

RATE REVIEW IN THREE STATES

Rhode Island

- Rate changes must be filed with director of business regulation.
- Director *may* hold a hearing on the rate proposal.
- Insurer must establish that proposal is “consistent with the proper conduct of its business and with the interest of the public.” R.I. 42-62-13
- Any documents presented in support of rate filing are public record.
- At hearing, Director or designee may administer oaths, examine witnesses, receive evidence, issue subpoenas, compel production of papers, etc.
- Director shall make and issue decision within 10 days of receiving designee report, or as soon as reasonably possible following completion of hearing.
- Director may approve, disapprove, or modify the proposed rate charges.
- Attorney general or designee required to attend hearing and represent, protect, and advocate for rights of consumers at the hearing.
- Insurer required to pay reasonable expenditures of attorney general to represent public at hearing and for expenses of department of business regulation in connection with hearing.

Iowa

- All insurers must notify policyholders of any application for rate increase exceeding average annual health spending growth rate state in most recent national health expenditure projection published by centers for Medicare and Medicaid services.
- Notice to policyholder must specify ranking and quantification of factors responsible for amount of rate increase proposed and information on how to contact consumer advocate.
- Commissioner must hold a public hearing at time of filing if increase exceeds average annual health spending growth rate.
- Consumer advocate must solicit public comments on each proposed health insurance rate increase and post to insurance division’s website.

Maine

- Every rate and modification of rates must be filed with superintendent at least 60 days before effective date.
- All supporting information of filing is public record, except for protected health information.
- Superintendent will disapprove any small group plans unless specified amount of premiums go to providing care in the aggregate of insurer’s policies.
- Rates must not be excessive, inadequate, or unfairly discriminatory. If found to be excessive, inadequate or unfairly discriminatory, then subject to hearing.
- Superintendent must issue order within 30 days of hearing, with one 30 day extension allowed.

- Superintendent may approve or disapprove of filing.
- Superintendent may require insurer to provide information to support filing.
- Rates are **excessive** if they are unreasonably high in relation to the benefits provided under the coverage.
- Rates are **inadequate** if they are insufficient to sustain projected claims and expenses and will tend to create a monopoly in the market or cause serious financial harm to the insurer.
- Rates are **unfairly discriminatory** if the premium differences between insureds do not reasonably correspond to differences in expected costs or are based on factors that are prohibited by law.
 - For example, Maine law prohibits charging higher rates for people who have health problems or who have had larger claims.
- Prior to 2011 change in law, superintendent could call a public hearing on any filing, but is not required to do so unless requested by the Attorney General or the insurer.
- The Attorney General participated in recent hearings, presenting independent actuarial analyses of the filings.
- Any other third party may intervene in a hearing by demonstrating a substantial interest in the matter, or with the Superintendent's permission.
- The Bureau posts the filing and other substantial information (e.g., comment period, procedures, notices of hearing) on its website.
- In 2009 and 2010, in addition to the hearing sessions where expert witnesses and technical evidence were presented, public comment sessions were held in different parts of the state.