



FOR IMMEDIATE RELEASE

Media Contact: Nicole Renzulli
(401) 462-9639
nicole.renzulli@ohic.ri.gov

OHIC Approves Commercial Health Insurance Rates for 2016

CRANSTON, R.I. (August 19, 2015) - Health Insurance Commissioner Kathleen C Hittner, MD today announced her final decision on commercial health insurance premiums for 2016. She approved lower rates than those requested by most health insurers. The rising cost of medical care – the prices insurers pay to providers for particular services and the number of services members use – continues to be the main driver of health insurance premium growth.

“Throughout the rate review process I listened to hardworking Rhode Islanders and business owners struggling to keep up with the increasing cost of health insurance for their families and their employees,” said Commissioner Hittner. “My office’s review of premium requests balances affordability to the consumer with a legal obligation to guard the solvency of insurers. This year’s approved rates are lower than the insurers requested. However, there continues to be room for improved affordability for consumers by reforming the payment and delivery system.”

“We will be coming together as a state to address the root causes of rising healthcare costs,” said Elizabeth Roberts, Secretary of Health and Human Services. “By working together and building on initiatives such as OHIC’s Affordability Standards, our Reinventing Medicaid process and the efforts of the Working Group for Healthcare Innovation, we can spark innovation across our healthcare system to improve costs while providing the quality care that Rhode Islanders deserve.”

OHIC reviewed increases to premium rates for health plans sold to individuals, and small and large employers who purchase their coverage through Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), Tufts Health Plan (Tufts) and UnitedHealthcare (United).

All reviews were conducted under OHIC’s annual rate review process except for Blue Cross Blue Shield of Rhode Island’s individual health plans. BCBSRI’s individual plans were subject to a separate rate review hearing that is required by Rhode Island law. This process for BCBSRI’s individual plans has not yet concluded. OHIC also reviewed each health insurer’s contracts to ensure that plans sold in Rhode Island meet all benefit, access, and member cost sharing standards required by the State and the Affordable Care Act. OHIC’s final decision includes changes to insurers’ medical expenses and contributions to reserves and profit.

In the individual and small group markets, the EHB (Essential Health Benefits) Base Rate represents the premium for a plan with no cost-sharing for a 21-year-old – and is the basis for the rates that will be charged for plans offered in Rhode Island’s individual and small group markets. 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. Essential Health Benefits base rates are described more completely in OHIC’s Requested and Approved Summary for 2016 Rates.

2016 Individual Essential Health Benefits Base Rates: Requested and Approved

Insurer	Approved for 2015	Requested for 2016 ¹	Approved for 2016	Approved EHB Rate Increase from 2015 ²	Approved Weighted Average Overall Rate Change from 2015 ³
BCBSRI ⁴	\$328.25	\$389.59			
NHPRI	\$288.99	\$320.28	\$312.20	8.0%	5.8%
United	\$298.77	\$331.80	\$311.10	4.1%	2.7%

2016 Small Employer Essential Health Benefits Base Rates: Requested and Approved

Insurer	Approved for 2015	Requested for 2016 ⁵	Approved for 2016	Approve EHB Rate Increase from 2015	Approved Weighted Average Overall Rate Change from 2015
BCBSRI	\$365.51	\$385.56	\$376.94	2.3%	0.0%
NHPRI	\$314.95	\$315.97	\$320.98	1.9%	2.4%
Tufts HMO	\$385.56	\$404.59	\$398.13	3.3%	-4.1%
Tufts PPO	\$388.75	\$409.85	\$403.25	3.7%	-4.5%
United HMO	\$377.54	\$430.26	\$406.33	7.2%	7.2%
United PPO	\$381.76	\$435.04	\$410.85	7.2%	7.2%

2016 Large Employer Average Expected Premium Increases: Requested and Approved

Insurer	Approved for 2015	Requested for 2016 ⁶	Approved for 2016
BCBSRI	8.40%	7.3%	5.1%
Tufts HMO	5.0%	6.7%	6.1%
Tufts PPO	5.0%	7.2%	6.6%
United	11.0%	7.1%	4.4%

¹Requested as of 6/1/2015.

² The EHB Rate Increase uses a theoretical plan and allows for comparisons across health insurance carriers and across years.

³ The Weighted Average Overall Rate Change includes adjustments to the plans offered to reflect the benefits selected, including modifications to prior year benefits and pricing. This is the average premium increase to consumers, before reflecting changes in age. The assumptions making up this number change from year to year and change from carrier to carrier.

⁴Approval is pending. The BCBSRI Direct Pay Hearing process has not yet concluded.

⁵ Requested as of 6/1/2015.

⁶ Requested as of 6/1/2015.

OHIC's form and rate review process is conducted in the context of a greater effort to reduce the cost of health care and to increase the affordability of health insurance premiums. OHIC is a driving force in the Governor's broad efforts to support healthcare innovation to focus more attentively on outcomes and quality while achieving better value for taxpayers and ratepayers. In February 2015, OHIC adopted new Affordability Standards that align health care payment methods with efficiency and quality. Additionally, OHIC plays a leading role in Rhode Island's State Innovation Model (SIM) grant designed to test the effects of using population health outcomes and value-based purchasing to drive health delivery system reform.

For more detailed information, please see the Requested and Approved Summary for 2016 Rates at <http://www.ohic.ri.gov/ohic-formandraterreview.php>. For more information about OHIC, please visit www.ohic.ri.gov. The Governor's Working Group for Healthcare Innovation will host its first meeting on Wednesday August 19th at Providence College. For more information about the Workgroup, please visit <http://www.governor.ri.gov/initiatives/healthcare/>.