



# CareFirst Broker Flash

**For Consumer Direct contracted brokers only.**  
**For additional information or supplies, please contact your Broker Sales Representative.**  
**(Not intended for distribution to groups and members)**

Date: May 5, 2017  
Market: Consumer Direct

## 2018 ACA Filings – Maryland, Virginia and the District of Columbia

ACA rate filings have been submitted for the following jurisdictions:

- Maryland medical rates
- Maryland dental contract and rates
- District of Columbia medical contract and rates
- District of Columbia dental contract and rates
- VA medical rate filings
- VA dental contract and rate filings

Approvals are expected for all jurisdictions by late summer.

Please use the following frequently asked questions chart when discussing the ACA proposed rate filings.

Question/Inquiry	Response
<p><b>Will my rates increase in 2018?</b></p>	<p>CareFirst submitted 2018 plan and rate filings to the appropriate insurance regulators for the states of MD and VA and DC. The insurance regulators will review and make their comments and adjustments. There are many factors to consider related to rate increases – your level of coverage, if you are subsidy eligible, age, individual or family, etc. CareFirst is always making adjustments and improvements to its plans based on the experience of their members.</p> <p>You may notice that the boards of insurance have posted the filed rates of the various health insurance plans on their respective web sites here:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.insurance.maryland.gov">www.insurance.maryland.gov</a></li> <li>• <a href="http://www.disb.dc.gov">www.disb.dc.gov</a></li> <li>• <a href="http://www.scc.virginia.gov/boi">www.scc.virginia.gov/boi</a></li> </ul> <p>One of the main goals of health care reform is to expand access and coverage and make it more affordable to those with lower to moderate incomes. How your rates will be affected also depends on how you get your health insurance coverage today and the plan you have or will choose.</p>



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	<p>Since ACA's inception, the family premium is calculated based on a per member cost and varies based on the number of dependents you have and their ages. Everyone is covered, but only your three oldest children under age 21 are used to calculate your rate.</p>
<p><b>Are rates more or less than in previous years? (Rate review process)</b></p>	<p>Premium rates for every CareFirst plan must be reviewed and approved by the regulators. Only with regulatory approval of the rates can CareFirst sell the health plan. At the end of the year, CareFirst and all insurers look back and determine whether their cost estimates for members were accurate. If health care costs exceeded required levels, CareFirst absorbs those costs. If they were lower than expected, that fact will be taken into account when setting future premiums. CareFirst's proposed rate increases are in line with current medical costs. Our proposed rate increases reflect a number of factors including rising medical costs, members in these products that have proven to be older and less healthy than expected, and uncertainty surrounding certain provisions of the Affordable Care Act. We'll have to wait until the boards of insurance submit their rate approvals to accurately answer your question.</p>
<p><b>How can you prove that your rates are fair?</b></p>	<p>Providing health insurance is a tightly regulated and closely monitored industry. The ACA requires CareFirst to spend a minimum amount of member plan premiums on health care claim costs and activities to improve health care quality (called a Medical Loss Ratio, or MLR). For individuals the minimum MLR is 80 percent (<i>we must spend 80 cents of every premium dollar on claims and improving health care quality</i>).</p> <p>As a not-for-profit health plan, we seek to set premiums to cover the actual costs of health care for those members insured – no more and no less.</p>
<p><b>May I cancel my plan now and buy a cheaper plan?</b></p>	<p>That's a reasonable question, and the answer depends on what CareFirst plan you're covered under today.</p> <p><b>If you are currently a:</b></p> <p><b>CareFirst ACA Plan Member:</b> You should keep your current plan until it is due for renewal. Canceling before the end of 2017 would require you to apply for an ACA compliant plan. In order to do this outside of the Open Enrollment Period (<i>November 1, 2017 – January 31, 2018</i>), you would have to qualify for a special enrollment period. If you do not meet those qualifications, you may experience a gap in coverage. If you want a lower cost plan you need to do that investigation as part of the Open Enrollment Period.</p> <p>There is a period of time prior to the Open Enrollment Period when you can 'window shop' new plans. That time period has yet to be determined.</p>



