



DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Bureau of
Insurance

STATE OF MAINE



Public Informational Meeting 2023 Individual and Small Group Major Medical Rate Requests

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Rate Review

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- Reviewing health insurance rates is one of the many ways the Bureau of Insurance regulates the insurance industry.
- The Bureau reviews and approves health insurance rates for plans sold to individuals and small employers. Self-insured employer plans are not reviewed by the Bureau.

Rates may not be “excessive, inadequate, or unfairly discriminatory.”

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- Rates are permitted to pay for the cost of operating an insurance company, and even generate a small amount of profit or margin, but rates cannot be excessive.
- Rates are not allowed to be unfairly discriminatory. This means people in similar circumstances should pay similar rates and that rate increases should be shared between different groups of policyholders – individuals cannot be singled out.
- Rates must cover the cost of benefits plus the insurance company's costs to operate, without being overpriced.

What a rate is

- The price for a health insurance plan is known as a *base rate*.
- *A premium* is the amount a policyholder pays for insurance coverage and is calculated from the base rate. Your actual premium will be higher or lower than the base rate, depending on several key factors:
 - How old you are
 - Where you live in Maine
 - The plan you choose
 - The number of people in your family
- Your health and the health of your other family members is **not** a factor in how much you pay for health insurance.

Rate Review

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- The state examines the reasonableness of the assumptions and the validity of the historical data underlying the assumptions, and the reliability of past projections in light of actual experience, including analysis of:
 - (a) medical trend, utilization and cost-sharing changes by major service categories
 - (b) benefit changes
 - (c) changes in enrollee risk profile
 - (d) any overestimate or underestimate of medical trend for prior year periods
 - (e) changes in administrative costs
 - (f) changes in applicable taxes, licensing or regulatory fees
 - (g) medical loss ratios
 - (h) pharmacy benefit manager compensation disclosure

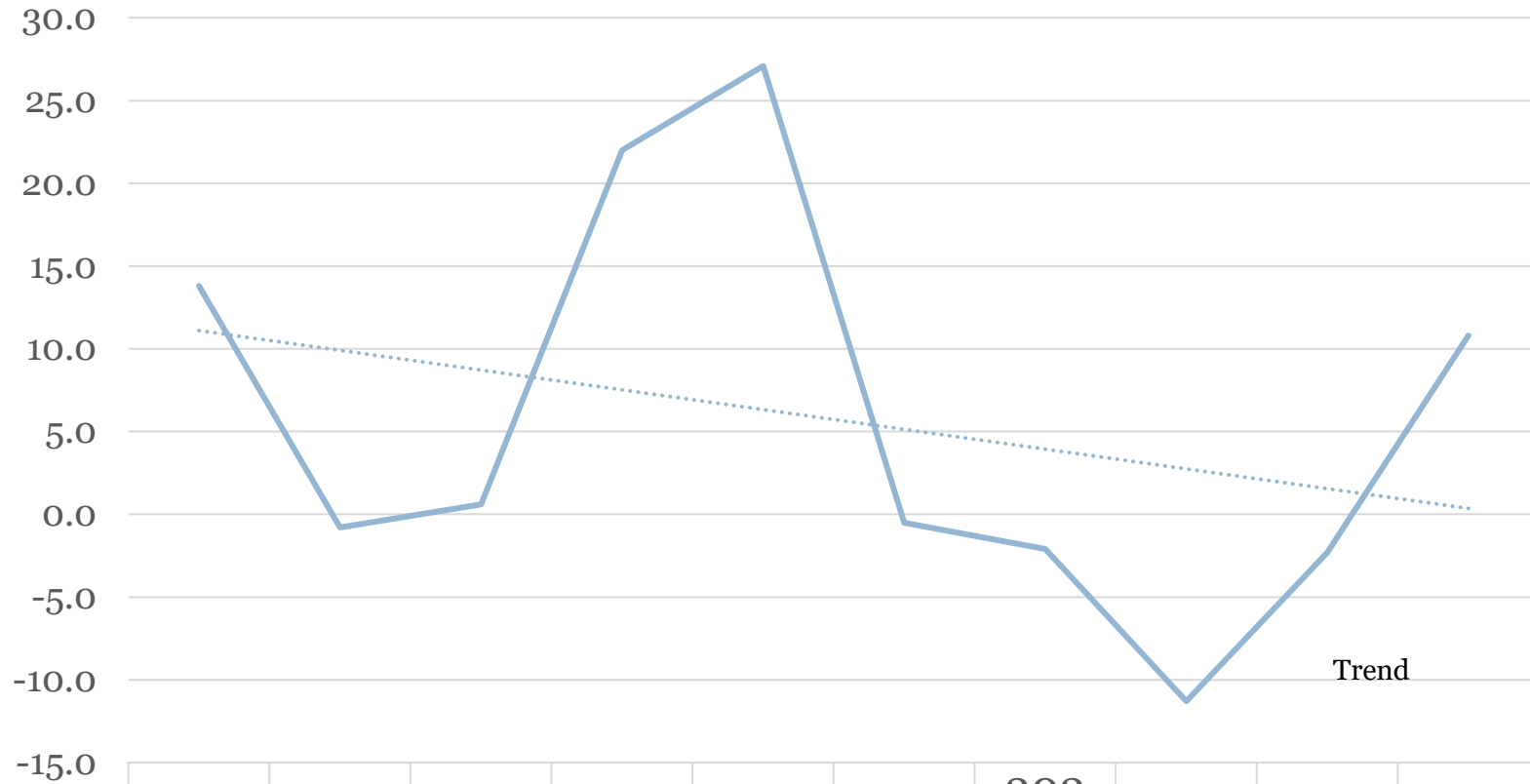
2023 Individual Market Rate Requests – Weighted Average 10.8%

