



NC Get Covered Coalition Meeting
Friday, August 7, 2015, 10:00 a.m. to 11:20 a.m.
NC Hospital Association
2400 Weston Parkway, Cary, NC 27513

MEETING NOTES: Health Insurance--Overview of the Rate Setting Process (Corrected)

NCDOI—Jean Holliday, Regulatory Project Manager, NCDOI

Jean Holliday presented on the Department of Insurance's review, approval, and notification to the public of insurance carriers submissions and justifications of the rates they are proposing for plans that are off and on the ACA Federal Marketplace.

It's expected that the NC Insurance Commissioner will want to announce health insurance company's rates for insurance products on and off the FFM, in advance of the November 1 start to OEP 3; most likely mid-October, so as to all IPAs, agents, and consumers to prepare.

That process includes:

- For rate filings of 10% or more, insurers must also provide to CMS/CCIIO and to NCDOI,
 - A public "layman's" explanation of the rate increase.
 - The publishing of a document (trade information redacted) on
 - federal websites, and
 - NCDOI's public viewing portals.
- Insurers must submit certain information relating to their single risk pool filings to CMS/CCIIO for all rate filings.
 - Often NCDOI will request additional information from a carrier about a certain rate increase
- NCDOI must publicly share its determinations relating to rate increases of 10% or more and the basis for our decision.
- NCDOI must share its rate review determinations with the CMS/FFM, who may then decide that insurers with unreasonable rates may not be certified as QHP insurers on the Federal Marketplace.
- NCDOI also has a system by which a consumer can make comments about a rate filing of an insurance carrier(s).

Blue Cross Blue Shield of North Carolina—Barbara Morales Burke, VP of Health Policy

In light of Blue Cross Blue Shield's recent amended rate filing, Barbara Morales Burke presented on BCBSNC's experience during the first six months of 2015 that led to the amended filing.

- Pent-up demand for healthcare services is not leveling off
- Grandfathered insurance policies (OEP 1) will continue outside the Marketplace through 2016; and thus affecting the Federal Marketplace pool

- BCBSNC has 397,000 effectuated ACA customers
- It's been BCBSNC's experience that between 15% to 20% of those effectuating their insurance dropped their insurance after a few months, following the beneficiary being treated for a pre-existing specific/acute condition.
- Distribution of Beneficiaries by Age
 - 13% 0 to 17 The group is sicker in 2015, than in 2014
 - 26% 18 to 34 The group is sicker in 2015, than in 2014
 - 37% 35 to 54
 - 24% 55 to 64 Medical costs are 3-4x cost of a 20 year old
 - Age mix, in general, is older than BCBSNC's non-ACA customers
- Self-assessment of BCBSNC beneficiaries
 - 32% are Obese
 - 28% have Depression
 - 17% have Chronic Pain
- BCBSNC's experience re: Use of Medical Services
 - Rate of ER use and Hospital Admissions is higher during first 6 months of 2015, than 2014. This is true for both urban and rural areas.
 -
- Using High Cost Services, e.g.
 - MRI
 - CAT Scans
 - Ultrasound
 - Services to Treat
 - Cancer
 - Diabetes
 - Heart Conditions
- Claims data for first 6 months of 2015
 - Starting point (Q1) appears to be 10% higher than Q1-2014
 - Escalation across quarters in 2014, appears to be continuing at similar rate 2015