



News Release

## Maryland Insurance Administration

Larry Hogan, Governor   Boyd K. Rutherford, Lt. Governor  
Kathleen A. Birrane, Commissioner   Gregory M. Derwart, Deputy Commissioner

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### **Health Carriers Propose Affordable Care Act (ACA) Premium Rates for 2022** *Public Invited to Submit Comments*

BALTIMORE – The Maryland Insurance Administration has received the 2022 proposed premium rates for Affordable Care Act products from health carriers. Health carriers are seeking a range of changes to the 2021 premium rates for plans sold in Maryland’s Individual Non-Medigap (INM) and Small Group (SG) markets in 2021.

In the INM market, carriers have requested an overall average rate increase of +3.5%, with averages by carrier and product ranging from -7.3% to +7.9%. In the SG market, carriers have requested an overall average rate increase of +7.2%, with averages by carrier and product ranging from -22.5% to +16.0%. In the INM, stand-alone dental market, carriers have requested an overall average rate increase of +0.3%, with averages by carrier and product ranging from 0.0% to +3.8%.

“It is clear from our preliminary review of the rate filings that projections regarding the financial impact of COVID-19 on claim trends is a key factor in this year’s rate requests. It is also clear that there is a significant difference in those projections among carriers and across products,” noted Insurance Commissioner Kathleen A. Birrane. “We have already reached out to the carriers with our first set of questions, and understanding how carriers are accounting for COVID-19 is an important first focus for our actuarial team.”

Across all markets, rate adjustments by carriers to account for COVID-19 ranged from zero to 14.1%. These adjustments account for the fact that claims utilization was depressed during some months of the 2020 experience period and are expected to increase to a more normal level in 2022, and for potential future claims related to COVID-19.

The rates submitted for the INM market include the estimated impacts from the Hogan Administration’s innovative, state-based reinsurance program established in 2019. The reinsurance program was designed to reduce and stabilize INM rates, following several years of annual double-digit increases tied to increasing morbidity and decreasing enrollment after the initial implementation of the Affordable Care Act. The expectation was that the reinsurance program would result in an overall average reduction of 30% for INM rates after three years, with future rate increases tied primarily to increases in the cost of care. “Governor Hogan delivered on that objective sooner and better than anticipated,” noted Commissioner Birrane. “The reinsurance program went into effect in 2019 and the 2021 rates reflected an overall 32.8% decrease from those charged in 2018.”

The Commissioner noted that, having achieved that milestone, the impact of the reinsurance program is now in its second and long-term phase, serving to keep rate increases in line with cost trends. “Having rapidly achieved stabilization, rate increases in the INM will occur, but those increases should be relatively modest single digit changes that are tied to increases in the cost of care,” Commissioner Birrane added. The Commissioner also noted that even though this year’s filings seek an average increase of 3.5% in the INM market, rates in that market as filed would still be down by -30.8% over the four-year period from 2018 through 2022 (filed).

In Maryland, only those rates that are approved by the Insurance Commissioner may be charged to policyholders. Before approval, all filings undergo a comprehensive review of the carriers’ analyses and assumptions. Public comments are considered as part of the review process. 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 Maryland Insurance Administration (MIA) expects to issue decisions about rates and products no later than September 7, 2021.

Commissioner Birrane will hold a quasi-legislative virtual public hearing on this matter on [Tuesday, July 20, 2021 from 9:00 a.m. to 11:00 a.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 2022**

**For the INM market**, the overall filed average annual rate change across the entire INM market is an increase of **3.5%**. The average filed rates by carrier and the number of impacted members based on enrollment as of March 31, 2021 are:

INM Carrier	Type of Network	Membership	Average Rate Change Request
CareFirst BlueChoice, Inc.	HMO	144,992	+7.9%
CareFirst GHMSI/CFMI	PPO	12,237	-7.3%
Kaiser	HMO	59,324	-5.0%
UnitedHealthcare (Optimum Choice)	HMO	2,253	+1.0%

To provide context, and for comparison purposes, the charts below apply the filed rates for 2022 to the monthly individual premium for a 40-year-old subscriber in the metropolitan Baltimore service area who buys either the lowest cost off-exchange silver plan (comparable to the Administration’s standard illustrative rates) or the lowest cost on/off-exchange gold plan (which has become the most popular metal level with 42% of market-wide enrollment).

