



News Release

Wes Moore, Governor
Aruna Miller, Lt. Governor
Kathleen A. Birrane, Commissioner
Kory Boone, Acting Deputy Commissioner

For Immediate Release

June 4, 2024

For more information, contact:

Craig Ey, 410-468-2488
443-604-9599 (cell)
craig.ey@maryland.gov

Health Carriers Propose Affordable Care Act Premium Rates for 2025

New carrier files to enter individual market statewide

BALTIMORE – The Maryland Insurance Administration has received the 2025 proposed premium rates for Affordable Care Act products offered by health and dental carriers in the individual, non-Medigap and small group markets, which impact approximately 496,000 Marylanders. This includes rate submissions from Wellpoint Maryland Inc., an HMO that will begin offering Affordable Care Act products in Maryland for the first time.

In the individual, non-Medigap market, carriers are requesting an overall average rate change of 6.7%, with the average request by carrier ranging from 4.7% to 14.2%. In the small group market, carriers have requested an overall average rate increase of 6.1%, with the averages by carrier ranging from 4.9% to 23%. In the individual, non-Medigap, stand-alone dental market, carriers have requested an overall average rate increase of 2.4% with averages by carrier ranging from –5% to 18.2%.

The carriers' requested increases are reviewed by the Maryland Insurance Administration and rates must be approved by the Commissioner before they can go into effect. 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 are unfairly discriminatory or appear to be excessive or inadequate in relationship to the benefits offered. The MIA will hold a public hearing on the ACA proposed rates in July and expects to issue decisions in September 2024.

In both the individual and small group markets, the overall average increase requested for 2025 is consistent with the overall average claims trend. The rates submitted by the carriers for the Individual market include the estimated impacts from the state's innovative, state-based reinsurance program, which was originally approved for 2019-2023 and has been extended through the end of 2028. The State Reinsurance Program resulted in a 32% reduction in individual market rates in the first three years and has been instrumental in keeping rate increases at or below trend. Even if this year's requested

increases were approved as proposed, the individual, non-Medigap rates would be 16% below the rates being charged in 2018 prior to the start of the State Reinsurance Program.

In addition to rate change filings, the Wellpoint filing identifies new plans that the company will be offering in the Maryland individual market in 2025. Wellpoint is the third carrier to re-enter the individual market since 2021, and its products will be available statewide. This brings the total number of carriers in the market to five and will ensure that Marylanders in all counties will have a choice of at least four carriers.

“We are pleased to have yet another carrier selling in the individual market. The state was down to two carriers before the state reinsurance program was implemented,” noted Insurance Commissioner Kathleen A. Birrane. “The addition of three new carriers demonstrates the continuing success of the program, will provide consumers with an expanded number of choices, and will provide additional competitive pressure to keep rate increases low. Maryland has some of the lowest unsubsidized rates for comprehensive medical coverage in the nation and we want to keep it that way.”

The Insurance Administration will hold a quasi-legislative virtual public hearing on this matter on **July 9, 2024 from 1 p.m. to 4 p.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 2025

For the individual, non-Medigap market, the overall filed average annual rate change across the entire market is an increase of 6.7%. The average filed rate by carrier and the number of impacted members based on enrollment as of April 30, 2024, is:

Individual, Non-Medigap Carrier	Type of Network	Membership	Average Rate Change Request
CareFirst BlueChoice	HMO	131,569	4.7%
CareFirst GHMSI/CFMI	PPO	19,436	14.2%
Kaiser	HMO	60,236	8.5%
Optimum Choice (UHC)	HMO	57,275	6.7%
Aetna	HMO	2,074	12.4%

To provide context, and for comparison purposes, the chart below shows the filed 2025 monthly individual premium for a 40-year-old in the metropolitan Baltimore service area purchasing the lowest cost silver plan.

Lowest Cost Silver Plan		2024	%	2025	
	Network	Monthly	Rate	Monthly	Monthly
Carrier	Type	Approved	Change	Filed	Change
Aetna Health Inc.	HMO	\$371	6.6%	\$396	\$25
CareFirst BlueChoice	HMO	\$335	5.5%	\$353	\$18
CareFirst GHMSI/CFMI	PPO	\$469	14.5%	\$536	\$68
Kaiser	HMO	\$288	10.9%	\$319	\$31
Optimum Choice (UHC)	HMO	\$342	-10.6%	\$306	(\$36)
Wellpoint Maryland, Inc.	HMO	N/A	N/A	\$395	N/A

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

Note that all illustrative premiums are the full unsubsidized premiums prior to the application of any Advance Premium Tax Credits (APTCs) from the federal government or the state young adult subsidy pilot. Almost 80% of applicants who purchase a plan on www.marylandhealthconnection.gov receive APTCs and will not pay the full premiums shown here. APTCs vary by a household's income and are linked to the unsubsidized cost of the second lowest cost silver plan available to a household.

