

Maryland Insurance Administration
2018 Rate Review Process for 2019 Rates

Rate Review Process:

Each year, the Maryland Insurance Administration (MIA) reviews and approves ACA rate requests from health insurance carriers. Carriers include all companies that are licensed to offer health benefit plans including insurance companies, non-profit health service plans, and health maintenance organizations (HMOs). The rates may not be inadequate, unfairly discriminatory or excessive in relation to benefits according to Maryland law. The MIA's actuarial team examines the data, methods and assumptions used by each carrier in reviewing carrier rate requests. They review all relevant factors related to proposed premium rates including but not limited to morbidity, risk adjustment, trend, contributions to reserves, profit, administrative and broker costs per member per month, and projected loss ratios. For the last two rate review cycles, the MIA elected to obtain a second opinion from an independent actuarial consultant on individual market rates.

Notices and Disclosures:

Rate review filings for individual and small group health benefit plans are posted on our website, www.healthrates.mdinsurance.state.md.us. Anyone can comment on a rate filing during a public comment period, which typically occurs the summer before the rates take effect.

Rates for the next calendar year are approved around October 1 of the prior year. A carrier must send each consumer notice of the renewal premium before the beginning of Open Enrollment, November 1. This gives the consumer time to decide if they want to shop for a new policy during Open Enrollment.

1332 Waiver:

Under Section 1332 of the Affordable Care Act, states may apply for State Innovation Waivers to waive certain federal requirements with the goal of improving their health insurance markets. During the 2018 legislative session, the Maryland General Assembly passed House Bill 1795 – Establishment of a State Reinsurance Program. The purpose of the State Reinsurance Program is to mitigate the premium impact of high cost enrollees on carriers that participate in the individual market. Senate Bill 387 - Health Insurance-Individual Market Stabilization (Maryland Health Care Access Act of 2018), companion legislation to House Bill 1795, funds the reinsurance program at an estimated 365 million dollars by imposing a 2.75% state assessment on certain carriers with certain health insurance products. This state assessment leverages a dormant federal fee--specifically, a federal Health Insurance Fee assessment upon these same carriers for certain health insurance products. Congress suspended the federal Health Insurer Fee for 2019.

2018 Rate Review Timeline for 2019 Rates

- May 1, 2018** – Pre-1332 Waiver individual health benefit plan rates and small employer health benefit plan rates filed with the MIA
- May 2018** – Update website to accept public comments on filed rates
- May 2018** – Grant Access to external consultants to review pre-1332 rate filings
- May 31, 2018** - Section 1332 Waiver submitted to HHS/Treasury for Reinsurance Program
- July 2, 2018** – Issued Press Release for announcement of Public Hearing on Pre-1332 Rates
- July 30, 2018** – Public Hearing on Proposed Pre-1332 Affordable Care Act Health Insurance Rates
- August 15, 2018** - MHBE submits addendum to 1332 Waiver Application concerning risk adjustment interaction and incorporation of public comments
- August 22, 2018** - 1332 Waiver approved by HHS/Treasury
- August 23, 2018** – Issued Press Release for announcement of 2nd Public Hearing on Amended Post-1332 Waiver Rates
- August 27, 2018** - Carriers instructed to re-submit two sets of individual market rates, one including the 1332 Waiver reinsurance program, and one without.
- September 17, 2018** – Public Hearing on Proposed Post-1332 Waiver Affordable Care Act Health Insurance Rates
- September 30, 2018** - Deadline for CMS to reveal the pass-through amount totals
- Late September** - Expected Rate Approval
- November 1, 2018** – Open Enrollment begins