

OHIC NEWS

Be a Smart Shopper: Go to HealthSourceRI.com for Help Choosing the Right Plan

Because of action taken by the President, some individual market rates for 2018 will now include an extra surcharge

Despite the uncertainty from Washington, DC, and corresponding rate increases, HealthSource RI has a variety of plans and prices to match with customers' insurance needs. The Office of the Health Insurance Commissioner (OHIC) is working with HealthSource RI to minimize additional costs for consumers resulting from actions on the part of the President.

In response to the abrupt decision to end payments to insurers that support reduced out-of-pocket costs for low income consumers, OHIC has approved new health insurance rates for **some** plans offered by HealthSource RI for 2018.

The rate increases only apply to individual and family plans sold on HealthSource RI and will not affect consumers on Medicare, Medicaid, or those who are on a health plan through their employer.

The halted payments helped insurers offer plans with very low copays and deductibles to individuals and families who earn between 138% and 250% of the federal poverty level. These plans will still be available in 2018—but the end of the federal payments that helped subsidize them means insurers had to raise premiums to make up for the loss.

“Rate increases may be offset by additional tax credits most customers will receive—a strategic decision RI made to protect consumers.”

This summer, in anticipation of this challenge, OHIC directed Blue Cross & Blue Shield of RI and Neighborhood Health Plan of Rhode Island – the two insurers offering individual plans on the state-based exchange – to prepare rates that factored in the loss of the payments. The insurers were instructed to focus rate increases on the plans that determine the dollar amount of federal tax credits relative to consumers' income.

It works like this: The tax credits are designed so that qualifying individuals and families will not pay more than 9.5% of their household income for a silver plan. Since the price of the second-lowest cost silver plan is what determines the tax credit, when the price of this plan rises, the value of the tax credit rises.

Therefore, the rate increases on these plans may be offset by the additional tax credit that most HealthSource RI customers will receive, depending on the individual and the plan selected. Rhode Island is one of several states using this strategy to protect consumers.

Nearly 9 out of 10 HealthSource RI customers qualify to receive tax credits to help pay for insurance. Consumers should contact HealthSource RI to learn what help they qualify for and what plan is best for them.

HealthSource RI is launching a new Savings Calculator to help customers better understand their options. Customers with questions about 2018 Open Enrollment for individuals and families can contact HealthSource RI by phone at 1-855-840-4774 or in person at 401 Wampanoag Trail, East Providence, Monday—Friday from 8:00 AM to 7:00 PM, Saturdays from 9 AM to 12 PM starting November 1, or visit www.HealthSourceRI.com.

Plans are changing, but there are affordable options to meet consumers' needs—visit HealthSourceRI.com

How the Federal Administration is undermining the ACA

The Affordable Care Act is working in RI

Affordable Care Act (ACA) markets have remained stable and have driven down uninsured rates nationwide. Here in Rhode Island, where Governor Raimondo has embraced the ACA, our uninsured rate is down from more than 11% to 4.5% and overall health insurance rate growth is among the slowest in the region.

Despite our success, recent efforts by the President to undo the ACA could have dire consequences for our health insurance market.

Here are some of the things being done to dismantle the health care law:

Individual mandate enforcement: While the IRS says they will continue to levy tax penalties and reject returns that do not include information on filers' health insurance, the White House has threatened to end enforcement of the ACA's requirement that all Americans have health coverage. The mixed messages have caused confusion among consumers and uncertainty among health insurers. Without the individual mandate, only sicker people will buy insurance, causing premiums to rise significantly.

Open enrollment roadblocks: The administration has cut the open enrollment period for the federal health insurance exchange in half (from 3 months to just 6 weeks), slashed the advertising budget by 90%, and cut funding for enrollment assistance by 40%. With a shortened enrollment period and less outreach, many fewer people are expected to sign up for insurance.

Eliminating the CSR payments: As we report on page 1, the President's decision to end these payments has caused some rates to increase dramatically. Most of the people impacted will not actually pay more due to a strategic decision RI made to protect consumers—but a rise in tax credits will cost the federal government an additional \$194 billion over ten years, according to the Congressional Budget Office.

Allowing more Association & Short-term Health Plans: President Trump has signed an executive order to allow more small employers to band together and purchase plans through industry associations and trade groups. According to the National Association of Insurance Commissioners, these Association Health Plans (AHPs) will fragment the small employer market and result in higher premiums. AHPs and short-term health plans may be less expensive, but because they are exempt from ACA protections and the ban on pre-existing condition exclusions, consumers who are covered by them may find themselves with huge medical bills in the event of a major illness or emergency.

These actions and others on the part of the White House will fragment insurance risk pools, destabilize markets and drive up premiums for consumers and employers who are looking for a reliable, high-quality health plan.

Upcoming Meetings

Alternative Payment Methodologies Committee

Tuesday, November 7, 8 AM—11 AM
Department of Labor and Training Conference Rm.
1511 Pontiac Ave. Building 73-1, Cranston

Care Transformation Advisory Committee

Thursday, November 9, 8 AM—11 AM
Department of Labor and Training Conference Rm.
1511 Pontiac Ave. Building 73-1, Cranston

State Innovation Model (SIM) Steering Committee

Meets the 2nd Thursday of every month

Thursday, November 9, 5:30—7:30 PM
HP Conference Center
301 Metro Center Blvd., Warwick

Health Insurance Advisory Council

Tuesday, November 28, 4:30—6:00 PM
Department of Labor and Training Conference Rm.
1511 Pontiac Ave. Building 73-1, Cranston



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