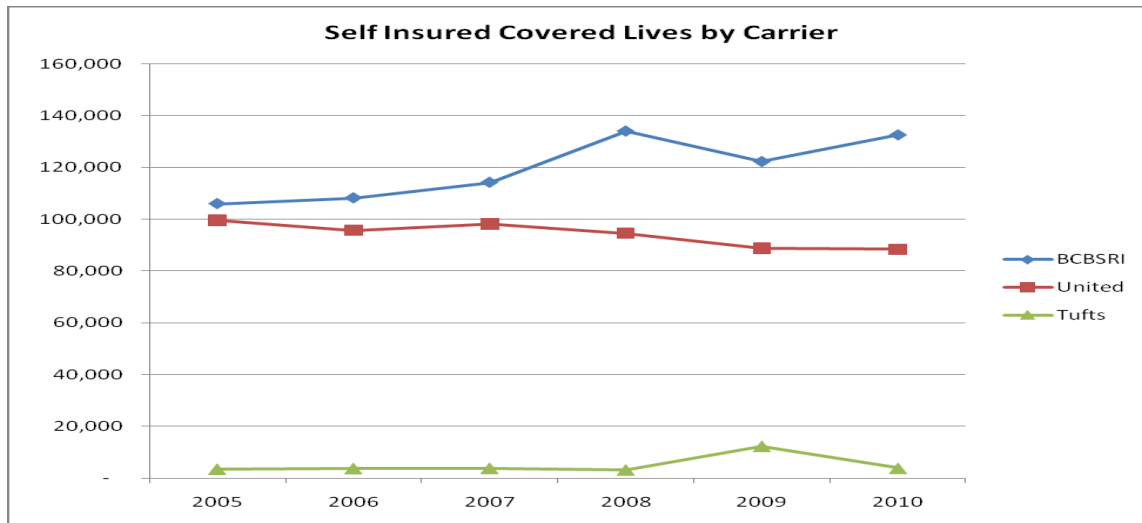


## OHIC Commercial Enrollment Trends – May 2011

In the fully insured market we see a 19% decline (64,000 lives) from BCBSRI and a 33% decline from United (23,000 lives) over the last 5 years. Tufts has doubled their fully insured business since 2005 but are still only 3% of this market.



In the self insured market we see that BCBSRI covered lives have increased 25% (27,000 lives) over the last 5 years, somewhat making up for losses in the fully insured segment. United has decreased 11% (11,000 covered lives) in the self-insured segment. Tufts enrollment in this segment has been flat since 2005.



### Areas for Further Analysis

Further analysis would investigate how enrollment losses by the three major commercial carriers during this time period relate to numerical changes in the following groups of RI residents: under age 65 Medicaid recipients, those receiving coverage by other carriers and administrators, and number of people with no health insurance.