**Lowest Cost Silver Plan, Off-Exchange, 40-year-old, Baltimore Metro Region**

		2022	2021		2022	2022
		Individual	Individual	Requested	Proposed	Proposed
		Annual	Monthly	Change	Individual	Monthly
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Premium</u>		<u>Premium</u>	<u>\$ Difference</u>
CareFirst BlueChoice, Inc.	HMO	\$2,250	\$313	4.8%	\$328	\$15
CareFirst GHMSI/CFMI	PPO	\$3,000	\$511	-6.4%	\$478	(\$33)
Kaiser	HMO	\$3,200	\$294	-6.5%	\$275	(\$19)
United Healthcare (Optimum Choice)	HMO	\$6,500	\$345	-2.8%	\$335	(\$10)

**Lowest Cost Gold Plan, 40-year-old, Baltimore Metro Region**

		2022	2021		2022	2022
		Individual	Individual	Requested	Proposed	Proposed
		Annual	Monthly	Change	Individual	Monthly
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Premium</u>		<u>Premium</u>	<u>\$ Difference</u>
CareFirst BlueChoice, Inc.	HMO	\$1,750	\$328	8.0%	\$354	\$26
CareFirst GHMSI/CFMI	PPO	\$1,750	\$542	-7.2%	\$503	(\$39)
Kaiser	HMO	\$1,750	\$332	-4.9%	\$316	(\$16)
United Healthcare (Optimum Choice)	HMO	\$2,700	\$326	0.4%	\$328	\$1

Additional details regarding proposed rate changes in the INM market are provided in [Exhibit 1a and 1b](#).

Additionally, [Exhibit 7](#) shows proposed rate increases for Value plans, which are required to be offered by all carriers, and must provide meaningful coverage before the deductible (as of 2022 Value plans of all metal levels must cover PCP visits, Mental Health/Substance Abuse outpatient visits, and generic drugs outside the deductible. Silver and Gold Value plans must also cover specialist visits, urgent care, diabetic supplies, lab tests and X-rays). While Value plans do not generally have the lowest premium within a given metal level, they have shown considerable enrollment growth since they were first introduced in 2019 and may be of particular interest to consumers.

While bronze, gold and platinum rates do not differ depending on whether a plan is purchased through the Maryland Health Benefit Exchange (MHBE) or privately, off the Exchange, because of slight differences in plan design, the unsubsidized rates for silver plans that are purchased through the MHBE can be higher. However, most policies purchased through MHBE are eligible for federal subsidies that significantly reduce the amount of premium paid by an eligible policyholder. Those subsidies were increased significantly by the America Recovery Plan Act (ARPA), which also expanded those that are eligible for those subsidies. Nationally, it is estimated that as many as 92% of individual market purchasers are eligible for some amount of subsidy, if they purchase their individual policy through the Exchange.

Marketplace subsidies (through premium tax subsidies) work by capping an individual's required premium contribution toward a benchmark plan (the second-lowest-cost silver plan) at a certain percent of income. Prior to the enactment of the ARPA, the cap on a policyholder's required contribution toward premium for the benchmark plan ranged from 2.07% to 9.83% of income for individuals earning up to 400% of FPL (\$51,520 for an individual, and \$106,000 for a family of 4). That range has been changed to 0.0% and 8.5% of income and is now available to all policyholders, including those whose income exceeds 400% of FPL.

By way of example, those with incomes up to 150% of the 2021 federal poverty level (FPL) (i.e. up to \$19,320 for an individual and up to \$39,750 for a family of four) will pay \$0 for Silver plans, with significantly reduced cost sharing as well.

