

# Utah insurers request big rate hikes for 2016

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More than half a dozen health insurers in Utah say they need to raise rates on individual policies next year by 10 percent or more because of higher than expected care costs and other expenses.

The proposed hikes affect plans offered through the federal health insurance website, a signature of President Barack Obama's health care law, and on individual plans sold directly by brokers and agents.



That's a small portion of the total market, where many more people get insurance through their jobs.

Insurers in Utah and around the country explain the double-digit increases by pointing to new customers who went without coverage or treatment for years, the spiraling cost of prescription drugs and other expenses

The proposed rate increases and company explanations were posted on the federal government's [healthcare.gov](http://healthcare.gov) website this week.

Arches Mutual Insurance Company is requesting to raise rates on some plans by nearly 60 percent.

Messages left with Arches seeking details about the rates were not immediately returned Wednesday, but according to a justification posted on the federal website, the rates are based on costs in 2014, the first full year of data from customers who started getting insurance through the public online marketplace when it opened.

"Those are people who have been waiting for a decade or more for insurance," said Jason Stevenson, a spokesman for the Utah Health Policy Project, which that advocates for affordable care.

Many people in that group may have had health conditions that they were finally able to treat, and "insurance companies got pretty hit pretty hard," Stevenson said.

He said in 2017, price increases may not be so staggering because those who signed up for 2015 appear to be healthier. That could help balance costs in the overall market in the years ahead.

Stevenson said when open enrollment begins this fall, anyone getting insurance through the federal website should shop around make sure they're getting the best deal for their needs.

Regence BlueCross BlueShield of Utah has requested an increase of about 23 percent for some plans, but says on average, rates for its plans will jump about 17 percent next year.

For customers, that's about \$44 more a month.

Lou Riepl, a spokesman for Regence BlueCross BlueShield of Utah, said much of the increase is driven by rising medical costs, particularly prescription drug costs.

He said prescription drugs increased substantially last year and expensive specialty drugs treating hepatitis C and high cholesterol play a role in the costs.

The rates also include the company's expected taxes and fees under the health care law. In 2014, that was \$25.5 million for Regence BlueCross BlueShield of Utah, Riepl said.

"We have to look at all of those things and plan accordingly," he said.

The rates are preliminary and won't be finalized until October, after regulators at Utah's Insurance Department have reviewed them.

"All we really know right now is that we anticipate increases, but we don't know how much," said Steve Gooch, a spokesman for the insurance department.