

FOR IMMEDIATE RELEASE

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Contacts: Rachel Arrezola

Rodger Butler

Media@dmhc.ca.gov or (916) 445-7442

DMHC Declares Premium Rate Increase by Aetna Unreasonable

In the past eight months Aetna has subjected more than 40 percent of its small group members to unreasonable rate increases

(Sacramento) – California Department of Managed Health Care (DMHC) Director Shelley Rouillard today declared Aetna’s average 12-month premium increase of 21 percent unreasonable. The increase became effective July 1 and impacts approximately 13,000 small group members who have renewal dates in the third quarter of 2015.

“Two thirds of the Department’s unreasonable premium rate findings have been for Aetna rate increases,” said Rouillard. “Aetna’s pattern of unreasonable increases equates to price gouging in today’s market. I strongly encourage small employers subjected to these unreasonable rate increases to explore more affordable health coverage options.”

For more information on affordable coverage options visit Covered California’s Small Business Health Options Program: <http://www.coveredca.com/small-business/>.

The unreasonable finding is based upon a review of Aetna’s historical and projected utilization assumptions. Aetna continues to project that its enrollees will use more services in the coming year despite the fact that its members’ utilization rate has been declining for the past two years. Additionally, Aetna has failed to provide the DMHC with timely and adequate documentation that would justify the rate increase.

Previous unreasonable findings:

- [In May 2015](#), the DMHC found Aetna’s 19.2 percent increase affecting 16,000 small group members to be unreasonable.
- [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.

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Department of Managed Health Care

Press Release

Shelley Rouillard
Director

In the past eight months Aetna has subjected more than 40 percent of its small group members to unreasonable rate increases. Aetna's pattern of unreasonable premium rate increases impacts members in the plan's non-grandfathered Affordable Care Act fully compliant products.

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.

To comment on proposed premium rate increases visit: <http://wps0.dmhc.ca.gov/RateReview/>.

For more information on the DMHC's premium rate program: <https://youtu.be/LWfHfgRhew>.

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The California Department of Managed Health Care protects consumers' health care rights and ensures a stable health care delivery 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 at www.HealthHelp.ca.gov or by calling 1-888-466-2219.

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