The Commissioner urged all Marylanders to take full advantage of the Hogan Administration’s special enrollment period, which was recently extended through August 15, 2021, to review potential savings that may be available to them today for their 2021 policies. “While I am focused at the moment on the rates that will become effective in 2022, the subsidies available through the Exchange are available today. Go to <https://www.marylandhealthconnection.gov/> now to see if you are eligible for a premium reduction or, if you don’t have health insurance, how much it will cost you to buy it now, given the increased assistance.”

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 SG (50 or less contracts) market**, the overall filed average annual rate change across the entire SG market is **an increase of +7.2%**. 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 2022 and the number of impacted members based on enrollment as of February 28, 2021 are:

SG Carrier	Type of Network	Membership	Average Rate Change Request
Aetna Health Insurance Inc.	HMO	69	-22.5%
Aetna Life Insurance Inc.	PPO	403	-6.9%
CareFirst BlueChoice Inc.	HMO	173,199	+5.6%
CareFirst CFMI/GHMSI	PPO	19,521	+9.6%
Kaiser	HMO	10,542	+0.5%
UnitedHealthcare of the Mid-Atlantic	HMO	4,580	+16.0%
UnitedHealthcare (Optimum Choice)	HMO	11,691	+13.8%
UnitedHealthcare (MAMSI Life and Health Insurance Co.)	EPO	14,429	+13.7%
UnitedHealthcare Insurance Co.	PPO	20,232	+12.3%

To provide context, and for comparison purposes, the charts below apply the filed rates for 2022 to the monthly individual premium for a 40-year-old subscriber for Q1 of 2022 in the metropolitan Baltimore service area who buys the lowest-cost non-subsidized silver or gold plans. 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, 40-year-old, Baltimore Metro Region**

		2022	1Q21		1Q22	1Q22
		Individual	Approved		Proposed	Proposed
		Annual	Individual	Requested	Individual	Monthly
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Monthly</u>	<u>Change</u>	<u>Monthly</u>	<u>\$ Difference</u>
			<u>Premium</u>		<u>Premium</u>	
Aetna Health, Inc.	HMO	\$3,500	\$374	-22.0%	\$292	(\$82)
Aetna Life Insurance Co.	PPO	\$2,500	\$458	-5.3%	\$433	(\$24)
CareFirst BlueChoice, Inc.	HMO	\$4,000	\$345	4.7%	\$361	\$16
CareFirst GHMSI/CFMI	PPO	\$2,400	\$468	8.8%	\$509	\$41
Kaiser	HMO	\$4,000	\$281	-0.3%	\$280	(\$1)
United Healthcare (MAMSI)	EPO	\$4,500	\$337	15.2%	\$388	\$51
United Healthcare (Optimum Choice)	HMO	\$4,500	\$293	17.4%	\$344	\$51
United Healthcare Insurance Co.	PPO	\$4,500	\$356	13.6%	\$404	\$48
United Healthcare of the Mid-Atlantic	HMO	\$5,000	\$276	17.2%	\$323	\$47

**Lowest Cost Gold Plan, 40-year-old, Baltimore Metro Region**

		2022	1Q21		1Q22	1Q22
		Individual	Approved		Proposed	Proposed
		Annual	Individual	Requested	Individual	Monthly
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Monthly</u>	<u>Change</u>	<u>Monthly</u>	<u>\$</u>
			<u>Premium</u>		<u>Premium</u>	<u>Difference</u>
Aetna Health, Inc.	HMO	\$2,000	\$441	-19.3%	\$356	(\$85)
Aetna Life Insurance Co.	PPO	\$1,500	\$486	-3.7%	\$468	(\$18)
CareFirst BlueChoice, Inc.	HMO	\$6,100	\$421	4.8%	\$441	\$20
CareFirst GHMSI/CFMI	PPO	\$1,000	\$555	6.1%	\$590	\$34
Kaiser	HMO	\$2,000	\$347	-8.3%	\$318	(\$29)
United Healthcare (MAMSI)	EPO	\$2,500	\$404	14.9%	\$464	\$60
United Healthcare (Optimum Choice)	HMO	\$3,500	\$353	12.1%	\$395	\$43
United Healthcare Insurance Co.	PPO	\$2,500	\$424	13.9%	\$483	\$59
United Healthcare of the Mid-Atlantic	HMO	\$2,500	\$323	17.0%	\$378	\$55

Additional details regarding these proposed rate changes are provided in [Exhibit 2a and 2b](#).

