



News Release

Maryland Insurance Administration

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Kathleen A. Birrane, Commissioner Tammy R.J. Longan, Acting Deputy Commissioner

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Health Carriers Propose Affordable Care Act (ACA) Premium Rates for 2024 *Public Invited to Submit Comments*

BALTIMORE – The Maryland Insurance Administration has received the rate filings containing the proposed 2024 premium rates for Affordable Care Act (ACA) products offered by health and dental carriers in the Individual, Non-Medigap and Small Group markets, which impact approximately 471,000 Marylanders.

The carriers' requested increases are reviewed by the Insurance Administration and rates must be approved by the Maryland Insurance Commissioner before they can be used. Before approval, all filings undergo a comprehensive review of the carriers' analyses and assumptions. By law, the Commissioner must disapprove or modify any proposed premium rates that appear to be excessive or inadequate in relationship to the benefits offered, or are unfairly discriminatory. The Insurance Administration will hold a public hearing on the proposed ACA rates in July and expects to issue decisions in September 2023.

In the Individual, Non-Medigap (INM) market, carriers have requested an overall average rate change of +5.7%, with average request by carrier ranging from -2% to +8%. In the Small Group (SG) market, which is utilized by employers with 50 full-time equivalent employees or less, carriers have requested an overall average rate increase of +7.5%, with averages by carrier ranging from +1.4% to +20.4%. In the INM, stand-alone dental market, carriers have requested an overall average rate decrease of -1.3%, with averages by carrier ranging from -3.2% to +4.2%.

The overall average rate increases being requested for 2024 are lower than the requests received last year, driven primarily by 2022 claims coming in lower than anticipated and a reduction in projected claims trend. In both the INM and the SG markets, the average requested increase for 2024 is essentially equal to the average claims trend. The rates submitted by the carriers for the INM market include the estimated impacts from the State's innovative, state-based Reinsurance Program, which was originally approved for 2019-2023. An extension from 2024-2028 is currently under review by the federal Centers for Medicare & Medicaid Services (CMS) and is expected to be approved this summer. All carriers have assumed the reinsurance program will continue to cover catastrophic claims.

The Reinsurance Program was designed to decrease rates by 30% within three years, with future rate changes tied to increases or decreases in health care claim trends. It was implemented in 2019 and, by January 2021 had resulted in a 32% overall average reduction in the INM rates approved in 2018. Since then, approved INM rate increases have correlated with health care claim trends. Even with the INM increases requested, the 2024 rates would be 21% below the rates being charged in 2018.

In addition to rate change filings, the Insurance Administration also received a filing with new plans from Aetna Health Inc. that will be offered in the INM market in 2024. Aetna is the second carrier to re-enter the INM market since 2021, and will be available statewide. This brings the total number of carriers in the market up to four, and will ensure that Marylanders in all counties will have a choice of at least three carriers.

“We are pleased to have another carrier selling in the Individual Market. The state was down to two carriers before the state reinsurance program was implemented” noted Insurance Commissioner Kathleen A. Birrane. “The addition of two new carriers demonstrates the continued success of the program and will provide consumers with an expanded number of choices and will provide additional competitive pressures to keep rate increases low.”

Commissioner Birrane will hold a quasi-legislative virtual public hearing on this matter on July 19, 2023 from 10 a.m. to 12 p.m. (See public hearing details below.)

“Feedback from all stakeholders is very important and we urge everyone to participate in the public hearing,” Commissioner Birrane said. “Health insurance costs impact everyone and we want to give all Marylanders the opportunity to be heard as we consider the proposed rates.”

