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Rhode Island Health Insurance Premiums Significantly Reduced for 2020

- **On average, many consumers of individual market insurance will see decreases in premiums from 2019.**
- Overall, 2020 premiums will be \$15,566,000 lower than what insurers asked OHIC to approve.
- Since 2012, OHIC has saved Rhode Island consumers over \$273 million through the rate review process.

CRANSTON, R.I. – Health insurance premium rates for 2020 have been approved by Rhode Island’s Office of the Health Insurance Commissioner (OHIC). Overall, OHIC saved Rhode Islander’s \$15,566,000 by cutting insurer’s proposed rate increases. Notably, the Rhode Island 2020 rates for individual market plans had an overall average decrease compared to rates last year, due in large part to the upcoming implementation of a statewide reinsurance program which Governor Raimondo announced the approval of this morning.

This reinsurance program, championed by Governor Raimondo, approved by the General Assembly, and developed by HealthSource RI, originated as a recommendation from a broad-based RI Market Stability Workgroup. The program is designed to pay for some of the most expensive insurance claims, resulting in lower premiums for consumers. This year during the rate review process insurers were asked to submit rates with reinsurance, and without. Without the reinsurance program, average individual rates would have increased up to 7% higher than 2019 rates. With the reinsurance program, many Rhode Islanders on the individual market will be paying less in premiums in 2020 than they did in 2019.

“It is critical for Rhode Islanders to have access to quality, affordable health insurance options, and this reinsurance program is helping to make that possible.” Governor Raimondo said. “We are thrilled that as premiums continue to increase across the country, many Rhode Islanders on the individual market will actually see their premiums go down.”

Governor Raimondo included the reinsurance program in her 2020 budget which was approved by the General Assembly in June. In order to be implemented, Rhode Island needed to submit an innovation waiver to the federal government, which the US Department of Health and Human Services has approved this past week. Similar programs have successfully been implemented in other states, reducing the price increase of plans on the individual market and saving consumers thousands of dollars.

“HealthSource RI is proud to have worked with Governor Gina Raimondo and OHIC to develop this reinsurance program, which will result in lowered premiums and increased access to high quality affordable coverage for Rhode Islanders,” said HealthSource RI Director Zach Sherman. “With so many federal challenges to the ACA, it is critical that we work together to protect our customers. This program will bring relief to those customers who have seen the biggest increase over the past two years, many of whom are middle-income families and sole proprietors.”

In Rhode Island, for 2020, the large group market had the biggest overall rate increases with the lowest change being 8.1% (United Healthcare and Blue Cross Blue Shield) and the highest increase being 10.6% (Tufts Health Plan). The small group market rate changes varied, with the lowest being a decrease of .09% (Neighborhood Health Plan) and the largest being an increase of 11% (Tufts Health Plan). Many factors contribute to the continued growth in insurance premiums, including policy decisions at the federal level, but the main driver continues to be the rising costs of medical care.

“Rhode Island has made significant strides in controlling costs this past year.” said Health Insurance Commissioner Marie L. Ganim. “Alongside premium savings through OHIC’s rate review process, the passage of the reinsurance program in the state budget is critical for families and sole proprietor businesses who receive no financial assistance to pay for their health insurance premiums. Although we have been able to reduce rate increases by \$15,566,000 in 2020, we know that high health insurance costs remain a burden for individuals and companies in the state. OHIC will continue to employ innovative solutions to transform the health care system and control costs for Rhode Island consumers.”

Rhode Island remains 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;
- This May, the OHIC created fund at the Rhode Island Foundation announced \$2.6 million in grants to six nonprofits to help prevent mental health and substance use disorders across the state.
- Saving consumers nearly \$1.5 million dollars in 2018 and 2019 by assisting them with insurance complaint resolution. So far, in 2019 alone, we have helped save consumers \$541,120.

OHIC’s rate review process is a part of the office’s efforts to control employer and consumer premium growth in Rhode Island. Consumer protection and affordability continue to be core tenets of OHIC’s mission.

**2020 Individual Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2020 – Requested	2020 – Approved
BCBSRI	- .1%	- 1.5%
NHPRI	1.7%	.2%

**2020 Small Group Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2020 - Requested	2020 – Approved
BCBSRI	5.6%	4.5%
NHPRI	- .09%	- .09%
UnitedHealthcare (HMO)	10.6%	7.5%
UnitedHealthcare (PPO)	10%	6.8%
Tufts Health Plan (HMO)	6.7%	6.7%
Tufts Health Plan (PPO)	11%	11%

**2020 Large Group Market Rate Summary:
Weighted Average Overall Rate Requested and Approved**

Insurer	2020 – Requested	2020 – Approved
BCBSRI	9.6%	8.1%
UnitedHealthcare	9.4%	8.1%
Tufts Health Plan (HMO)	9.6%	9.6%
Tufts Health Plan (PPO)	10.6%	10.6%

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.