

**ConnectiCare Insurance Company, Inc. – Individual  
Rate request – Revised, 42.7 percent increase  
Decision – Under Review**

**Public Comment Period: Begins June 6, 2016 and will remain open for  
30 days or until the filing is closed, whichever is later**

On August 3, 2016, ConnectiCare, Inc. filed a revised rate filing requesting a 42.7 percent rate increase on individual health plans marketed outside of Access Health CT, the state sponsored health insurance exchange.

There are 37,142 people covered under these policies.

The policies were first offered in 2014 and provide major medical and prescription drug coverage, compliant with the Affordable Care Act (ACA).

The company said it is seeking the rate increase due to higher medical costs and the increase in demand for medical services, a factor known as “trend.” The company is projecting a trend impact of approximately 10.9 percent on rates in 2016.

Another key driver of the increased rates was the company’s higher than expected claims costs this year. The company said it expected demand for services to level out but that did not happen.

“Our actual experience during 2016 has been very different; rather than decrease over time, the utilization of medical services among this population has not slowed their need or demand for healthcare services in any way,” the company wrote in its filing. The company cited the following examples:

- In the first quarter of 2016, inpatient admissions for cancer doubled when compared with the same time period in 2015
- Services for acute kidney failure and progression to end state renal disease are also increasing
- Additionally, primary care and specialist visits have increased by over 17 percent with the frequency of radiology and imaging services increasing by 40 percent.

The company said it has also factored in the affect of fees and taxes associated with the Affordable Care Act (ACA) and the elimination of the federal temporary reinsurance program. Since the inception of the ACA, the federal government provided funds to insurers from 2014 to 2016 to offset costs from the expected high-cost claims for the newly insured – those individuals who did not have health insurance before the ACA and were expected to need more medical services. The federal reinsurance program was established to help stabilize premiums in the first three coverage years of the ACA. The program ends in 2016.

If approved the new rates would take effect, January 1, 2017.