

Oxford Health Insurance, Inc. – Small Group

Rate Notice – 13.4 percent increase

Decision – Under Review

Public Comment Period: Begins July 8, 2022 and will remain open for 30 days or until the filing is closed, whichever is later

On July 1, 2022 Oxford Health Insurance, Inc., filed a request to raise rates an average of 13.4 percent for health plans used by employers with 50 or fewer workers.

These are plans that are offered on the open market and not through the state-sponsored exchange. They currently cover approximately 36,480 employees and their dependents.

The company said the rate request takes into account the impact of “trend,” which reflects medical cost inflation and the demand for medical services. Oxford projected the impact of trend at approximately 8.3 percent.

The company said the primary drivers of the proposed increase are:

- **Increasing Cost of Medical Services** – Annual increases in reimbursement rates to health care providers – such as hospitals, doctors and pharmaceutical companies.
- **Increased Utilization** – The number of office visits and other services continues to grow. In addition, total health care spending will vary by the intensity of care and/or use of different types of health services. Patients who are sicker generally have a higher intensity of health care utilization. The price of care can be affected by the use of expensive procedures such as surgery vs. simply monitoring or providing medications.
- **Higher Costs from Deductible Leveraging** – Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
- **Cost shifting from the public sector to the private sector** – Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover all the cost of care. The cost difference is being shifted to private health plans. Hospitals typically make up this reimbursement shortfall by charging private health plans more.
- **Impact of New Technology** – Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased health care spending and utilization.

If approved, the new rates would take effect January 1, 2023.