

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE:)	
)	
ANTHEM BLUE CROSS AND BLUE)	DECISION AND ORDER
SHIELD 2018 INDIVIDUAL RATE)	APPROVING COMPLIANCE
FILING)	FILING
)	
Docket No. INS-17-1000)	

By Decision and Order issued August 10, 2017, Superintendent of Insurance Eric Cioppa disapproved Anthem Blue Cross and Blue Shield's ("Anthem") rate filing for 2018 individual rates. As required by Bulletin 422, Anthem filed two sets of rates for review, one that assumed that reimbursement for the cost-sharing reductions would be funded in 2018 (the "Base Filing") and one that assumed that cost-sharing reductions would not be funded in 2018 (the "Unreimbursed Filing"). Anthem submitted revisions to both its Base and Unreimbursed Filings on July 14, 2017, the deadline established by Bulletin 423 for carrier-initiated revisions to rate filings.

The Superintendent concluded that both Anthem's revised Base Filing and its revised Unreimbursed Filing were excessive. Pursuant to 24-A M.R.S. § 2736-B, the Superintendent disapproved the filings but authorized Anthem to submit revised rates, and specified that he would approve rates with the following changes: (1) Change the morbidity adjustment from 21.53% to 18.7% in the Base Filing; (2) change the morbidity adjustment from 32.68% to 22.89% in the Unreimbursed filing; (3) change the risk adjustment transfer, including the risk adjustment fee, from \$14.00 to \$9.28 for both the Base and Unreimbursed Filings; and (4) change the pre-tax profit margin from 4.5% to 3%.

On August 14, 2017, Anthem filed a Motion for Reconsideration of the Superintendent's August 10 Decision and Order requesting modification of the morbidity adjustment changes for both the Base and Unreimbursed Filings. On August 15, 2017, the Superintendent granted the Motion for Reconsideration, and authorized Anthem to use a morbidity adjustment of 19.13% for the Base Filing and 30.05% for the Unreimbursed Filing. On August 18, 2017, Anthem made a new rate filing, purporting to modify its initial submission in accordance with the August 10 Decision and Order, as modified by the August 15 Order on Motion for Reconsideration.

After review, the Superintendent finds that Anthem's August 18 rate filing is consistent with the terms of the August 10 Decision and Order, as modified by the August 15 Order on Motion for Reconsideration. Pursuant to 24-A M.R.S. §§ 2736 and 2736-B, the Superintendent hereby APPROVES the August 18 filing and rate sheets. Anthem may implement the new rates beginning January 1, 2018, provided that it provides 30 days' prior notice to affected policyholders.

Pursuant to 24-A M.R.S. § 235(4), this Decision and Order affirms the Superintendents August 10 Decision and Order, as modified by the August 15 Order on Motion for Reconsideration, and hereby incorporates both of those Orders. This Decision and Order is final agency action of the Superintendent of Insurance, within the meaning of the Maine Administrative Procedure Act, 5 M.R.S. § 8002(4). It may be appealed to the Superior Court in the manner provided for by 24-A M.R.S. § 236, 5 M.R.S. §§ 11001 through 11008, and M.R. Civ.P. 80C. Any party to the proceeding may initiate an appeal within thirty days after receiving this notice. Any aggrieved non-party whose interests are substantially and directly affected by this Decision and Order may initiate an appeal within forty days of the issuance of this decision. There is no automatic stay pending appeal. Application for stay may be made in the manner provided in 5 M.R.S. § 11004.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

September 1, 2017



ERIC A. CIOPPA
Superintendent of Insurance