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## **OHIC Approves Commercial Health Insurance Rates for 2019**

- Overall, 2019 premiums will be \$21.9 million dollars lower than what insurers asked OHIC to approve.
- OHIC reduced insurers' profits and contributions to reserves and lowered cost estimates.
- Since 2012, OHIC has saved consumers \$258 million by approving lower rates than requested.

**CRANSTON, R.I.** – Health insurance premium rates for 2019 have been approved by Rhode Island's Office of the Health Insurance Commissioner (OHIC). Average rate changes for all commercial markets range from a decrease of 5.0% to an increase of 10.3%. Overall, OHIC saved Rhode Islanders \$21.9 million by cutting insurers' proposed rate increases. The rising cost of medical care continues to be the main driver of health insurance premium growth.

OHIC is keeping 2019 rate increases in line with recent years despite the federal administration and Congress' attacks on the Affordable Care Act, including eliminating the individual mandate penalty, ceasing cost-sharing reduction payments for low-income purchasers, and gutting consumer protections through short-term plans.

"This has been a challenging year as we have faced multiple policy decisions at the federal level designed to undermine market stability," said Health Insurance Commissioner Marie L. Ganim. "OHIC responded to these threats quickly to protect consumers as much as possible. Although we have cut insurers' rate requests substantially, and are holding average rate increases to single-digits for the carriers with the most enrollment, we know that healthcare costs remain too high for too many Rhode Islanders. OHIC will continue to use all available regulatory and market tools to control costs for Rhode Island consumers."

The main drivers of 2019 premiums continue to be increases in prescription drug costs and hospital outpatient costs. Additionally, federal policy changes have contributed to premium rate increases.

In the small group market, average rate changes among all carriers range from a decrease of -5.0% (United) to an increase of 10.2% (Tufts Health Plan), while the large group market will see changes from 8% (Blue Cross) to 10.3% (Tufts Health Plan). The largest increases apply to plans sold by Tufts Health Plan, which has a small share of the group markets. These changes reflect the suspension of the health insurance tax for 2019 which has already led to savings realized by some Rhode Island employers.

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In the individual market, the average rate change for Neighborhood Health Plan of Rhode Island is 8.7% and for Blue Cross & Blue Shield of Rhode Island is 7.5%. The 2019 benchmark plan – which is the second-lowest cost silver plan and determines the value of tax credits available through HealthSource RI – will have a base rate of \$262.74 for a 21-year-old. According to Kaiser Family Foundation data, Rhode Island had the second-lowest benchmark premium growth rate in the United States from 2014-2018, and Rhode Island’s 2018 benchmark plan rate was the lowest in the nation.

**2014-2019 Individual Market Benchmark Plan\* Rates  
(Monthly premium rate for 21-year-old)**

Plan Year	2014	2015	2016	2017	2018**	2019
Benchmark Plan Base Rate	\$230.00	\$203.23	\$205.55	\$204.46	\$243.01	\$262.74
% yearly change		-13.3%	1.1%	-0.5%	18.9%	8.1%

*\*The benchmark plan is the 2<sup>nd</sup>-lowest-cost silver plan sold on HealthSource RI. The benchmark plan rate determines the dollar amount of tax credits available to qualifying consumers.*

*\*\*Beginning 2018, silver-level plans include a surcharge due to federal elimination of Cost-Sharing Reduction payments.*

The 8 out of 10 subsidized consumers who purchase individual coverage through HealthSource RI may be able to mitigate the impact of rate increases by leveraging their increased tax credit, while those who do not qualify for subsidies may face higher premiums if they do not shop around for a plan. “OHIC’s ability to mitigate the impact of ever changing federal policies on premium prices continues to be a model for the nation,” said HealthSource RI Director Zachary W. Sherman. “As with this year, some of the marketplace offerings through HealthSource RI will be different in 2019 and we strongly urge returning and new customers to come in and shop during the upcoming Open Enrollment period which starts November 1. It is our job to help Rhode Islander’s cut through the confusion and choose the best, most affordable health insurance plan possible.”

HealthSource RI is preparing an application for a federal innovation waiver for a state reinsurance program that could significantly reduce premium increases on 2020 individual plan rates. The state’s Market Stability Workgroup, comprised of diverse stakeholders representing health insurers, employers, healthcare providers and consumers, will reconvene to advise OHIC and HealthSource RI on establishing the reinsurance program. The Workgroup will also examine further measures, including a state shared responsibility requirement.

Rhode Island is the only state with an insurance commissioner who focuses specifically on health care. 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. Examples of OHIC’s pro-consumer work include:

- an annual cap on increases in hospital prices paid by health insurers which saves insured consumers money;
- 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; and
- saving consumers over \$1 million in 2018 by assisting them with insurance complaint resolution.

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

**2019 Individual Market Rate Summary:  
Weighted Average Overall Rate Requested and Approved**

Insurer	2019 – Requested	2019 – Approved	2018 - Requested	2018 - Approved	2017 - Requested	2017 - Approved
BCBSRI	10.7%	7.5%	13.9%	12.1%	9.0%	5.9%
NHPRI	8.7%	8.7%	5.0%	5.0%	-5.0%	-5.9%

**2019 Small Group Market Rate Summary:  
Weighted Average Overall Rate Requested and Approved**

Insurer	2019 – Requested	2019 – Approved	2018 – Requested	2018 – Approved	2017 - Requested	2017 - Approved
BCBSRI	5.7%	4.6%	8.6%	7.3%	3.9%	2.1%
NHPRI	-0.2%	-0.2%	6.3%	6.3%	-2.2%	-3.1%
UnitedHealthcare (HMO)	3.4%	-1.2%	12.8%	8.1%	0.4%	-1.8%
UnitedHealthcare (PPO)	-0.6%	-5.0%	12.8%	8.1%	0.4%	-1.8%
Tufts Health Plan (HMO)	10.9%	10.2%	6.0%	6.0%	-1.0%	-1.0%
Tufts Health Plan (PPO)	10.1%	9.4%	6.5%	6.5%	-0.9%	-0.9%

**2019 Large Group Market Rate Summary:  
Weighted Average Overall Rate Requested and Approved**

Insurer	2019 – Requested	2019 – Approved	2018 – Requested	2018 – Approved	2017 – Requested	2017 – Approved
BCBSRI	10.6%	8.0%	11.9%	10.5%	8.9%	7.0%
UnitedHealthcare	9.1%	8.1%	10.3%	8.0%	5.3%	3.6%
Tufts Health Plan HMO	10.3%	10.3%	9.8%	9.8%	4.8%	4.8%
Tufts Health Plan PPO	10.2%	10.2%	10.4%	10.4%	4.3%	4.3%

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.

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