

**UnitedHealthcare (NAIC 79413) – Group**  
**Rate Notice – 7.2 percent increase**  
**Decision – Under Review**

**Public Comment Period: August 10, 2023 deadline**

On June 16, 2023 UnitedHealthcare, filed a request to raise rates an average of 7.2 percent for individual Affordable Care Act (ACA) health plans. These are plans that are offered through the state-sponsored exchange and on the open market. As of their filing, they are currently covering 3215 insured lives.

In developing the rate, Anthem anticipates that the increasing costs of medical services and the demand for those services will have an impact on the premiums of approximately 9.3 percent, a factor known as “trend.”

The company said the primary drivers of the proposed increase are:

The increasing cost of medical services as there have been annual increases in reimbursement rates to health care providers – such as hospitals, doctors and pharmaceutical companies. They also cite increased utilization as a factor as well. The number of office visits and other services continues to grow. In addition, total health care spending will vary by the intensity of care and/or use of different types of health services. Patients who are sicker generally have a higher intensity of health care utilization. The price of care can be affected by the use of expensive procedures such as surgery vs. simply monitoring or providing medications.

General Reasons for Rate Increases are:

- **Increasing Cost of Medical Services** – Annual increases in reimbursement rates to health care providers – such as hospitals, doctors and pharmaceutical companies.
- **Increased Utilization** – The number of office visits and other services continues to grow. In addition, total health care spending will vary by the intensity of care and/or use of different types of health services. Patients who are sicker generally have a higher intensity of health care utilization. The price of care can be affected by the use of expensive procedures such as surgery vs. simply monitoring or providing medications.

- **Higher Costs from Deductible Leveraging** – Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
- **Cost shifting from the public sector to the private sector** – Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover all the cost of care. The cost difference is being shifted to private health plans. Hospitals typically make up this reimbursement shortfall by charging private health plans more.
- **Impact of New Technology** – Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased health care spending and utilization.

If approved, the new rates would take effect January 1, 2024.