

# Large Group Aggregate Rate Public Meeting

February 1, 2017

# Agenda

1. Introduction
2. Overview of the DMHC
3. Overview of the Requirements of SB 546
4. Summary of 2016 Large Group Rate Filing
5. Panel Discussion
6. Public Comment
7. Closing Remarks

# Overview of the DMHC

**Mary Watanabe**

**Deputy Director, Health Policy and Stakeholder Relations**

# DMHC Mission Statement

The California Department of Managed Health Care protects consumers' health care rights and ensures a stable health care delivery system.

# What is the DMHC?

We protect the health care rights of more than



# DMHC Key Functions

- Consumer Protection / DMHC Help Center
- License Health Plans & Ensure Compliance with State laws
- Medical Surveys of Health Plan Operations
- Financial Exams to Ensure Financial Stability
- Review Proposed Premium Rate Changes (Individual & Small Group Products)
- Take Enforcement Action Against Plans that Violate the Law

# Overview of the Requirements of SB 546

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# Requirements of SB 546

- Requires large group health plans to file aggregate rate information with the DMHC by October 1, 2016, and annually thereafter.
  - The information submitted on October 1, 2016, was for the period of January 1, 2016 – December 31, 2016.
- Requires the DMHC to conduct a public meeting annually to permit a public discussion regarding changes in the rates, benefits and cost sharing in the large group market.



# Requirements of SB 546

- Requires health plans to include information in their notice of premium rate change indicating whether the rate change is greater than the average increase for CalPERS and Covered California.

Year	Covered California	CalPERS
2016	4%	7.68%
2017	13.2%	3.92%

# Summary of 2016 Large Group Rate Filing

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# Premium Rate

- Premium Rate is the amount you or your employer pay for health coverage.
- Factors that may impact large group premium rates include:
  - Age
  - Geography/Location
  - Family size
  - Occupation/Industry
  - Health Status Factors (experience and utilization)

# Summary of 2016 Filing

- 23 Health Care Service Plans were required to file, including:
  - Seven statewide plans
  - Nine regional plans
  - Two cross-border plans
  - Five In-Home Support Services (IHSS) Plans
- Nearly 7.6 million enrollees in over 13,000 renewing groups affected by the rate changes.

# Average Rate Increase

Category	Unadjusted Average Rate Increase	Adjusted Average Rate Increase	Number of Enrollees	Average Per Member Per Month Premium
All Plans	3.9%	4.3%	7,565,987	\$436.85
Kaiser	3.1%	3.5%	4,795,007	\$436.37
All Plans Minus Kaiser	5.2%	5.7%	2,770,980	\$437.69
Most Common Plan	3.8%	4.1%	N/A	N/A

Note: Excludes cross-border and IHSS plans

# Statewide Plans

Plan Name	Number of Enrollees	Number of Renewing Groups	Percentage of Large Group Total	Unadjusted Average Rate Increase	Adjusted Average Rate Increase	Average Per Member Per Month Premium
<b>Kaiser</b>	4,795,007	8,148	63.4%	3.1%	3.5%	\$436.37
<b>Anthem Blue Cross</b>	1,101,240	2,028	14.6%	5.4%	6.7%	\$392.01
<b>Blue Shield</b>	465,585	896	6.2%	5.9%	5.8%	\$473.94
<b>United Health Group</b>	366,319	435	4.8%	5.7%	5%	\$467.00
<b>Health Net</b>	316,629	460	4.2%	4.2%	5.7%	\$478.71
<b>Cigna</b>	173,019	336	2.3%	4.7%	3.1%	\$447.00
<b>Aetna</b>	137,436	612	1.8%	5.8%	6.1%	\$426.95
<b>Total:</b>	<b>7,355,235</b>	<b>12,915</b>	<b>97.2%</b>	<b>3.9%</b>	<b>4.3%</b>	<b>\$435.53</b>

Note: Excludes cross-border and IHSS plans

# Regional Plans

Plan Name	Number of Enrollees	Number of Renewing Groups	Percentage of Large Group Total	Unadjusted Average Rate Increase	Adjusted Average Rate Increase	Average Per Member Per Month Premium
Western Health Advantage	86,832	174	1.1%	3.2%	6.0%	\$502.00
Sharp Health Plan	58,887	112	0.8%	3.5%	2.1%	\$448.00
Ventura County Health Care Plan	15,529	6	0.2%	5.8%	5.8%	\$342.00
Valley Health	15,407	2	0.2%	3.4%	3.4%	\$710.90
Sutter	15,333	92	0.2%	2.2%	-0.7%	\$457.00
Contra Costa	10,758	4	0.1%	8.4%	8.4%	\$517.35
Community Care	4,853	2	0.1%	7.4%	7.4%	\$364.05
Chinese Community	3,018	27	0.04%	7.3%	8.0%	\$389.00
Seaside	135	1	0.002%	6.0%	6.0%	\$526.00
<b>Total:</b>	<b>210,752</b>	<b>420</b>	<b>2.8%</b>	<b>3.8%</b>	<b>4.4%</b>	<b>\$483.12</b>

Note: Excludes cross-border and IHSS plans

# Product Type

Product Type	Average Rate Increase	Minimum	Maximum	Average Premium Per Member Per Month
PPO	6.5%	6.1%	7.3%	\$510.04
POS	5.5%	-4.5%	7.2%	\$463.68
EPO	4.1 %	N/A	N/A	\$168.16
HMO	3.7%	1.7%	8.4%	\$435.18
HDHP	3.4%	1.2%	8%	\$392.00

