

## FOR IMMEDIATE RELEASE

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### **Department of Managed Health Care Declares Premium Rate Increase by Aetna Unreasonable**

**(Sacramento)** – California Department of Managed Health Care (DMHC) Director Shelley Rouillard today declared Aetna’s average 12-month premium increase of 19.2 percent unreasonable. The increase became effective April 1 and impacts approximately 16,000 small group members who have renewal dates in the second quarter of 2015. The unreasonable finding is based upon a review of Aetna’s historical and projected utilization assumptions and its failure to provide the DMHC with timely and adequate documentation associated with the rate increase.

“Aetna has demonstrated a pattern of excessive and unsupported rate increases,” said Rouillard. “This is the second quarter in a row that Aetna has proposed unreasonable rate increases on small employer groups. I am disappointed that Aetna has once again failed to reduce its rate increase to a reasonable level.”

Previous unreasonable findings:

- In December 2014, the DMHC found Aetna’s 17.3 percent increase affecting 9,500 small group members to be unreasonable.
- In March 2013, the DMHC found Aetna’s 11.4 percent increase affecting 20,000 small group members to be unreasonable.

"Needless to say, a 19.2% premium increase is an incredible burden on consumers," said Elizabeth Imholz, Special Projects Director for Consumers Union, the policy and advocacy division of nonprofit Consumer Reports. "All health care service plans, including Aetna, need to justify their premium increases, even though DMHC lacks the authority to reject them," she continued. "Aetna's failure to provide documentation to back up its proposed increase suggests it is more opportunistic than it is necessary." Consumers Union has a contract with DMHC to review rate filings from the consumer perspective.

-More-

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# Department of Managed Health Care

## Press Release

Shelley Rouillard  
Director

Aetna's pattern of unreasonable premium rate increases continues to affect members in the plan's non-grandfathered fully Affordable Care Act compliant products. To comment on proposed premium rate increases visit: <http://wpsso.dmhc.ca.gov/RateReview/>.

Since January 2011, the DMHC has saved Californians approximately \$100 million in health care premiums through its premium rate review program. Under state law, proposed rate increases for individual or small group health plans must be filed with the DMHC. Department actuaries perform an in-depth review of all proposed rate increases to ensure that the proposed rate changes are supported by underlying medical costs and trends. The DMHC does not have the authority to approve or deny rate increases; however, the department's review improves accountability in health plan rate setting and often results in a reduction in the proposed rate increase.

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The DMHC regulates managed care health plans in California, protects the rights of more than 20 million health plan enrollees, educates consumers on their health care rights and responsibilities, and preserves the financial stability of the managed health care system. Since 2000, the department has helped more than 1.5 million Californians resolve health plan problems through its Help Center. Information and assistance is available 24/7 at [www.HealthHelp.ca.gov](http://www.HealthHelp.ca.gov) or by calling 1-888-466-2219.

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