

Health insurers ask for up to 63 percent higher rates in Florida

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Health insurers in Florida want rate increases up to 63 percent in 2016, according to federal information posted Monday.

The state's outliers top an eye-popping 51 percent increase for New Mexico insurer Blue Cross Blue Shield, one of the highest requests known nationally before this week.

In Florida, Time Insurance Co. leads the way with increases of 63 percent and 53 percent in two Affordable Care Act plans, records show.

Others with requests greater than 10 percent include Aetna (18 percent to 21 percent in three plans), Coventry (15 percent to 18 percent in three plans), Preferred Medical Plan Inc. (14.5 percent) and Cigna (12.8 percent).

"The rates that we are filing simply reflect the costs of health care including the cost of services, the amount of services people will receive and an increase in pharmaceutical costs," said Walt Cherniak, spokesman for Aetna and Coventry. "For 2016, we expect that medical costs will grow by 8 percent to 10 percent in the individual market."

Twenty insurers have filed rates for 2016 in Florida, and all but four sought to have their filings classified as trade secrets, [The Palm Beach Post](#) reported in May. The four filings available then included increases of 31 percent and 18 percent for plans from UnitedHealthcare.

At least two plans requested decreases. Miami-based AvMed, with about 315,000 customers, has requested a 4.7 percent average decrease. Florida Health Care Plan — an affiliated company of Florida Blue, the state's largest insurer — is asking for a 9.2 percent average decrease.

On Monday, the federal website [healthcare.gov](#) listed requests for 2016 increases greater than 10 percent.

Posting the highest rate requests in Florida, Time Insurance Co. operates under the brand name Assurant Health, a spokeswoman said.

"Assurant Health is meeting regulatory requirements in submitting 2016 filings as its parent company pursues a sale of the business," said Mary Hinderliter, vice president of communications. "Rates are based on the projection of future claim costs, advancing technologies, increased medical costs and increased use of medical services and prior year rates relative to higher actual claims experience as well as new taxes and fees."

The proposed rate increases were submitted by health insurance companies for plans inside and outside the Health Insurance Marketplaces in all states using the [HealthCare.gov](#) Marketplace enrollment platform or state marketplaces, the Centers for Medicare and Medicaid Services said.

"The rate review process kicks off an important set of steps designed to provide consumers and others the opportunity to weigh in on proposed rate increases of 10 percent or more," said Acting Administrator Andy Slavitt. "These specific rates will be subject to vigorous rate review and revision

and the final rates consumers will see this fall will reflect the breadth of choice and competition in the Marketplace.”

The requests are not necessarily the final rates consumers in Florida will pay in 2016. The state is regulating health insurance rates again after a self-imposed two-year ban. It could be late summer before the approved rates are announced.

“The filings will be reviewed to determine whether or not the proposed rates are reasonable in relation to the benefits offered by the plan,” a statement from the Florida Office of Insurance Regulation said.

Last year, 14 companies in Florida filed rate requests ranging from a 5 percent drop to a 23 percent increase, and averaging more than 13 percent. Market leader Florida Blue raised rates 18 percent.

States that actively reviewed or negotiated rates saw much lower increases — about 4 percent in California and 6 percent in New York, for example.

The federal data suggest other insurers in Florida whose filings are not yet known may be requesting increases below 10 percent, or decreases.

Those asking for more money said it’s needed to address realities in the marketplace.

“The long-term success of this business starts with rational, affordable pricing that is reflected in our recent filing,” said Cigna spokesman Joe Mondy. “Cigna’s individual and family plans are designed to help Floridians improve their health, well-being and sense of security by delivering access to cost efficient, quality care.”

Proposed 2016 pricing is based on customers’ 2014 clinical experience and claims payments, expected medical trends, product changes, and other factors such as the phase out of a government reinsurance program and expectations on the changing risk pool in 2016, Mondy said.

Health care costs continue to put pressure on employers and consumers, Aetna’s Cherniak said. U.S. health care spending is on track to grow from \$2.9 trillion in 2013 to \$5 trillion in 2022, he said.

“Ultimately, we believe the rates we are filing for 2016 will be competitive with the products offered by other carriers in the marketplace,” Cherniak said.

Florida Health Insurer/ Requested 2016 increase (%)

Time Insurance Co. 62.57

Time Insurance Co. 53.26

UnitedHealthcare Life Insurance Co. 31.28

Aetna Health Inc. 21.22

Aetna Life Insurance Co. 19.96

UnitedHealthcare of Florida Inc. 18.19

Coventry Health Care of Florida Inc. 18.12

Aetna Health Inc. 17.78

Aetna Health Inc. 17.50

Coventry Health Care of Florida Inc. 16.06

Coventry Health Care of Florida Inc. 15.30

Preferred Medical Plan Inc. 14.50

Cigna Health and Life Insurance Co. 12.82

Source: Healthcare.gov