



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 Premium Rates for 2023 *Public Invited to Submit Comments*

BALTIMORE – The Maryland Insurance Administration (MIA) has received the rate filings containing the proposed 2023 premium rates for Affordable Care Act (ACA) products offered by health and dental carriers in the Individual, Non-Medigap (INM) and Small Group (SG) markets.

The carriers' requested increases are reviewed by the MIA and rates must be approved by the Commissioner before they can be used. Before approval, all filings undergo a comprehensive review of the carriers' analyses and assumptions. 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 MIA will hold a public hearing on the ACA proposed rates in July and expects to issue decisions in September 2022.

In the INM market, carriers have requested an overall average rate increase of +11%, with averages by carrier ranging from +7.2% to +25.9%. In the SG market, carriers have requested an overall average rate increase of +10%, with averages by carrier ranging from +3% to +12.6%. In the INM, stand-alone dental market, carriers have requested an overall average rate increase of +2%, with averages by carrier ranging from -4% to +9.4%.

The overall average rate increases requested for 2023 are higher than in the last several years. That change appears to be tied to increased health claim cost trends associated with the COVID-19 pandemic. In general, across all markets, filings by carriers have made no explicit adjustments to accounts for differences between the experience period and the projection period with respect to COVID-19. The MIA will be asking for additional data and analysis to determine what portion of 2021 claims are attributable to COVID and whether adjustments are necessary. There are several adjustments which may be appropriate, from accounting for differences in treatments, testing, and vaccine utilization, to accounting for the portion of 2021 claims, which represent deferred care from 2020, to accounting for new enrollees who are expected to enter the market when the COVID public health emergency ends and Medicaid disenrollment resumes.

“It is clear from our ongoing monitoring of industry experience that 2021 claims were heavily influenced by COVID-19, and that the significant differences between where we were in 2021 and where we are likely to be in 2023 must be modeled and taken into account in rate development” noted Insurance Commissioner

Kathleen A. Birrane. “Obtaining more detailed information on how COVID-19 claims experience has influenced cost and trend models for 2023 will be the primary focus for our actuarial team.”

Commissioner Birrane will hold [a quasi-legislative virtual public hearing](#) on this matter on **Monday, July 11, 2022, at 10 a.m.** (See details below.)

“Feedback from the public and all of our 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 carriers’ proposed rates.”

The rates submitted by the carriers for the INM market include the estimated impacts from the Hogan administration’s innovative, state-based reinsurance program, which was established in 2019. The program was intended to result in a reduction of rates by 30% within three years with future rate changes tied to increases or decreases in health care claim trends. As of January 2021, the Reinsurance Program had resulted in a 32% overall average reduction in rates from the rates approved in 2018, and the average increase of +2.1% in the INM market approved for 2022 was below the actual trend. Even if INM rates, as requested, were approved, the net effect would be a 22.3% average decrease in rates since 2018.

SUMMARY OF PROPOSED RATES FOR 2023

For the INM market, the overall filed average annual rate change across the entire INM market is an increase of **11%**. The average filed rate by carrier and the number of impacted members based on enrollment as of March 31, 2022 is:

INM Carrier	Type of Network	Membership	Average Rate Change Request
CareFirst BlueChoice	HMO	149,043	11.2%
CareFirst GHMSI/CFMI	PPO	16,277	25.9%
Kaiser	HMO	64,866	7.2%
United Healthcare (Optimum Choice)	HMO	11,087	8.7%

To provide context, and for comparison purposes, the chart below shows the filed 2023 monthly individual premium for a 40-year-old in the metropolitan Baltimore service area purchasing the lowest cost silver plan.

Lowest Cost Silver Plan				
	2022	%	2023	
	Monthly	Rate	Monthly	Monthly
Carrier	Approved	Change	FILED	Change`
CareFirst BlueChoice	\$323	9.2%	\$353	\$30
CareFirst GHMSI/CFMI	\$453	26.1%	\$571	\$118
Kaiser	\$261	5.4%	\$275	\$14
United Healthcare (Optimum Choice)	\$335	8.3%	\$363	\$28

Additional details regarding proposed rate changes in the INM are provided in **Exhibit 1**. Additional premium comparisons for bronze and gold and for an illustrative Family of four are found in **Exhibit 2**.

In the INM Marketplace, enrollment has increased 10.9% in 2022, a gain of almost 24,000 members. This is on top of 18,000 new members who joined in 2021. The new entrants in 2021 were observed to be younger, healthier, and helped to drive down the morbidity of the single risk pool in 2021. The MIA’s expectation is that the same will be true of 2022 entrants. A major driver of the enrollment gains has been enhanced Advanced Premium Tax Credits (APTCs) under the American Rescue Plan Act (ARPA), which were first made available in May 2021, and are in effect until the end of 2022 under current federal law. There is uncertainty with respect to 2023, as the enhanced subsidies are set to expire under current law, which may lead to a portion of the younger and healthier members to lapse and the enrollment to decline and the morbidity to worsen. However, drafted bills in Congress would extend the enhanced ARPA APTC 2025, in which case higher enrollment and lower morbidity would be expected to be maintained. The MIA is closely monitoring federal legislation.

