



State of Rhode Island Office of the Health Insurance Commissioner 2013 Individual, Small Employer Group, and Large Employer Group Health Insurance Premium Rate Review Process Large Employer Group Submission Summary

Introduction

On May 15, 2013, Blue Cross Blue Shield of Rhode Island (BCBSRI), Tufts Health Plan (Tufts), and United Healthcare (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 2014. 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 tables provide information on BCBSRI, Tufts, and United's large employer submissions:

BCBSRI Large Employer Requested Rate Components

Rate Component	Requested Amount
Annualized Medical Expense Trend Components	
Hospital Inpatient	9.50%
Hospital Outpatient	9.20%
Primary Care	13.70%
Other Physician	5.80%
Pharmacy	1.30%
Capitation	0.00%
Total Weighted Medical Expense Increase	6.90%
Other Rate Components	
Administrative Expense Per Member Per Month	\$60.98
Affordable Care Act Fees	3.00%
Contribution to Reserves as a Percent of Premium	3.34%
Summary Information	
Average Expected Premium Increase	17.10%

Tufts Large Employer Requested Rate Components

Rate Component	Requested Amount
Annualized Medical Expense Trend Components	
Hospital Inpatient	5.20%
Hospital Outpatient	6.50%
Primary Care	2.70%
Other Physician	5.80%
Pharmacy	9.70%
Capitation	0.00%
Total Weighted Medical Expense Increase	6.20%
Other Rate Components	
Administrative Expense Per Member Per Month	\$67.32
Affordable Care Act Fees	2.80%
Contribution to Reserves as a Percent of Premium	0.00%
Summary Information	
Average Expected Premium Increase	10.00%

United Large Employer Requested Rate Components

Rate Component	Requested Amount
Medical Expense Trend Components	
Hospital Inpatient	6.70%
Hospital Outpatient	12.90%
Primary Care	8.00%
Other Physician	8.80%
Pharmacy	12.00%
Capitation	3.50%
Total Weighted Medical Expense Increase	9.70%
Other Rate Components	
Administrative Expense Per Member Per Month	\$41.75
Affordable Care Act Fees	3.80%
Contribution to Reserves as a Percent of Premium	2.00%
Summary Information	
Average Expected Premium Increase	13.00%

OHIC is currently reviewing the requested rate components. This review process will culminate in a final decision by Commissioner Christopher F. Koller approving, modifying, or rejecting the requested rate components in June 2013.

For More Information

For more information, please visit <http://www.ohic.ri.gov/2013%20Rate%20Factor%20Review.php>.