



# 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 9, 2018  
Market: Consumer Direct

## Maryland and Virginia Proposed Rates for 2019 HMO and PPO Plans

Last week CareFirst BlueCross BlueShield (CareFirst) filed 2019 HMO and PPO plan year rates in Maryland (May 1) and Virginia (May 4) for the individual market.

### Maryland

During the recently-completed session of the Maryland General Assembly, CareFirst worked with legislators to pass legislation that is designed to help make individual coverage more affordable. The details of that program are still being developed and its impact is not reflected in the proposed rates. **We expect individual rates to be re-filed and adjusted downward before they become final.**

The proposed average increase for HMO premiums for individuals purchasing coverage in Maryland is 18.5 percent. While this is high, it is a more modest increase than in previous years. The need for increases reflects rising medical costs and the slightly worsening health status of the members covered in HMO plans.

The proposed average increase for PPO coverage is over 91 percent. In the last two years, CareFirst individual PPO membership in Maryland has declined dramatically as premiums for this product increased. As a result, membership in individual PPO plans in Maryland is disproportionately composed of seriously ill members and dramatic premium increases are necessary to adequately cover their health care costs.

**Again, it is important to note that these are proposed rates. We expect that the implementation of recently-passed legislation will help limit premium increases, and that the final premium rates for individual coverage will be far different than those currently proposed.**

### Virginia

Most individual members enrolled with CareFirst in Virginia are enrolled in HMO plans. CareFirst has proposed an average HMO increase of 26.6 percent. This increase reflects anticipated increases in medical costs, as well as the expectation that repeal of the individual mandate and other state and federal policy changes will lead to fewer enrollees, and that young and healthy individuals may opt to forego coverage.

This is expected to result in HMO members who – overall – are older, sicker and have greater health care needs than in the group of HMO members in prior years.



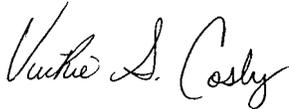
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The proposed average increase for PPO coverage is over 64 percent. In the last two years, CareFirst individual PPO membership in Virginia has declined dramatically as premiums for this product increased. As a result, membership in individual PPO plans in Virginia is disproportionately composed of seriously ill members and dramatic premium increases are necessary to adequately cover their health care costs.

Again, it's important to note that these are proposed rates. Actual rates for 2019 individual coverage will not be finalized until approved by Virginia regulators.

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



Vickie S. Cosby  
Vice President, Consumer Direct Sales, Distribution and Communications