| Companies | Min | Max | Average Rate Change |
|--------------------------------|-------|-------|---------------------|
| Anthem | 3.8% | 25.3% | 10.8% |
| Harvard | -1.9% | 19.0% | 12.9% |
| Maine Community Health Options | 4.5% | 12.2% | 8.4% |

2023 Small Group Market Rate Requests – Weighted Avg -0.9%

| Companies | Min | Max | Average Rate Change |
|--------------------------------|--------|-------|---------------------|
| Aetna-PPO | -11.5% | 6.0% | 3.7% |
| Aetna-HMO | -4.9% | 14.2% | 3.9% |
| Anthem | -17.1% | 11.7% | 1.3% |
| Harvard | -11.2% | 2.8% | -2.6% |
| Maine Community Health Options | -6.9% | -4.5% | -5.9% |
| UnitedHealthcare PPO | -13.0% | 24.7% | 8.0% |
| UnitedHealthcare HMO | 6.7% | 18.6% | 8.7% |

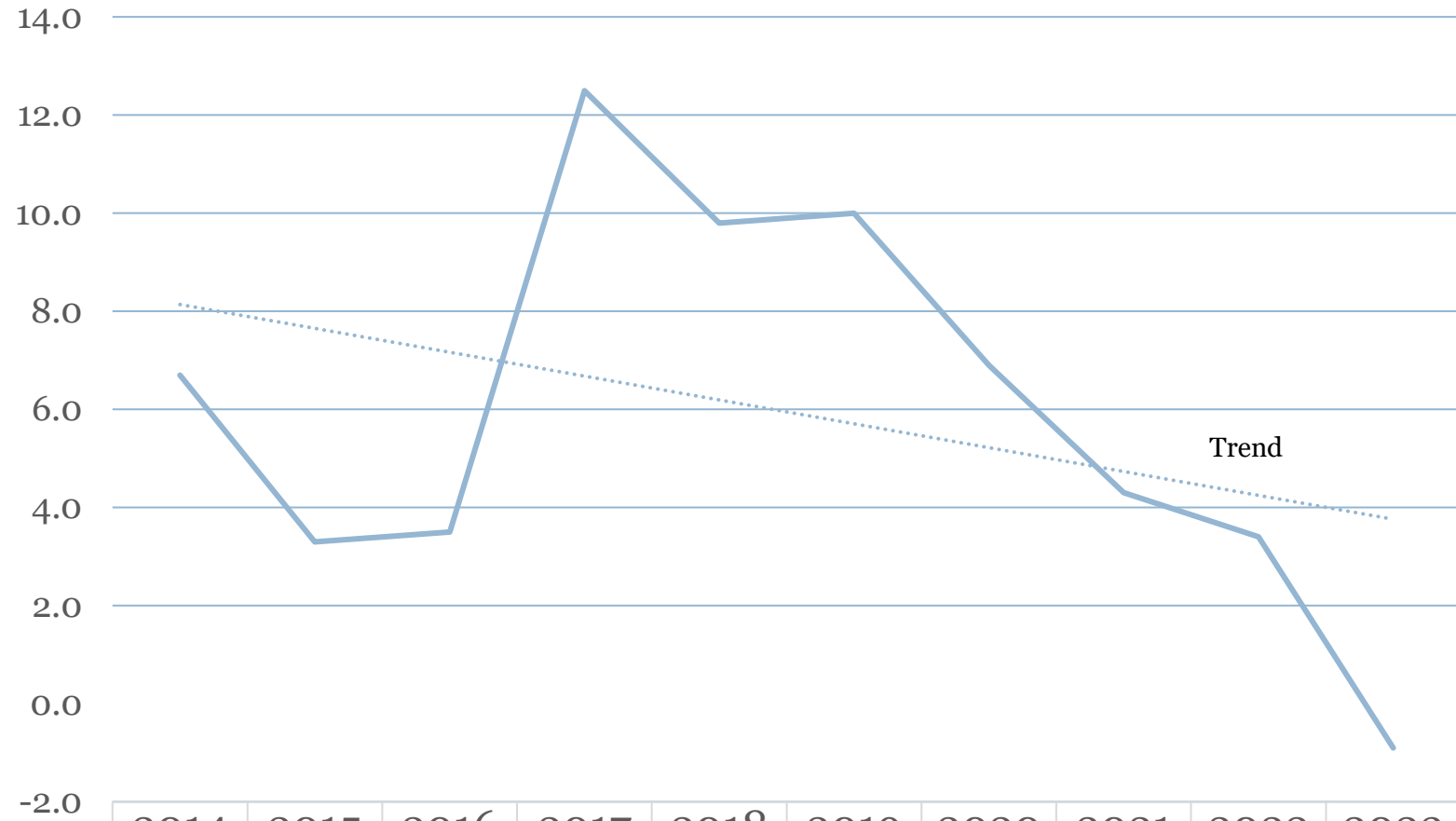
Individual Health Insurance Average Rate Increases