SUMMARY OF PROPOSED RATES FOR 2024

For the Individual, Non-Medigap (INM) market, the overall filed average annual rate change across the entire INM market is an increase of **5.7%**. The average filed rate by carrier and the number of impacted members based on enrollment as of April 30, 2023 is:

| INM Carrier | Type of Network | Membership | Average Rate Change Request |
|----------------------|-----------------|------------|-----------------------------|
| CareFirst BlueChoice | HMO | 134,045 | 6.4% |
| CareFirst GHMSI/CFMI | PPO | 17,052 | 0.5% |
| Kaiser | HMO | 59,956 | 8.0% |
| Optimum Choice (UHC) | HMO | 20,063 | -2.0% |

To provide context, and for comparison purposes, the chart below shows the filed 2024 monthly individual premium for a 40-year-old in the metropolitan Baltimore service area purchasing the lowest cost silver plan.

| | | | | |
|-------------------------|-----------------|---------------|--------------|----------------|
| Lowest Cost Silver Plan | | | | |
| | 2023 | % | 2024 | |
| | Monthly | Rate | Monthly | Monthly |
| <u>Carrier</u> | <u>Approved</u> | <u>Change</u> | <u>FILED</u> | <u>Change`</u> |
| Aetna | N/A | N/A | \$328 | N/A |
| CareFirst BlueChoice | \$335 | 1.2% | \$339 | \$4 |
| CareFirst GHMSI/CFMI | \$513 | -5.9% | \$483 | -\$30 |
| Kaiser | \$268 | 6.6% | \$286 | \$18 |
| Optimum Choice (UHC) | \$350 | -3.3% | \$339 | \$28 |

Additional details regarding proposed rate changes in the INM are provided in **Exhibit 1**. Additional premium comparisons for bronze and gold and for an illustrative Family of 4 are found in **Exhibit 2**.

Note that all illustrative premiums are the full unsubsidized premiums prior to the application of any Advance Premium Tax Credits (APTCs) from the federal government or the state young adult subsidy pilot. Almost 80% of applicants who purchase a plan on www.marylandhealthconnection.gov receive APTCs and will not pay the full premiums shown here. APTCs vary by a household's income and are linked to the unsubsidized cost of the second lowest cost silver plan available to a household. Commissioner Birrane made it clear, however, that the existence of these subsidies is not a consideration when reviewing rate filings. "Rates in all markets, including the individual market, must be justified without regard to whether some policyholders may receive assistance in paying the premium derived from those rates."

For the Small Group (50 or less full-time equivalent employees) market, the overall filed average annual rate change is **an increase of +7.5%**. In the SG market, a health carrier can request rate changes on a quarterly basis. The proposed average rate changes by carrier for all four quarters of 2024 and the number of impacted members based on enrollment as of March 31, 2023 is:

| SG Carrier | Type of Network | Membership | Average Rate Change Request |
|--|-----------------|------------|-----------------------------|
| Aetna Health Insurance Inc. | HMO | 4,275 | 15.4% |
| Aetna Life Insurance Inc. | PPO | 886 | 1.4% |
| CareFirst BlueChoice Inc. | HMO | 169,619 | 7.1% |
| CareFirst CFMI/GHMSI | PPO | 20,522 | 5.5% |
| Kaiser | HMO | 9,635 | 9.2% |
| UnitedHealthcare of the Mid-Atlantic | HMO | 2,914 | 20.4% |
| UnitedHealthcare (Optimum Choice) | HMO | 6,915 | 4.4% |
| UnitedHealthcare (MAMSI Life and Health Insurance Co.) | EPO | 9,982 | 6.8% |
| UnitedHealthcare Insurance Co. | PPO | 14,824 | 11.4% |

To provide context, and for comparison purposes, the chart below shows the filed 2023 monthly individual premium for a 40-year-old subscriber for Q1 of 2023 in the metropolitan Baltimore service area who buys the lowest-cost non-subsidized silver plan. These monthly premium amounts may be shared between the individual and the employer, as employers often contribute to the cost of employee insurance.

