

## **UnitedHealthcare Insurance Co. – Individual**

**Rate request** – 12.4% increase for Exchange policies, revised to 11.4%

**Decision** – Disapproved, approved lower increase of 5.5% Aug. 27, 2015

On April 30, 2015, UnitedHealthcare Insurance Company filed a request to raise premium rates an average of 12.4 percent for individual health policies marketed through Access Health CT, the state-sponsored health insurance exchange.

UnitedHealthcare later lowered its requested increase to 11.4 percent.

The company first offered this particular product in 2014 for coverage for 2015. There are approximately 970 policies currently in force in Connecticut. Because it is a relatively new product with no experience available, the company said it based its rate on experience from its existing small group market and “on the best information that we have available about the expected costs for these plans.”

In its calculations, the company assumed a 6.9 percent impact from “trend,” a factor that reflects the increases in medical service and pharmacy costs and demand for those services.

UnitedHealthcare cited a number of other factors contributing to the increase. They include:

- More of premiums need to cover health care costs as deductibles and co-pays remain the same
- Cost shifting from public to private sector as rates for Medicare and Medicaid decline
- Impact of new technology
- Changes in benefits
- Fees and taxes associated with the ACA

After an actuarial review, the Department disagreed with the company’s use of 2013 claims cost data and instead required the company to use 2014 data, which reflected better experience. The Department noted that by using the newer data in the calculation, the company could decrease the requested rate by about 5 percent.

As a result, the Department disapproved the request and approved a lower average increase of 5.5 percent on August 27, 2015.

The new rates take effect January 1, 2016.