

**ConnectiCare Benefits, Inc. – Individual – On Exchange**

**Rate request** – 17.5 percent average increase

**Decision** – Disapproved, approved increase of 27.7 percent based on recalculation accounting for lack of federal CSR payments

On May 1, 2017, ConnectiCare Benefits, Inc. (CBI) filed a request to raise rates an average of 15.2 percent for individual health plans marketed through Access Health CT, the state’s health insurance marketplace. This request was revised on May 15, 2017 to an average increase of 17.5 percent.

There are approximately 51,000 people covered under these policies.

CBI stated the increase is based on increasing medical costs and greater demand for medical services, an effect known as “trend,” which would have a projected impact of 8.53 percent on costs.

The company noted that while uncertainties exist in the current regulatory environment it was basing its price calculation on the following assumptions:

- The Internal Revenue Service enforces the Individual Mandate for 2018, but the mandate is weakened somewhat due to a perception that it is not in effect or not being fully enforced;
- Federal Cost Sharing Reduction (CSR) payments remain in effect in 2018, and the federal government makes full payment to insurers for those payments
- Federal Advance Premium Tax Credits (APTC) remain in effect in 2018 at current levels;
- There are no significant changes in carrier participation in the individual market in Connecticut, either on or off Exchange;
- The moratorium on the Health Insurer Fee is not extended beyond 2017. The Health Insurer Fee is assumed to collect \$14.3 billion in 2018, as initially proposed in the ACA.
- All other provisions of the 2018 Notice of Benefit and Payment Parameters published on December 16, 2016, as modified by the Market Stabilization guidance published on April 18, 2017, remain in effect, including rules designed to tighten the enforcement of special enrollment periods.
- There are no changes to Connecticut regulations or benefit mandates that would impact the rates included in this filing.

A public hearing was held on this rate request on June 14, 2017.

Because of continuing uncertainty in Washington over Cost Sharing Reduction (CSR) payments, the Department on August 23, 2017 required the company to submit a supplemental filing accounting for the pricing

impact from the lack of CSRs and apply the resulting increase to Silver plans sold through Access Health CT. That supplemental filing was reviewed on September 13, 2017, the Department approved the recalculations, which resulted in an average increase of 27.7 percent.