



Health Insurance Rate Review: Protecting Consumers from Skyrocketing Health Insurance Premiums

A Utah Health Policy Project Fact Sheet

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BACKGROUND

Insurance premiums in the individual and small business market have been on the rise for a decade. **Utah's individual market saw a 112% increase in premiums from 1999 to 2009**; for a single individual, the average premium per year increased from \$1,212 in 1999 to \$2,568 in 2008.ⁱ Without the purchasing power that large employers have when negotiating premiums with insurers, individuals and small businesses lose out and may be faced with annual double digit increases in premiums.

WHAT IS RATE REVIEW AND HOW CAN IT HELP?

A good rate review process holds insurers accountable for premium increases, starting with a clear pathway for consumers, businesses, or brokers to file a complaint (see below). Using established and transparent criteria, state insurance departments must decide whether the proposed hike is reasonable or not.

A good rate review process also includes strong consumer protections like a forum for public comment—*Utah will have an on-line public comment forum on the Department of Insurance website this summer*—and authority for the state insurance commissioner to deny insurance companies rate hikes deemed unreasonable—*Utah's commissioner has authority to deny rates that don't comply with Utah laws.*

THE LAW (FEDERAL HEALTH REFORM) ON RATE REVIEW

- Beginning September 1, 2011 health insurance companies must publicly justify proposed rate increases of 10% or more for individual and small group policies.
- State insurance departments must determine whether the proposed rate hikes are justified or not.
- This applies only to new policies—grandfathered policies are exempt from the new rate review rules.
- Justifications for increases will be reviewed for validity and posted on healthcare.gov, where consumers can comment.ⁱⁱ

WHAT CAN YOU DO?

- **Complain!** If you feel your insurance company is raising your premium unjustly, you can file a complaint with the Department of Insurance by phone (1-800-439-3805) or online at <http://www.insurance.utah.gov/complaint/index.html>. Please call the Utah Health Policy Project if you are not satisfied at this level: (801) 433-2299. UHPP is launching Take Care Utah, a consumer health assistance program, to help protect consumers and small businesses and their rights to quality, affordable health care coverage.
- **Share your story!** We'll share your story of injustice or mistreatment (or satisfaction) and let others know they are not alone, that we are all facing the same obstacles and the only way over them is through collective efforts. Call (801) 433-2299.
- **Talk about it.** Talk to your family and friends about unjust practices. Let them know they can file a complaint.
- **Call your legislators!** Tell them you are concerned about the cost of health insurance and support strong consumer protections. Find your representative at <http://le.utah.gov/GIS/findDistrict.jsp>.

ⁱ 2009 Utah Health Insurance Market Report, Table 15, <http://www.insurance.utah.gov/health/healthreports.html>.

ⁱⁱ www.healthcare.gov/law/provisions/ratereview/index.html. Also see http://ccio.cms.gov/resources/factsheets/rate_review_fact_sheet.html