



## 2015 Health Insurance Premium Rate Review Process Large Employer Group Submission Summary

### Introduction

On May 15, 2015, Blue Cross Blue Shield of Rhode Island (BCBSRI), Tufts Health Plan (Tufts), and UnitedHealthcare (United) filed with the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) to request approval for rate increases to be charged to large employers effective in 2016. These rate increases are comprised of the following rate components: (1) medical expenses, (2) administrative costs, and (3) contributions to reserves and profit. Rate components affect the rates that are charged to large employers and the resulting average increase represent a maximum average increase that, if approved, the insurers are committed not to exceed. OHIC has the responsibility of reviewing the components with the goal of holding the insurers publicly accountable for making health insurance more affordable while ensuring their solvency.

### Key Facts

The following table provides information on BCBSRI, Tufts, and United's large employer submissions. This information is subject to change as the rate review process continues. Please see our 2015 Rate Review Process Public Comment Solicitation for more information about the rates and this process.

#### Large Employer Requested Rate Components – Requested Amount (Data as of June 15, 2015)

Rate Component	BCBSRI	Tufts HMO	Tufts PPO	United
<b>Annualized Medical Expense Trend Components</b>				
Hospital Inpatient	4.20%	5.00%	5.00%	3.60%
Hospital Outpatient	5.96%	3.00%	3.00%	7.50%
Primary Care	6.25%	3.00%	3.00%	6.00%
Other Medical/Surgical	2.49%	4.00%	4.00%	13.40%
Prescription Drug	11.24%	20.00%	20.00%	10.90%
Capitation	0.00%	0.00%	0.00%	5.70%
Total Weighted Medical Expense Increase	5.65%	7.00%	7.00%	7.90%
<b>Other Rate Components</b>				
Administrative Expense	9.90%	9.60%	9.60%	7.40%
Affordable Care Act Fees <sup>1</sup>	2.70%	1.5%	1.5%	3.30%
Contribution to Reserves as a Percent of Premium	4.00%	0.00%	0.00%	3.00%
<b>Summary Information</b>				
Average Expected Premium Increase	7.30%	6.70%	7.20%	7.10%

OHIC is currently reviewing the requested rate components. This review process will culminate in a final decision by Commissioner Kathleen C Hittner approving, modifying, or rejecting the requested rate components in July 2015.

<sup>1</sup> Includes ACA Health Insurer Fee, Patient-Centered Outcomes Research Trust Fund fee, and the Risk Adjustment Administrative fee.

**For More Information**

For more information, please visit <http://www.ohic.ri.gov/2015%20Rate%20Factor%20Review.php>