



Unreasonable Health Plan Premium Rate Filings Report

January 1, 2015, through March 31, 2015

April 1, 2015 through June 30, 2015

July 1, 2015 through September 30, 2015

October 1, 2015 through December 31, 2015

December 29, 2016

UNREASONABLE HEALTH PLAN PREMIUM RATE FILINGS REPORT

The Department of Managed Health Care (DMHC) protects consumers' health care rights and ensures a stable health care delivery system. As part of this mission, the DMHC licenses and regulates health care service plans (health plans) under the Knox-Keene Health Care Service Plan Act of 1975. The DMHC regulates the vast majority of commercial health plans and products in the large group, small group, and individual markets, including all of the health plans that participate in Covered California.

SB 1163 (Leno, Chapter 661, Statutes of 2010), as codified in Health and Safety Code Section 1385.11, requires health plans to file specified premium rate information and provide certain actuarial certifications to the DMHC, and meet specified website and consumer notice requirements. These filings are posted on the DMHC's website for public comment at:
<http://wpsso.dmhc.ca.gov/premiumratereview/>

SB 1163 also authorizes the DMHC to review premium rates to determine if such rates are unreasonable, as defined by the federal Affordable Care Act. Although the DMHC may determine that premium rates are unreasonable, the DMHC does not have the authority to approve or disapprove premium rates. As required by SB 1163, the DMHC must report to the Legislature quarterly on all unreasonable rate increases filed by health plans. Copies of all previously submitted Unreasonable Health Plan Premium Rate Filings Reports are available for review on the DMHC's website at:
<http://www.dmhc.ca.gov/DataResearch/Legislative/LegislativeReports.aspx#pr>

This report reflects the DMHC rate review activities for the four quarters of 2015.

January 1, 2015, through March 31, 2015

The DMHC reviewed 20 premium rate filings. The DMHC determined that none of these rate filings were unreasonable. The DMHC rate review process resulted in one health plan reducing their rate.

Health Net, for its grandfathered small group products, initially requested 12-month rate increases, averaging 9.5% effective February 1, 2015. After review by, and discussions with, the DMHC, Health Net agreed to lower its average rate request to 8.6%. This reduction affected approximately 42,000 members, with a savings totaling approximately \$2 million.

April 1, 2015 through June 30, 2015

The DMHC reviewed 8 premium rate filings. The DMHC determined that one rate filing was unreasonable.

Aetna, for its small group products, requested 12-month rate increases, averaging 19.2% effective April 1, 2015. After review by, and discussions with, the DMHC, Aetna refused to lower its average rate request. This increase affected approximately 16,000 small group members who had renewal dates in the second quarter of 2015.

July 1, 2015 through September 30, 2015

The DMHC reviewed 7 premium rate filings. The DMHC determined that one rate filing was unreasonable.

Aetna, for its small group products, requested 12-month rate increases, averaging 21.0% effective July 1, 2015. After review by, and discussions with, the DMHC, Aetna refused to lower its average rate request. This increase affected approximately 13,000 small group members who had renewal dates in the third quarter of 2015.

October 1, 2015 through December 31, 2015

The DMHC reviewed 28 premium rate filings. The DMHC determined that none of these rate filings were unreasonable. The DMHC rate review process resulted in one health plan reducing their rate.

Medi-Excel, for its non-grandfathered small group products, initially requested 12-month rate changes, averaging 0.0% effective January 1, 2016. After review by, and discussions with, the DMHC, Medi-Excel agreed to lower its average rate request to -4.0%. This decrease affected approximately 565 members, with a savings totaling approximately \$33,000.