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|------|------|------|------|------|------|------|-------|------|------|
| — Individual | 13.8 | -0.8 | 0.6 | 22.0 | 27.1 | -0.5 | -2.1 | -11.0 | -2.3 | 10.8 |

2023 average increase is an estimate based on expected enrollment distribution.
 Cumulative impact of rate increases from 2014 - 2023 is 57.5%

Small Group Health Insurance Average Rate Increases



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------|------|------|------|------|------|------|------|------|------|------|
| — Small Group | 6.7 | 3.3 | 3.5 | 12.5 | 9.8 | 10.0 | 6.9 | 4.3 | 3.4 | -0.9 |

2023 average increase is an estimate based on expected enrollment distribution.

Cumulative impact of rate increases from 2014 - 2023 is 59.5%

Premium Tax Subsidies

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- The size of your premium tax credit is based on a sliding scale. Those who have a lower income get a larger credit to help cover the cost of their insurance.
- Subsidies are based on the 2nd lowest cost Silver plan
- Subsidies increase as that premium increases
- The amount of the credit is equal to the total cost of the 2nd lowest Silver plan that would cover the family minus the individual or family's expected contribution for coverage.
- The amount of the premium tax credit an individual or family receives will take into account family size, geographic area, and age.

MLR 2021 Rebates

- Required minimum medical loss ratio (MLR) 80% for individual and small group health insurance
- MLR is the percent of medical claims to premium
- An insurance company is required to spend at least 80% of premiums received on benefits for policyholders
- Rebates to policyholders are required if the minimum MLR of 80%, averaged over 3 years, is not met.
- Carriers are estimating a total of \$39 million in MLR rebates for 2021.
- Those amounts will be finalized 7/31/2022 and issued in the fall.

Made for Maine Health Coverage Act

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- Established a process to study and implement a merged individual and small group market
 - Extends reinsurance to small employer groups
 - Encourages enrollment in the shrinking small group market
 - Provides more stability for pricing the ACA markets
 - Required filing a 1332 waiver amendment with the federal government
- Clear Choice – Standardized Plans
 - Same plans and rates for individuals and small employers on all plans
- Establish State Based Exchange in Maine Department of Health and Human Services
 - Including website (CoverME.gov) and call center

MGARA Reinsurance Changes

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- Merged market – reinsurance extended to small group
- Attachment points when claims are covered by reinsurance for 2023
 - \$90,000 to \$250,000 at 100%, nothing above
- Insurer's assumptions for rate reductions due to reinsurance coverage are 8.4% - 17.8% for small group and individual plans depending on the company.

