



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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The Maryland Insurance Administration Approves 2022 Affordable Care Act Premium Rates

State Reinsurance Program continues to have positive impact on individual premium rates

BALTIMORE – State Insurance Commissioner Kathleen A. Birrane today announced the premium rates approved by the Maryland Insurance Administration (MIA) for individual and small group health insurance plans to be offered in the state for coverage beginning Jan. 1, 2022.

Thanks to the innovative reinsurance program developed by the Hogan administration in 2018 to reduce and stabilize rates in the individual market, the rates for individual health insurance plans under the Affordable Care Act (ACA) will increase by an average of only 2.1% this year, despite an increase in the average claims trend of 4.4%. The approved rates are 1.4% lower on average than insurance carriers officially requested – a difference of more than \$15 million in total annual premium savings for Maryland consumers.

Maryland’s 1332 State Innovation Waiver was the result of a bipartisan legislative effort led by the Hogan administration and the presiding officers of the Maryland General Assembly in 2018. The waiver was approved by the Centers for Medicare and Medicaid Services on August 22, 2018, clearing the way for the implementation of the Reinsurance Program in 2019. The Reinsurance Program was projected to decrease then spiraling rates for individual insurance by 30% over three years, with future changes tied to claim trends.

Since the implementation of the State Reinsurance Program in 2019, premium rates in that market have decreased by an average of nearly 32%.

“I am very pleased that we were able to hold the average rate changes below the average claim trend. Governor Hogan’s foresight and leadership has saved individual Marylanders hundreds of millions of dollars in health insurance premiums. And, by making health insurance more affordable, we are continuing to drive down the rate of uninsured individuals in the state.” Commissioner Birrane said.

About 222,000 Marylanders are impacted by the approved rates. The actual percentage by which the rates for a specific plan will change depends on the plan. There are 34 plans in the Maryland individual market. Of these, rate increases have been approved for nine; the remaining 25 plans are reducing rates.

As an example, for a 40-year-old living in the Baltimore metro region, rate changes for the lowest cost off-exchange silver plans range from -11.4% to +3.2%, with average monthly differences ranging from -\$58 per month to +\$10 per month.

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

		2022	2021		2022	2022
		Individual	Approved		Approved	Approved
		Annual	Individual	Approved	Individual	Monthly
Company	Product	Deductible	Monthly	Change	Monthly	Monthly
			Premium		Premium	\$ Difference
CareFirst BlueChoice, Inc.	HMO	\$2,250	\$313	3.2%	\$323	\$10
CareFirst GHMSI/CFMI	PPO	\$3,000	\$511	-11.4%	\$453	(\$58)
Kaiser	HMO	\$4,000	N/A	N/A	\$261	N/A
United Healthcare (Optimum Choice)	HMO	\$6,500	\$345	-2.7%	\$335	(\$9)

Rate changes for that same 40-year-old in that same region range from -12.7% to +6.2%, with average monthly differences ranging from -\$69 per month to +\$20 per month.

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

		2022	2021		2022	2022
		Individual	Approved		Approved	Approved
		Annual	Individual	Approved	Individual	Monthly
Company	Product	Deductible	Monthly	Change	Monthly	\$
			Premium		Premium	Difference
CareFirst BlueChoice, Inc.	HMO	\$1,750	\$328	6.2%	\$348	\$20
CareFirst GHMSI/CFMI	PPO	\$1,750	\$542	-12.7%	\$473	(\$69)
Kaiser	HMO	\$2,000	N/A	N/A	\$291	N/A
United Healthcare (Optimum Choice)	HMO	\$2,900	\$326	0.4%	\$328	\$1

Commissioner Birrane urged Marylanders to work closely with health insurance agents and advisors and to explore plans available through the Maryland Health Benefit Exchange. Individuals who purchase individual insurance through the Exchange may be eligible to receive federal premium subsidies or federal Advanced Premium Tax Credit (APTC). Currently, approximately 79% of people who purchase their individual market policy on the Exchange receive some reduction in premium. The American Rescue Plan significantly increased the amount of subsidy available for every income level and removed the 400% FPL cap for 2022, which means that the 2022 Open Enrollment period (November 1 – December 15) will have the lowest subsidized rate level in the history of the ACA.

In addition, people who are 18-35 years of age and are under 400% FPL are eligible to receive a new state premium subsidy (being piloted from 2022-2023) to bring their subsidized premiums even lower.

“It is very important for individuals to work with the Exchange.” Commissioner Birrane advised. “The significantly higher level of subsidies available may allow many consumers to reduce their

cost-sharing and still see some decrease in post-subsidy premiums, even if the plan rate is increasing.”

The Administration also approved an average rate increase of 0.1% for dental rates in the individual market, compared to the 0.3% originally requested by carriers. These rates affect approximately 73,000 Marylanders. Individual Dental enrollment has grown by 22% (+13,000 members) between 2020 and 2021 and the MIA is optimistic that the continued rate stability will allow even further growth in the future.

