

GENDER RATING BUDGET ARTICLE

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- The proposed budget article would require that individual and group coverage cannot vary the premium rates based on gender
 - In the past, gender was used—along with age — as a factor to determine a premium rate.
- Conforms to federal law (Affordable Care Act (ACA)) for individual and small group
- ACA does not address gender rating in large group market (50+ employees)
- Large group premiums are generally developed using “experience rating” based on the group’s actual claims experience
- In Rhode Island, gender is not commonly used as a rating factor for large group premiums, however **some** plans do adjust for gender and age. We expect that enacting this legislation will have limited impact on large groups

PROPOSED LEGISLATIVE CHANGES RELATED TO MEDICARE SUPPLEMENT

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- Medicare Supplement plans provide additional coverage beyond what Medicare Part A and B covers. An individual must have Medicare Part A and Part B in order to be eligible for Medicare Supplement.
- Rhode Island does not currently have a law requiring carriers to offer Medicare Supplement coverage to people under 65 who are eligible because of disability (limited to Plan A in Rhode Island.)
- Blue Cross and Blue Shield of Rhode Island is the only carrier to offer Plan A to the under 65 population and to late entrants.
 - Due to adverse (high cost) claims experience and the spreading of risk for this population across other plans, Blue Cross has been suggesting for several years to no longer offer Plan A for new enrollees, or to have a Plan A requirement applied in a non-arbitrary manner across all insurers.
 - All other New England states require Medicare Supplement Plan A be sold to all eligible persons, not only disabled persons under age 65.

PROPOSED LEGISLATIVE CHANGES RELATED TO MEDICARE SUPPLEMENT

Concerns related to availability and affordability of Medicare Supplement Insurance:

- Due to this high risk population, underlying healthcare costs for Plan A, year over year are becoming unsustainable. At an increasing rate, OHIC has received complaints, directly through consumers, RIPIN, and via state and federal legislators.

Average Rate Increases for BCBS Plan A <65

Effective Date	Increase Approved
7/1/2018	9.0%
7/1/2019	25.3%
7/1/2020	25%

PROPOSED CHANGES RELATED TO MEDICARE SUPPLEMENT

- This budget amendment is intended to remediate this situation via the following changes:
 - Requirement to offer Plan A to all individuals who are entitled to Medicare, regardless of age or reason for eligibility.
 - Guaranteed issue period of at least one month per calendar year to offer Plan A to all applicants including under 65 and late enrollees, without denying coverage to individual or group based on health status, claims experience, etc.
 - Continuity of Coverage requirements which would allow that anyone eligible for Medicare, regardless of the reason, to seek a new Medicare Supplement policy with less or similar benefits, if that person has had credible coverage for longer than 90 days. This provision also applies to members seeking coverage from a different carrier.
- Effect of these changes:
 - Although no immediate impact on lowering rates, the changes create more stability and equity in annual Medicare Supplement premium increases.⁶