Note: Excludes cross-border and IHSS plans



# Rating Method

Category	Percentage of Renewing Groups	Number of Enrollees Affected	Unadjusted Average Rate Increase	Average Per Member Per Month Premium
Blended	65.4%	1,590,443	4.1%	\$439.21
Community	23.8%	635,647	7.4%	\$480.56
Experience	10.8%	5,339,896	3.4%	\$430.99

Note: Excludes cross-border and IHSS plans

# Actuarial Value

Product Type	Number of Covered Lives by Actuarial Value					
	0.9 – 1.00	0.8 – 0.899	0.7 – 0.799	0.6 – 0.699	< 0.60	All
HMO	5,290,993	1,236,294	216,200	19,990	1,082	6,764,559
PPO	215,606	234,806	14,950	451	0	465,813
EPO	37,142	6,014	0	0	0	43,156
POS	46,687	78,930	2,746	0	0	128,363
HDHP	7,889	142,948	132,920	37,592	432	321,781
<b>Total:</b>	<b>5,598,317</b>	<b>1,698,992</b>	<b>366,816</b>	<b>58,033</b>	<b>1,514</b>	<b>7,723,672</b>

Note: Excludes cross-border and IHSS plans; However, number of covered lives includes enrollees that did not have a rate change

# Medical Allowed Trend

Plan Type	2016	2017
All Plans	5.5%	5.3%
Statewide Plans Minus Kaiser	7.5%	7.1%
Kaiser	4.4%	4.4%
Regional Plans	5.4%	5.6%

# Medical Allowed Trend

## Statewide Plans

Plan Name	2016	2017	Percentage Change
Aetna	7.0%	6.9%	-0.1%
Anthem Blue Cross	8.5%	7.5%	-1.0%
Blue Shield	6.1%	5.5%	-0.6%
Cigna	3.2%	8.0%	4.8%
Health Net	9.9%	9.4%	-0.5%
Kaiser	4.4%	4.4%	0.0%
United	6.6%	5.6%	-1.0%

# Pharmacy Allowed Trend

Plan Type	2016	2017
All Plans	10.3%	7.9%
Statewide Plans Minus Kaiser	13.3%	11.3%
Kaiser	8.9%	6.0%
Regional Plans	6.4%	7.7%

# Pharmacy Allowed Trend

## Statewide Plans

Plan Name	2016	2017	Percentage Change
Aetna	13.4%	12.6%	-0.8%
Anthem Blue Cross	18.1%	9.1%	-9.0%
Blue Shield	13.9%	12.4%	-1.5%
Health Net	12.3%	12.3%	0%
Cigna	8.1%	11.9%	3.8%
Kaiser	8.9%	6.0%	-2.9%
United	13.9%	9.6%	-4.3%

# Large Group Rate Information

www.ratereview.dmhc.ca.gov

### Search Rate Review Filings

The DMHC reviews proposed health plan rate changes to make sure health plans are providing detailed information to the public that support rate increases. While the Department does not have the authority to deny rate increases, the DMHC's rate review efforts hold health plans accountable, ensure consumers get value for their premium dollar and saves Californians money.

Use the database below to search premium rate filings and submit public comments.

Want more information on understanding a rate filing? [Click Here](#)

#### Stay Informed

Stay informed on premium rates filed with the DMHC by signing up for email updates.

[Why isn't my plan included?](#)

Filter: Health Plan Name

Large Group (selected)

Filing Status

Filing Type

Filter/Reset

Health Plan	Filing Type	Individual	Large Group	Small Group	Final Average Annual Rate Increase	Status	Effective Date	Total Members	Comments
<a href="#">Seaside Health Plan</a>	Annual/Aggregate Filing		N	N/A	6.0%	Completed	2016	135	0
<a href="#">San Francisco Community Health Authority</a>	Annual/Aggregate Filing		N	N/A	9.6%	Completed	2016	11,345	0
<a href="#">Medi-Excel, SA de CV (MediExcel Health Plan)</a>	Annual/Aggregate Filing		N	N/A	1.7%	Completed	2016	2,165	0
<a href="#">California Physicians' Service (Blue Shield of California)</a>	Annual/Aggregate Filing		N	N/A	5.9%	Completed	2016	467,506	0
<a href="#">Health Net of California, Inc.</a>	Annual/Aggregate Filing		N	N/A	4.2%	Completed	2016	320,148	0

# Panel Discussion



# Panel Discussion

**Wayne Thomas, Chief Actuary  
Department of Managed Health Care**

**Dena B. Mendelsohn, JD, MPH, Staff Attorney  
Consumers Union**

**Cabe Chadick, FSA, MAAA, Senior Vice President & Principal  
Lewis & Ellis, Inc.**

**1-888-466-2219**

HAVE A PROBLEM WITH YOUR HEALTH PLAN? CONTACT THE DMHC HELP CENTER

**HealthHelp.ca.gov**

# Public Comment

*Public comment may be submitted to [publiccomments@dmhc.ca.gov](mailto:publiccomments@dmhc.ca.gov)*

# Closing Remarks

**Mary Watanabe**

**Deputy Director, Health Policy and Stakeholder Relations**