



DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Bureau of
Insurance

STATE OF MAINE



2015 Rates, Auto-Reenrollment and Small Group Rating Structure

September 22, 2014

Eric Cioppa, Superintendent of Insurance

2015 HEALTH INSURANCE MARKET

2

- Individual Marketplace/Exchange:
 - Maine Community Health Options:
 - ✦ Average Rates decreased 0.8%
 - Anthem Health Plans of Maine:
 - ✦ Average Rates decreased 1.1%
 - Harvard Pilgrim Health Care:
 - ✦ Average Rates increased 2.2% from off-exchange last year

MEGA is non-renewing approximately 6,800 lives in 2014 and 2015

2015 Individual Off-Exchange Market

3

- **Individual Off-Exchange:**
 - All the Marketplace plans will also be available off the Marketplace.
 - HPHC Insurance Co.
 - ✦ Average rates increased 1.5%
 - Aetna Health Inc. will offer 4 off-exchange plans in a new HMO Whole Health Product line, in:
 - ✦ Androscoggin, Cumberland, Franklin, Kennebec, Knox, Lincoln, Oxford, Sagadahoc, Waldo, and York.

Second Lowest Silver Plan Rate Change

4

Below is an analysis of the change to the second lowest silver plan on-exchange for age 21.
The impact for each consumer will differ depending on their age and plan.

	2014		2015		
Age 21-Rates	Carrier-Plan	Premium	Carrier-Plan	Premium	Difference
Area 1- Cumberland, Sagadahoc, York	Maine Community Health Options- Community Choice Plan	\$230.81	Maine Community Health Options- Community Value Plan	\$220.60	-4.42%
Area 2- Kennebec, Knox, Lincoln, Oxford		\$250.26	Anthem Blue Cross Blue Shield- Silver X HMO 3500/20%	\$249.93	-0.13%
Area 3- Androscoggin, Franklin, Penobscot, Piscataquis, Somerset, Waldo		\$264.53	Maine Community Health Options- Community Choice Plan	\$267.08	0.96%
Area 4- Aroostook, Hancock, Washington		\$306.02		\$308.97	0.96%

Example: Rates of 45-year-old living in Kennebec County

5

Carrier	Metal Level				Availability
	<i>Bronze</i>	<i>Silver</i>	<i>Gold</i>	<i>Catastrophic</i>	
Maine Community Health Options	\$294.54	\$345.40	\$443.82	\$243.48	On & Off Exchange
Anthem Health Plans of Maine	\$286.32	\$360.60	\$480.20	\$227.35	On & Off Exchange
Harvard Pilgrim Health Care Inc.	\$344.94	\$459.74	\$548.85	N/A	On & Off Exchange
HPHC Insurance Co.	\$366.47	N/A	N/A	N/A	Off Exchange
Aetna Health Inc.	Rates Under Review			N/A	Off Exchange

All rates for different ages and areas are available on BOI's website via our Rate Calculator:

http://www.maine.gov/pfr/insurance/ACA/Price_compare/Individual_Health_Index.html

Auto Enrollment General

6

- If the consumer authorized the Marketplace to review their final 2013 tax data and their income is below the 500% Federal Poverty Level (FPL), the Marketplace will continue the APTC at the same level in 2015.
- If it is above the 500% FPL, the Marketplace will notify the consumer to go onto healthcare.gov and take action regarding renewal. If no action is taken the Marketplace will re-enroll the consumer without APTC or Cost Sharing Reductions (CSR).
- If a consumer goes onto the Marketplace and updates their tax information, the Marketplace will make a new determination of the consumer's APTC eligibility.

Auto Enrollment for Maine

7

- Consumers will be auto-enrolled in the same plan, or the plan closest to their old plan, if their old plan is no longer available.
- Crosswalks of old and new plans have been submitted by the carriers and reviewed by the Bureau.
- In Maine the only plans discontinued are the duplicate Anthem plans already offered by OPM. 1,573 consumers will be mapped to the identical Anthem plans administered by OPM.

Auto Enrollment Timeline

8

- A health insurer must provide the policyholder written notice of renewal before the first day of open enrollment, but after they have signed issuer agreements which may be as late as November 3rd, 2014.
- The Marketplace must provide notices to consumers before November 15, 2014 advising of the open enrollment period, the consumer's coverage in 2015, and the opportunity for the consumer to obtain an updated eligibility determination.

Consequences of Auto Enrollment

9

- It is critical that individuals whose income has changed significantly since their eligibility determination for 2014 contact the Marketplace for redetermination.
- If income has decreased the individual may be entitled to greater APTC or CSR plans.
- If income has increased the individual should seek a redetermination for an accurate APTC determination to minimize potential tax liabilities.

Individual Dental Plans Available 2015

10

- **On Exchange:**
 - Anthem, Delta Dental and Dentegra are offering pediatric plans and family plans.
- **Off Exchange**
 - Anthem, Delta Dental, Dentegra and Renaissance are offering pediatric plans and family plans.
- **Rates**
 - Dental rates range from \$25-\$50 monthly depending on the plan benefits, carrier, and area in which the consumer lives.

2015 Small Group Market

11

- On/Off-SHOP exchange:
 - Anthem Health Plans of Maine- PPO, HMO, HMO/POS
 - ✦ Average rates increased 6.7%
 - Maine Community Health Options-PPO
 - ✦ Average rates decreased 10%
 - Harvard Pilgrim Health Care Inc.-HMO
 - ✦ Average rates increased 6.2%

2015 Small Group Market

12

- Only Off-SHOP exchange:
 - HPHC Insurance Co.-PPO
 - ✦ Average Rates increased 6.2%
 - Aetna Health Inc.-HMO, PPO
 - ✦ Average PPO Rates increased 7.8%
 - United Healthcare-PPO
 - ✦ Average Rates decreased 2.9%

Small Group Dental Plans Available 2015

13

- **On Exchange:**

- Anthem, Delta Dental, Guardian Life and Dentegra are offering pediatric plans and family plans.