| Lowest Cost Silver Plan | | | | | |
|---------------------------------------|-------------|-----------------|---------------|--------------|---------------|
| | | 2023 | % | 2024 | |
| | Network | Monthly | Rate | Monthly | Monthly |
| <u>Carrier</u> | <u>Type</u> | <u>Approved</u> | <u>Change</u> | <u>Filed</u> | <u>Change</u> |
| Aetna | HMO | \$301 | 12% | \$335 | \$35 |
| Aetna | PPO | \$363 | -3% | \$351 | (\$12) |
| CareFirst BlueChoice | HMO | \$415 | 6% | \$438 | \$23 |
| CareFirst GHMSI/CFMI | PPO | \$477 | 9% | \$519 | \$42 |
| Kaiser | HMO | \$325 | 9% | \$352 | \$34 |
| United Healthcare (MAMSI) | EPO | \$410 | 6% | \$435 | \$25 |
| United Healthcare (Optimum Choice) | HMO | \$374 | 5% | \$393 | \$19 |
| United Healthcare of the Mid-Atlantic | POS | \$355 | 23% | \$436 | \$81 |
| United Healthcare Insurance Co. | PPO | \$424 | 12% | \$476 | \$53 |

Additional details regarding these proposed rate changes are provided in **Exhibit 3**. Additional premium comparisons for bronze and gold and for a Family of 4 are found in **Exhibit 4**.

For the stand-alone dental market, four carriers submitted premiums for the INM dental market. The average filed rate by carrier and the number of impacted members based on enrollment as of April 30, 2023 is:

| INM Dental Carrier | Type of Network | Membership | Average Rate Change Request |
|----------------------|-----------------|------------|-----------------------------|
| Alpha Dental | DPPO | 4,077 | 4.2% |
| CareFirst GHMSI/CFMI | DPPO | 54,363 | -3.2% |
| Delta Dental | DPPO | 21,896 | 2.0% |
| Dominion Dental | DHMO & DPPO | 15,713 | -1.0% |

Additional details regarding these proposed rate changes are provided in **Exhibit 5**. Illustrative premiums for both Self-Only and Family coverage can be found in **Exhibit 6**.

Rates being reviewed by the Insurance Administration do not affect health insurance plans offered by large employers or by employers who self-insure, “grandfathered” plans purchased before March 2010, or federal plans such as Medicare (including Medicare Advantage or Medicare Supplement), Tricare and federal employee plans.

The six exhibits listed below provide more detail.

EXHIBIT 1: 2024 ACA, Individual Non-Medigap Market – Rate Filing Summary
EXHIBIT 2: Illustrative Individual Non-Medigap 2024 Premiums
EXHIBIT 3: 2024 ACA, Small Group Market – Rate Filing Summary
EXHIBIT 4: Illustrative Small Group 2024 Premiums
EXHIBIT 5: 2024 ACA, Individual Non-Medigap, Stand-Alone Dental Market – Rate Filing Summary
EXHIBIT 6: Illustrative Individual Stand-Alone Dental 2024 Premiums

Rate filing documents are available on the Insurance Administration's website at www.healthrates.mdinsurance.state.md.us, which also includes answers to frequently asked questions about the rate review process. All interested persons may review filings and submit comments through Friday, August 18.

In addition, any interested person may participate in the public hearing scheduled for July 19, 2023, from 10 a.m. to 12 p.m. [View public hearing details here](#). Time limits may be imposed for oral testimony, depending on the number of participants. If you would like to present or offer public comments during the public hearing, please notify the Maryland Insurance Administration in advance by submitting your request to healthinsuranceratereview.mia@maryland.gov. To the extent that time and technology permit, the Insurance Administration will hear from unregistered participants who access the Zoom Webinar platform.

Written testimony for the public hearing may be submitted by email to healthinsuranceratereview.mia@maryland.gov and must be received by 5 p.m. on Thursday, July 13, 2023 to be addressed at the hearing.

Questions about Maryland's rate review process should be directed to Brad Boban, Chief Actuary at 410-468-2041, or by email at bradley.boban@maryland.gov.

About the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is an independent State agency charged with regulating Maryland's \$46 billion insurance industry. For more information about the MIA, please visit www.insurance.maryland.gov or follow us on Facebook at www.facebook.com/MDInsuranceAdmin or Twitter at [@MD_Insurance](https://twitter.com/MD_Insurance) or LinkedIn at <https://www.linkedin.com/company/432297/admin/> or Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).

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