Individual Stand-Alone Dental						
Most Popular Plan, Adult, 40-year-old, Baltimore Metro Region						
		2022	2021		2022	2022
		Adult	Approved		Approved	Approved
		Individual	Individual		Individual	Monthly
		Annual	Monthly	Requested	Monthly	\$
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Premium</u>	<u>Change</u>	<u>Premium</u>	<u>Difference</u>
Alpha Dental	HMO	\$0	\$26	0.0%	\$26	\$0
Dominion Dental Services	PPO	\$0	\$29	7.7%	\$31	\$2
Delta Dental of PA	PPO	\$50	\$32	0.0%	\$32	\$0
CareFirst GHMSI/CFMI	PPO	\$100	\$36	0.0%	\$36	\$0

The rates for small group health insurance plans under the Affordable Care Act (ACA) will increase by an average of 5.0%. This is a reduction of 2.2% from the originally requested 7.2% average, reducing the market’s total annual premium by more than \$32 million. The approved average rate increase is slightly lower than the average claims trend for the market, which is projected to be 5.7%.

About 255,000 Marylanders are impacted by the approved small group rates. As is the case with the individual market plans, the actual percentage by which the rates for a specific plan will change depends on the plan. There are 220 plans offered this year in the Maryland small group market and plan sponsors are urged to shop carefully.

Lowest Cost Silver Plan, 40-year-old, Baltimore Metro Region, Small Group Market

		2022	1Q21		1Q22	1Q22
		Individual	Approved		Approved	Approved
		Annual	Individual		Individual	Monthly
		Monthly	Monthly	Approved	Monthly	Monthly
<u>Company</u>	<u>Product</u>	<u>Deductible</u>	<u>Premium</u>	<u>Change</u>	<u>Premium</u>	<u>\$ Difference</u>
Aetna Health, Inc.	HMO	\$3,500	\$374	-26.3%	\$276	(\$98)
Aetna Life Insurance Co.	PPO	\$2,500	\$458	-8.5%	\$419	(\$39)
CareFirst BlueChoice, Inc.	HMO	\$4,000	\$345	4.3%	\$360	\$15
CareFirst GHMSI/CFMI	PPO	\$2,400	\$468	5.1%	\$492	\$24
Kaiser	HMO	\$4,000	\$281	3.9%	\$292	\$11
United Healthcare (MAMSI)	EPO	\$4,500	\$337	9.5%	\$369	\$32
United Healthcare (Optimum Choice)	HMO	\$4,500	\$293	10.2%	\$323	\$30
United Healthcare Insurance Co.	PPO	\$4,500	\$356	9.0%	\$388	\$32
United Healthcare of the Mid-Atlantic	HMO	\$5,000	\$276	10.8%	\$306	\$30

Lowest Cost Gold Plan, 40-year-old, Baltimore Metro Region, Small Group Market

Company	Product	2022	1Q21		1Q22	1Q22
		Individual Annual Deductible	Approved Individual Monthly Premium	Requested Change	Approved Individual Monthly Premium	Approved Monthly \$ Difference
Aetna Health, Inc.	HMO	\$2,000	\$441	-23.7%	\$337	(\$104)
Aetna Life Insurance Co.	PPO	\$1,500	\$486	-7.0%	\$452	(\$34)
CareFirst BlueChoice, Inc.	HMO	\$6,100	\$421	4.4%	\$440	\$19
CareFirst GHMSI/CFMI	PPO	\$1,000	\$555	2.5%	\$569	\$14
Kaiser	HMO	\$2,000	\$347	-4.5%	\$331	(\$16)
United Healthcare (MAMSI)	EPO	\$2,500	\$404	9.4%	\$442	\$38
United Healthcare (Optimum Choice)	HMO	\$3,500	\$353	5.5%	\$372	\$19
United Healthcare Insurance Co.	PPO	\$2,500	\$424	9.6%	\$464	\$41
United Healthcare of the Mid-Atlantic	HMO	\$2,500	\$323	10.2%	\$356	\$33

For all of the ACA filings, COVID-19 was taken into account, with respect to both its impact on the historic claims data and on projected claims for the 2022 plan year. In aggregate, COVID-19 had a modest upward impact on rates of approximately +1% on average. To a large extent, the direct costs of testing and treatment of COVID-19 have been offset with the deferral of non-COVID services, leaving the aggregate claims level close to the level that would be expected in the absence of a pandemic. It is unclear, however, whether that offset will continue.

It is important to note that more than 90% of Marylanders are covered by health insurance plans offered through large employers or employers who self-insure, or participate in “grandfathered” plans purchased before March 2010 or in Federal plans (such as Medicare, Tricare, or federal employee plans). For these Marylanders, today’s announcement will not affect their rates.

The attached exhibits provide additional detail and context to the outcome of 2021 ACA premiums. As always, the approved rate increases vary by carrier and plan, with some carriers decreasing rates and other carriers increasing rates more than the average. A member’s annual premium increase will depend on the approved rate increase for their plan, the year over year increase in age factor, and, when applicable, the change in subsidy.

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 or follow us on Facebook at www.facebook.com/MDInsuranceAdmin, Twitter at [@MD_Insurance](https://twitter.com/MD_Insurance), LinkedIn at <https://www.linkedin.com/company/432297/admin/> or Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).