- **Off Exchange**

- Anthem, Delta Dental, Guardian Life, Lincoln National Life Ins., Ameritas Life Ins., Standard Insurance Co., Reliance Standard Co., Companion Life, Kansas City Life, Metropolitan Life, Principal Life, Dentegra and Renaissance.

- **Rates**

- Dental rates range from \$25-\$50 monthly depending on the plan benefits, carrier, and area in which the consumer lives.

Example of Small Group Rate Structure Tiers Prior to Affordable Care Act

(14)

- **Example: Monthly rates for a small group plan in Kennebec County with an average age 45-49 and a group size 3-4.**
 - Employee Only Rate- \$533
 - Employee and Spouse Rate- \$1,226
 - Family Rate- \$1,600
 - Employee and Children Rate- \$960

Small Group per member rating beginning in 2014

15

- **Member rating:** The total premium charged to the group is determined by summing the premiums of each employee and their dependents for their individual ages. Premium for dependent children is limited to a maximum of 3 children under age 21.
- Each employee is charged the premium for their coverage minus any employer contribution.

Example of Small Group per member rating beginning in 2014

16

Employee 1	Employee 2	Employee 3	Employee 4
<u>Employee Only</u>	<u>Employee & Spouse</u>	<u>Family</u>	<u>Employee & Children</u>
Employee Age- 45 Rate-\$570	Employee Age-55 Rate-\$881	Employee Age-49 Rate-\$674	Employee Age-43 Rate-\$536
<u>Total Rate=\$570</u>	Spouse Age-51 Rate-\$736	Spouse Age-39 Rate-\$499	Adult Children Age-22 Rate-\$395 Age-23 Rate-\$395
	<u>Total Rate=\$1,617</u>	Children Age-10 Rate-\$251 Age- 5 Rate-\$251	Children Age 13 Rate-\$251 Age-15 Rate-\$251
		<u>Total Rate=\$1,675</u>	<u>Total Rate= \$1,828</u>

Composite Premium Rating

17

- HHS Notice of Benefit and Payment Parameters for 2015 (finalized March 11, 2014) outlined requirements for composite rating.
- The notice defined a two-tiered federal compositing methodology that states could adopt, or it allowed states to propose and submit to Health and Human Services (HHS) an alternate tiered-composite methodology for use in that state.

Composite Premium Rating

18

- Composite premiums are calculated based on the average derived from the per-member rating of all “participants and beneficiaries” at the beginning of the plan year. They may not vary until renewal.
- The average rate cannot include children under the age of 21. The enrollees under age 21 will all have the same child rate (capped at 3 for each family).
- The average rate cannot include tobacco loads. These loads must be added to an individual’s premium and must be based on the individual’s original premium amount, not the composite premium.

How to calculate Composite Premium Monthly Rate

Employee 1	Employee 2	Employee 3	Employee 4
<u>Employee Only</u>	<u>Employee & Spouse</u>	<u>Family</u>	<u>Employee & Children</u>
Employee Age- 45 Rate-\$570	Employee Age-55 Rate-\$881	Employee Age-49 Rate-\$674	Employee Age-43 Rate-\$536
<u>Total Adult Rate=\$570</u>	Spouse Age-51 Rate-\$736	Spouse Age-39 Rate-\$499	Adult Children Age-22 Rate-\$395 Age-23 Rate-\$395
	<u>Total Adult Rate=\$1,617</u>	Children Age-10 Rate-\$251 Age- 5 Rate-\$251	Children Age 13 Rate-\$251 Age-15 Rate-\$251
		<u>Total Adult Rate=\$1,173</u>	<u>Total Adult Rate= \$1,326</u>
		<u>Total Child Rate=\$502</u>	<u>Total Child Rate=\$502</u>

Composite Premium Rate Calculation

20

- **Composite Premium=**
 - **Adult rates include participants and beneficiaries**
 - **(Sum of adult rates)/(#of adults)**
 - **$(\$570 + \$1,617 + \$1,173 + \$1,326) / 8 = \$586$ Per Adult**
 - **Final Composite Premium Monthly Rates for group**
 - ✦ **\$586 Per Adult**
 - ✦ **\$251 Per Child (capped at 3 children under the age of 21)**

Example of Small Group Composite Premium Monthly Rate

Employee 1	Employee 2	Employee 3	Employee 4
<p><u>Employee Only</u></p> <p>Employee Age- 45</p> <p><u>Final Rate=</u> <u>\$586</u></p>	<p><u>Employee & Spouse</u></p> <p>Employee Age-55</p> <p>Spouse Age-51</p> <p><u>Final Rate= \$1,172</u></p>	<p><u>Family</u></p> <p>Employee Age-49</p> <p>Spouse Age-39</p> <p>Child Age-10</p> <p>Child Age- 5</p> <p><u>Final Rate=\$1,674</u></p>	<p><u>Employee & Children</u></p> <p>Employee Age-43</p> <p>Adult Child Age-22</p> <p>Adult Child Age-23</p> <p>Child Age-13</p> <p>Child Age-15</p> <p><u>Final</u> <u>Rate=\$2,260</u></p>

Comparison of Small Group Monthly Rating

22

Different Rating Groups	Pre-ACA	Current Per Family Member Rating	Composite Premium Rating
Employee Only	\$533	\$570	\$586
Employee & Spouse	\$1,226	\$1,617	\$1,172
Family	\$1,600	\$1,675	\$1,674
Employee & Children	\$960	\$1,828	\$2,260



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23



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