



News

For Immediate Release

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OHIC Regulation Requires Readability of Health Insurance Forms.

All health insurance forms must not exceed an eighth grade reading level

Cranston, RI March 27, 2009 — The Office of the Health Insurance Commissioner (OHIC) has proposed a new regulation that will require all individual and group health insurance forms issued in Rhode Island to be written at an eighth grade reading level—the highest standard for health insurance readability in the nation. If adopted, the regulation, entitled “Standards for Readability of Health Insurance Forms,” will take effect in May 2010 and will apply to all health insurance documents, including health insurance policies, certificates of coverage, and summary plan descriptions.

The inability to comprehend medical instructions, known as health illiteracy, results in decreased quality of care, decreased patient safety and increased costs. The complexity of health insurance forms contributes to growing concerns about health illiteracy. Research has shown that health insurance forms are among the least comprehensible type of health information. Subscribers are frequently unable to understand critical information in their health insurance forms, which leads to less frequent use of preventative care and poorer overall health. Commissioner Christopher F. Koller stated that, “Health insurance comprehension is crucial for improving health. When subscribers understand their

—More—

health insurance policies they will be able to make better, more informed decisions about their health care.”

As an example, Koller cited the following excerpt from a health insurance policy form used in Rhode Island:

The plan covering the patient as a dependent child of a person whose date of birth occurs earlier in the calendar year shall be primary over the plan covering the patient as a dependent of a person whose date of birth occurs later in the calendar year provided. However, in the case of a dependent child of legally separated or divorced parents, the plan covering the patient as a dependent of the parent with legal custody, or as a dependent of the custodial parent’s spouse (i.e. step-parent) shall be primary over the plan covering the patient as a dependent of the parent without legal custody. If there is a court decree which would otherwise establish financial responsibility for the health care expenses with respect to the child, the benefits of a plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any other policy which covers the child as a dependent child.

“This is legalese. A consumer should not have to hire a lawyer to help read a health insurance policy,” Koller said.

The regulation will require health insurance forms to be comprehensible at an eighth grade reading level, which will be the highest standard for readability for health insurance forms in the nation. Koller stated, “The regulation’s requirement was set to reflect recommendations for the readability of health information and the reading level of Rhode Island residents.” Forty-seven percent of the Rhode Island population reads at the sixth grade level or below, which is the lowest literacy rate in New England. Many of the health insurance forms currently in use have readability scores at a college level and beyond. The discrepancy between the literacy level of the population and the readability of current health plans will be reconciled with this regulation.

The full text of Regulation 5 Standards for Readability of Health Insurance Forms is available at www.ohic.ri.gov.

About the Office of the Health Insurance Commissioner

The Office of the Health Insurance Commissioner (OHIC) was established by legislation in 2004 to broaden the accountability of health insurers operating in the state of Rhode Island. Under this legislation, the Office is dedicated to:

1. Protecting consumers
2. Encouraging fair treatment of medical service providers
3. Ensuring solvency of health insurers
4. Improving the health care system's quality, accessibility and affordability

The Office sets and enforces standards for health insurers in each of these four areas.

www.ohic.ri.gov