Clear Choice Plans

| Clear Choice Plan Design 2023 | | Off Exchange Only | | | | | | | | | Off Exchange Only | | | | | | |
|---|---|----------------------|----------------------|----------------------|--------------------|-----------------------|----------------------|----------------------|--------------------|----------------|-----------------------|---------------------|---------------------|-------|-----------------|-------|-------|
| Benefits | Catastrophic | Bronze \$5,200 HSA | Bronze \$5,900 HSA | Bronze \$6,300 HSA | Bronze \$7,000 HSA | Bronze \$7,500 | Bronze \$8,000 | Bronze \$9,100 | Silver \$3,000 HSA | Silver \$3,000 | Silver \$3,500 HSA | Silver \$3,500 | | | | | |
| Estimated AV Value | N/A | 63.73% | 63.40% | 63.27% | 64.17% | 63.71% | 63.44% | 64.43% | 70.44% | 71.80% | 69.72% | 71.18% | | | | | |
| Deductible | \$9,100 | \$5,200 | \$5,900 | \$6,300 | \$7,000 | \$7,500 | \$8,000 | \$9,100 | \$3,000 | \$3,000 | \$3,500 | \$3,500 | | | | | |
| Maximum OOP | \$9,100 | \$7,500 | \$7,500 | \$7,500 | \$7,000 | \$9,100 | \$9,100 | \$9,100 | \$7,000 | \$9,100 | \$7,000 | \$9,100 | | | | | |
| Coinsurance | 0% | 50% Coin. After Ded. | 50% Coin. After Ded. | 50% Coin. After Ded. | 0% Coin After Ded. | 50% | 50% | 0% | 15% | 40% | 10% Coins. After Ded. | 40% | | | | | |
| PCP and Behavioral Health Office Visits* | \$50 for 2nd & 3rd visits then deductible | | | | | \$40 | \$40 | \$50 | 15% After Ded. | \$40 | | \$40 | \$50 | \$40 | \$40 | | |
| Specialist Visit | 0% Coins. After Ded. | | | | | 50% Coins. After Ded. | \$80 | \$80 | | \$80 | | \$80 | | | | | |
| Free Standing Urgent Care | | | | | | \$60 | \$60 | \$60 | | \$40 | | \$40 | | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | | | | | | 40% After Deductible | 40% After Deductible | 40% After Deductible | | | | | | | | | |
| Outpatient Surgery and Physician/Surgical Services | | | | | | | | | | | | | | | | | |
| Inpatient Hospital Services and ER | | | | | | | | | | | | | | | | | |
| Inpatient Physician, Rehabilitation and Surgical Services | | | | | | | | | | | | | | | | | |
| Ambulance | | | | | | | | | | | | | | | | | |
| All other benefits | | | | | | | | | | | | | | | | | |
| RX - Tier 1 Generic | | | | | | | | | | \$25 | | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 |
| RX - Tier 2 Preferred Brand | | | | | | | | | | \$50 | | 30% Coin After Ded. | \$50 | \$50 | \$50 | \$50 | \$50 |
| RX - Tier 3 NonPreferred | | | | | | | | | | \$100 | | 50% Coin After Ded. | 0% After Deductible | \$100 | 30% up to \$300 | \$100 | \$100 |
| RX - Tier 4 Specialty | | | | | | | | | | \$250 | | \$250 | 50% up to \$600 | \$250 | \$250 | \$250 | |

2023 INDIVIDUAL MAJOR MEDICAL PLANS ON THE EXCHANGE BY NETWORK TYPE, METAL LEVEL & CARRIER

| Insurance Carrier | Bronze | Silver | Gold | Platinum | Catastrophic | Network Types |
|---|--|--|---|--|---------------------------------|-----------------------------|
| Anthem (800) 547-4317 www.anthem.com | 5 plans including HSA Deductibles: \$5,900-8,000 MOOP: \$7,500-9,100 | 7 plans including HSA Deductibles: \$3,000-6,000 MOOP: \$7,000-9,100 | 1 plans Deductible: \$2,500 MOOP: \$5,000 | None | Deductible & MOOP \$9,100 | HMO PPO |
| MCHO (855) 624-6463 www.maineoptions.org | 5 plans including HSA Deductibles: \$5,700-8,700 MOOP: \$7,000-9,100 | 6 plans including HSA Deductibles: \$3,000-5,500 MOOP: \$6,000-9,100 | 2 plans Deductible: \$1,500-2,500 MOOP: \$5,000 | 1 plan Deductible: \$500 MOOP: \$3,000 | | HMO PPO |
| Harvard Pilgrim (888) 333-4742 www.harvardpilgrim.org | 6 plans including HSA Deductibles: \$5,900-8,700 MOOP: \$7,000-9,100 | 6 plans including HSA Deductibles: \$3,000-6,800 MOOP: \$7,000-9,100 | 2 plans Deductible: \$1,500-2,500 MOOP: \$5,000 | None | | HMO |
| Taro Health (207) 200-4989 www.tarohealth.com | None | 2 plans Deductible: \$3,000-9,100 MOOP: \$9,100 | 3 plans Deductible: \$0-\$4,000 MOOP: \$5,000 - \$9,100 | None | None | HMO in Cumberland County |

Other Changes

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- Highest Maximum Out of Pocket allowed increased to \$9,100 for 2023
- American Rescue Plan temporarily expanded eligibility for the premium tax credit for taxpayers with household income above 400% of the federal poverty line. Those additional premium subsidies may not be continued into 2023
- New legislative requirements for expanded postpartum care and contraceptives