Small group employers are encouraged to check for eligibility for a federal tax credit of up to 50% of premiums paid on behalf of employees at this link: <https://tinyurl.com/3cwxbmm>. Eligibility requirements include having fewer than 25 full-time employees (FTE), paying average wages less than \$53,000 per FTE, and contributing at least 50% of the cost of employee-only coverage. The smaller the employer, the bigger the credit.

**For the stand-alone dental market**, four carriers submitted premiums for the INM market affecting **75,336 members**. Requested rate increases range from **0.0% to +3.8%**. The latest enrollment data indicates that roughly 34% of INM ACA members have enhanced their coverage to include stand-alone dental.

**Most Popular Plan, Adult, 40-year-old, Baltimore Metro Region**

		2022 Adult Individual Annual Deductible	2021 Approved Individual Monthly Premium	Requested Change	2022 Proposed Individual Monthly Premium	2022 Proposed Monthly \$ Difference
Company	Product					
Alpha Dental	HMO	\$0	\$26	0.0%	\$26	\$0
CareFirst GHMSI	PPO	\$100	\$36	0.0%	\$36	\$0
Dominion Dental Services	PPO	\$0	\$26	10.0%	\$29	\$3
Delta Dental of PA	PPO	\$50	\$32	0.0%	\$32	\$0

Additional details regarding these proposed rate changes are provided in [Exhibit 3](#).

Rates being reviewed by the MIA 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, Tricare and federal employee plans.

The seven exhibits listed below provide more detail. All exhibits are posted here:  
<https://tinyurl.com/4zufjbsm>

- EXHIBIT 1: 2022 ACA, Individual Non-Medigap Market – Rate Filing Summary
- EXHIBIT 2: 2022 ACA, Small Group Market – Rate Filing Summary
- EXHIBIT 3: 2022 ACA, Individual Non-Medigap, Stand-Alone Dental Market – Rate Filing Summary
- EXHIBIT 4: Illustrative Impact to a “Family of 4”
- EXHIBIT 5: Illustrative Impact to a “Small Group of 7 Employees”
- EXHIBIT 6: Overall Summary
- EXHIBIT 7: Illustrative Impact to Individual Non-Medigap Value Plans

Rate filing documents are available on the MIA’s website at <http://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 6, 2021.

In addition, any interested person may participate in the public hearing scheduled for July 20 at 9:00 a.m. 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 MIA in advance by submitting your request to [healthinsuranceratereview.mia@maryland.gov](mailto:healthinsuranceratereview.mia@maryland.gov). To the extent that time and technology permit, the MIA will hear from unregistered participants who access the Zoom Webinar platform.

Information on how to access the virtual public hearing is available here:  
<https://insurance.maryland.gov/Consumer/Documents/agencyhearings/ACA-public-hearing-notice-782021.pdf>

Written testimony for the public hearing may be submitted by email to [healthinsuranceratereview.mia@maryland.gov](mailto:healthinsuranceratereview.mia@maryland.gov) and must be received by 5 p.m. on Tuesday, July 6, 2021 to be addressed at the hearing.

Questions about Maryland's rate review process should be directed to Bradley Boban, Chief Actuary at 410-468-2065, or by email at [bradley.boban@maryland.gov](mailto:bradley.boban@maryland.gov).

***About the Maryland Insurance Administration***

*The Maryland Insurance Administration (MIA) is an independent State agency charged with regulating Maryland's \$28.5 billion insurance industry. For more information about the MIA, please visit [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or follow us on Facebook at [www.facebook.com/MDInsuranceAdmin](http://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).*