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	<p><b>CareFirst Grandfathered Plan Member:</b> You can compare your current grandfathered plan to the CareFirst plans created to comply with ACA mandates, but CareFirst recommends that you seriously consider keeping your current plan while you do the comparison. Once you cancel your plan, which is exempt from ACA requirements, you will not be able to go back to that plan. You will be forced to buy a plan that meets the ACA guidelines. If you choose to do this, you would qualify for a Limited Open Enrollment Period since your benefits are not based on a calendar year.</p>
<p><b>Why did you file such high rates/large increases?</b></p>	<p>According to the Maryland Health Connection, the state of Maryland’s Health Care Exchange, as many as 275,000 formerly uninsured Marylanders are expected to join various pools of the insured by 2020 – as well as the uninsured in VA and DC. With them will come sometimes-higher-than-average medical costs. Many previously uninsured people have pre-existing health conditions (like diabetes, for example) that require more expensive medical services, medications and medical devices. You can imagine the high costs incurred by a health care system that suddenly encompasses people in this predicament. Obviously, scenarios like these, and countless others, drive up the total cost that must be shared by the pool.</p> <p>Since the first year of the Affordable Care Act Coverage in 2014, the number of older and less healthy people seeking coverage has been higher than expected, and the number of healthy people has been smaller than expected – which results in higher costs and higher premiums.</p> <p>The ACA also requires all plans to cover 10 essential health benefits (like maternity and well-baby, prescription drug coverage, pediatric dental and vision, to name a few). Previously, some of these benefits were not covered in all policies. The new benefits add expenses that all insurance companies share with their members. So while the rates may be higher, they merely reflect the anticipated higher costs of insuring so many more people with the more robust benefits required by the ACA. As a non-profit, CareFirst is very sensitive to these increases; we pass along as little of these increases as we can.</p>
<p><b>Will consumers still be able to buy individual health insurance directly from carriers, without going through state-based Marketplaces? I fear the rules of the plans operating</b></p>	<p>Consumers are able to buy individual health insurance through a broker, the local public insurance Exchanges/Marketplaces or directly from CareFirst (private Exchange <a href="http://www.carefirst.com/individual">www.carefirst.com/individual</a>) in Maryland. All individual policies have to meet certain coverage and cost standards. CareFirst offers the same plans through both the public and private Exchanges. The main reason people enroll through their local Exchange/Marketplace is because they are subsidy eligible. If you believe you may be subsidy eligible, then we recommend you apply through the Exchange during the next Open Enrollment Period.</p>

CareFirst BlueCross BlueShield is the shared business name of CareFirst of Maryland, Inc. and Group Hospitalization and Medical Services, Inc. CareFirst MedPlus is the business name of First Care, Inc. CareFirst BlueCross BlueShield, First Care, Inc., CareFirst BlueChoice, Inc. and The Dental Network are independent licensees of the Blue Cross and Blue Shield Association. ® Registered trademark of the Blue Cross and Blue Shield Association. ® Registered trademark of CareFirst of Maryland, Inc. The Blue Cross and BlueShield Names and Symbols are registered trademarks of the Blue Cross and Blue Shield Association.



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within the Exchange will make the premiums unnecessarily high for younger, healthy people.	
Where can I find rate filings from the various boards of insurance?	You may review the rate filings and approvals by visiting the websites for the health insurance commission in each state. <ul style="list-style-type: none"> <li>• <a href="http://www.insurance.maryland.gov">www.insurance.maryland.gov</a></li> <li>• <a href="http://www.disb.dc.gov">www.disb.dc.gov</a></li> <li>• <a href="http://www.scc.virginia.gov/boi">www.scc.virginia.gov/boi</a></li> </ul>
When are rate changes effective?	Rate increases are effective January 1, 2018.
Why are my rates going up when I didn't submit any claims in 2017?	Health insurance plan premiums are calculated on the number of members in a given "pool" of insured people, and the total expenses that pool of people generates. Rates are not based on one individual and/or their family's care from plan period to plan period.
Will my subsidies still apply? Do they change when rates do?	They may. This is an item that can only be confirmed by working with the public Exchange/Marketplace during the renewal process later this year. As part of your renewal process, you will undergo a redetermination process with your local Exchange/Marketplace. Generally, rates are approved by the boards of insurance by mid-summer. Look for specific communications from us about your 2018 benefits and plan rates by late summer.
When will I know the plan increase?	CareFirst will notify you about your rate increase in a mailed letter prior to renewing.

Should you have any questions, please contact your broker sales representative.

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