

State insurance rate increases range from 1 to 4.6%

Arkansas Blue Cross & Blue Shield has requested insurance rate increases of 4.4% for 2019 on its two plans covering individuals through the health insurance marketplace, while other state insurers made requests between 1.06% and 4.6%.

According to a press release from the Arkansas Insurance Department Friday (August 3) initial rate requests from the state's insurers are as follows:

- Arkansas Blue Cross & Blue Shield Multi-State Plan and Individual Plan - 4.4%, 186,510 affected lives
- Ambetter - 4.6%, 85,373 affected lives
- QCA Health Plan - 1.5%, 16,013 affected lives
- Qualchoice Life & Health - 1.06%, 14,996 affected lives

The rate increases will apply to individuals covered by Arkansas Works, the state program that uses federal Medicaid dollars to purchase private health insurance for lower-income individuals. At the beginning of June, 274,810 people were enrolled in Arkansas Works.

Arkansas Insurance Commissioner Allen Kerr said in the press release, "This round of initial requests places Arkansas among the lowest in the country and shows that the health insurance market in Arkansas remains stable."

In a pen-and-pad press availability with reporters at his State Capitol office, Gov. Asa Hutchinson drew attention to the low annual premiums.

"For those who have followed this in previous years, that is a significant reduction in the annual increase that has been requested by the insurance companies," Hutchinson told reporters.

An independent actuary will consider the requests and determine if they are justified actuarially, or too high or too low, said Arkansas Insurance Department spokesman Ryan James. If they are justified, the department would approve the requests by August 23. The findings will be reported to the federal Centers for Medicare & Medicaid Services (CMS).

^

Arkansas is an “effective rate review” state, meaning that CMS has determined that Arkansas is capable of reviewing rate filings on its own. Oklahoma, in contrast, must submit its filings to the federal government, which approves or denies the increase.

James said the market is stabilizing and compared the requests with those granted for 2018. Last year’s requests were much higher. Blue Cross’ two plans eventually were approved to enact a 14.2% increase after an initial request of 7.8%.

Insurers were allowed to file a second request then after the federal government announced Oct. 12 that it was ending cost sharing reduction payments created by the Affordable Care Act, otherwise known as Obamacare, that subsidized insurance company costs.

Last year, Ambetter’s approved rate increase was 21.4% after an initial request of 9.9%. QualChoice Life & Health’s rate increase was 24.78% after an initial request of 8.78%. QCA Health Plan’s increase was 24.47% after an initial request of 8.94%.

Ray Hanley, president and CEO of Arkansas Foundation for Medical Care, a nonprofit health services, education and outreach group, said the low rates were largely made possible by Arkansas Works creating a larger pool of insured Arkansans to spread the costs throughout the state. The rates were lower than those that occurred before the passage of the Affordable Care Act, which created Arkansas Works, he said.

Hanley called the low requests “an enormously pleasant surprise.”

“I will not be surprised if it is not among the lowest and probably the lowest in the country and certainly in surrounding states,” he said.

0 comments