All illustrative premiums are the full unsubsidized premiums that would be payable prior to application of the APTC. Almost 80% of applicants who purchase a plan on marylandhealthconnection.gov receive APTCs and will not pay the full premiums shown here. APTCs vary by income and are linked to the unsubsidized cost of the second lowest cost silver plan available to a member. Unlike the past 2 years, there have not been any new market entrants into any county and while the second lowest cost silver plan is expected to change slightly, there should be minimal impact to APTC in 2023 from this factor. As noted above, the largest uncertainty for those with APTC is whether the enhanced APTC level under ARPA will be extended an additional three years or not.

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 receive assistance in paying the premium derived from those rates. Rate increases cannot be justified on the ground that the consumer may not be paying the actual full premium.”

For the SG (50 or less full-time equivalent employees) market, the overall filed average annual rate change is an increase of +10%. 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 2023 and the number of impacted members based on enrollment as of February 28, 2022 is:

SG Carrier	Type of Network	Membership	Average Rate Change Request
Aetna Health Insurance Inc.	HMO	49	12.6%
Aetna Life Insurance Inc.	PPO	402	8.9%
CareFirst BlueChoice Inc.	HMO	175,433	11.7%
CareFirst CFMI/GHMSI	PPO	19,965	5.8%
Kaiser	HMO	10,492	9.0%
UnitedHealthcare of the Mid-Atlantic	HMO	3,713	10.1%
UnitedHealthcare (Optimum Choice)	HMO	9,399	10.0%
UnitedHealthcare (MAMSI Life and Health Insurance Co.)	EPO	11,791	3.0%
UnitedHealthcare Insurance Co.	PPO	17,084	3.2%

To provide context, and for comparison purposes, the chart below shows the filed 2023 monthly individual premium for a 40-year-old subscriber for Q1 of 2023 in the metropolitan Baltimore service area

who buys the lowest-cost non-subsidized silver plan. 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					
		2022	%	2023	
	Network	Monthly	Rate	Monthly	Monthly
Carrier	Type	Approved	Change	Filed	Change
Aetna	HMO	\$276	11%	\$306	\$30
Aetna	PPO	\$419	-12%	\$369	(\$50)
CareFirst BlueChoice	HMO	\$360	14%	\$409	\$49
CareFirst GHMSI/CFMI	PPO	\$492	1%	\$498	\$6
Kaiser	HMO	\$292	12%	\$326	\$34
United Healthcare (MAMSI)	EPO	\$370	11%	\$411	\$40
United Healthcare (Optimum Choice)	HMO	\$324	17%	\$378	\$54
United Healthcare of the Mid-Atlantic	POS	\$309	16%	\$359	\$49
United Healthcare Insurance Co.	PPO	\$390	9%	\$426	\$36

Additional details regarding these proposed rate changes are provided in Exhibit 3. Additional premium comparisons for bronze and gold and for an illustrative Family of 4 are found in Exhibit 2.

For the stand-alone dental market, four carriers submitted premiums for the INM dental market affecting 95,132 members. Requested rate changes range from -4% to +9.4%. The latest enrollment data shows that dental enrollment grew by 29% between 2021 and 2022, and the portion of INM medical enrollees who also purchase a dental plan is up to 39%.

INM Dental Carrier	Type of Network	Membership	Average Rate Change Request
Alpha Dental	DPPO	4,607	-4.0%
CareFirst GHMSI/CFMI	DPPO	52,749	+9.4%
Delta Dental	DPPO	23,344	-2.2%
Dominion Dental	DHMO & DPPO	14,432	0.0%

Additional details regarding these proposed rate changes are provided in Exhibit 5. Illustrative premiums for both Self-Only and Family coverage can be found in Exhibit 6.

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 (including Medicare Advantage or Medicare Supplement), Tricare and federal employee plans.

The [six exhibits listed below](#) provide more detail.

EXHIBIT 1: 2023 ACA, Individual Non-Medigap Market – Rate Filing Summary
EXHIBIT 2: Illustrative Individual Non-Medigap 2023 Premiums
EXHIBIT 3: 2023 ACA, Small Group Market – Rate Filing Summary
EXHIBIT 4: Illustrative Small Group 2023 Premiums
EXHIBIT 5: 2023 ACA, Individual Non-Medigap, Stand-Alone Dental Market – Rate Filing Summary
EXHIBIT 6: Illustrative Individual Stand-Alone Dental 2023 Premiums

Rate filing documents are available on the MIA’s website at 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 12, 2022.

In addition, any interested person may participate in the public hearing scheduled for July 11, 2022 at 10 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 by email to 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.

Written testimony for the public hearing may be submitted by email to healthinsuranceratereview.mia@maryland.gov and must be received by 5 p.m. on Wednesday, July 6, 2022 to be addressed at the hearing.

Questions about Maryland’s rate review process should be directed to Brad Boban, Chief Actuary at 410-468-2041, or by email at bradley.boban@maryland.gov.

About the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is an independent State agency charged with regulating Maryland’s \$46 billion insurance industry. For more information about the MIA, please visit insurance.maryland.gov or follow us on Facebook at facebook.com/MDInsuranceAdmin or Twitter at [@MD_Insurance](https://twitter.com/MD_Insurance) or LinkedIn at linkedin.com/company/432297/admin/ or Instagram at [@marylandinsuranceadmin](https://instagram.com/marylandinsuranceadmin).