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," she said.

For the small group (50 or less full-time equivalent employees) market, the overall filed average annual rate change is **an increase of 6.1%**. In the small group market, a health carrier can request rate changes on a quarterly basis. The proposed average rate changes by carrier for all four quarters of 2025 and the number of impacted members based on enrollment as of March 31, 2024 is:

Small Group Carrier	Type of Network	Membership	Average Rate Change Request
Aetna Health Insurance Inc.	HMO	7,095	18.5%
Aetna Life Insurance Inc.	PPO	3,653	23.0%
CareFirst BlueChoice Inc.	HMO	154,599	4.9%
CareFirst CFMI/GHMSI	PPO	21,801	7.5%
Kaiser	HMO	9,377	8.1%
UnitedHealthcare of the Mid-Atlantic	HMO	2,298	11.9%
UnitedHealthcare (Optimum Choice)	HMO	5,249	5.7%
UnitedHealthcare (MAMSI Life and Health Insurance Co.)	EPO	8,637	5.0%
UnitedHealthcare Insurance Co.	PPO	14,517	5.2%

To provide context, and for comparison purposes, the chart below shows the filed monthly individual premium for a 40-year-old subscriber for the first quarter of 2025 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					
		2024	%	2025	
	Network	Monthly	Rate	Monthly	Monthly
<u>Carrier</u>	<u>Type</u>	<u>Approved</u>	<u>Change</u>	<u>Filed</u>	<u>Change</u>
Aetna	HMO	\$335	12%	\$377	\$42
Aetna	PPO	\$351	25%	\$440	\$88
CareFirst BlueChoice	HMO	\$438	4%	\$455	\$17
CareFirst GHMSI/CFMI	PPO	\$519	1%	\$526	\$6
Kaiser	HMO	\$349	9%	\$380	\$32
United Healthcare (MAMSI)	EPO	\$434	7%	\$466	\$32
United Healthcare (Optimum Choice)	HMO	\$402	13%	\$453	\$51
United Healthcare of the Mid-Atlantic	HMO	\$411	16%	\$477	\$66
United Healthcare Insurance Co.	PPO	\$456	8%	\$494	\$38

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 four are found in **Exhibit 4**.

For the stand-alone dental market, four carriers submitted premiums. The average filed rate by carrier and the number of impacted members based on enrollment as of April 30, 2024 is:

Individual Non-Medigap Dental Carrier	Type of Network	Membership	Average Rate Change Request
Alpha Dental	DPPO	4,407	4.2%
CareFirst GHMSI/CFMI	DPPO	53,259	-5.0%
Delta Dental	DPPO	25,103	18.0%
Dominion Dental	DHMO & DPPO	12,990	2.3%

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 2025 Premiums
EXHIBIT 3: 2025 ACA, Small Group Market – Rate Filing Summary
EXHIBIT 4: Illustrative Small Group 2025 Premiums
EXHIBIT 5: 2025 ACA, Individual Non-Medigap, Stand-Alone Dental Market – Rate Filing Summary
EXHIBIT 6: Illustrative Individual Stand-Alone Dental 2025 Premiums

Rate filing documents are available on the MIA’s website at 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 **Aug. 9, 2024**.

In addition, any interested person may participate in the virtual public hearing scheduled for **Tuesday, July 9, 2024 from 1 p.m. to 4 p.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 Insurance Administration in advance by submitting your request to healthinsuranceratereview.mia@maryland.gov. To the extent that time and technology permit, the Administration will hear from unregistered participants who access the Zoom Webinar platform.

Public Hearing Log-In Information:

When: July 9, 2024, 1 p.m. to 4 p.m.

ZoomGov Link: <https://maryland-insurance.zoomgov.com/j/1615790670>

Dial-In: (646) 828-7666

Webinar ID: 161 579 0670

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 Friday, June 28, 2024 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 \$49 billion insurance industry. For more information about the Insurance Administration, please visit www.insurance.maryland.gov or follow us on Facebook at www.facebook.com/MDInsuranceAdmin, X at [@MD Insurance](https://twitter.com/MD_Insurance), at [LinkedIn](https://www.linkedin.com/company/maryland-insurance-admin) and Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).