

Oregon slashes 2014 health insurance premium requests by as much as 35 percent

By Nick Budnick, The Oregonian

Oregonians who buy their own insurance have the first clear indication of what 2014 premiums will look like after state regulators Tuesday slashed carriers' rate requests by as much as 35 percent.

The state's rate decisions show that monthly premiums for a single, 40-year-old Portland-area male nonsmoker -- the example provided by the state -- start at \$166 a month and go as high as \$274 for basic plans.

The insurers' filings do not come with details on claim-handling policies or the extent of available provider networks. But the state decisions do settle long-standing speculation that "rate shock" will hit the individual market due to changes under the federal Affordable Care Act.

In Oregon, many consumers will pay higher premiums, in part because insurers now can not discriminate against people with pre-existing conditions. Also, federal rule changes mean people under 50 will tend to pay more, and lower cost catastrophic-care plans will no longer be available to most people.

On the upside, at least half of individual consumers are expected to qualify for income-based tax credits that can be applied to 2014 premiums immediately, starting in January.

Tax credits will be available through a new health insurance marketplace called Cover Oregon starting in October. There, individual consumers and small business owners can also comparison shop and enroll.

Gov. John Kitzhaber said the decisions show the state's process of reviewing insurer premiums is working. "While the review continues," he said in a statement, "it is clear Oregon consumers are well-positioned to benefit from a more competitive marketplace and a wide range of options."

Jesse O'Brien, a consumer advocate for the OSPIRG Foundation, had questioned several of the requested premiums in hearings. He said the state appears to have "cut millions of dollars in unjustified costs. That's a win for consumers."

Last month the state posted all the insurers' proposed rates at the same time, sparking two insurers to seek lower premiums.

The efforts led to some of the biggest reductions as the state reviewed the rate requests' for reasonableness: Kaiser Health Foundation (12 percent), Providence Health (20.5 percent), FamilyCare (35.1 percent) and Trillium Community Health (32.4 percent). Health Net of Oregon was hit with a 27.5 percent reduction because of an error in filing.

Providence had asked for a 15 percent reduction, citing an error and the need to be more competitive. In a statement Michael White, the plan's chief operating officer said the decision "will allow us to provide access to health care for more people."

Moda President Dr. William Johnson said the decisions show the benefit of increased transparency in the health care market.

Oregon insurance rates

State officials required some insurers to decrease their proposed rates for next year. Except where otherwise noted, the state's monthly premium examples are for a 40-year-old single male Portland-area nonsmoker who buys their own insurance:

Atrio Health Plans: 21.1% reduction, \$241 premium approved in Salem area.

Bridgespan: 3.5% reduction; \$236.

FamilyCare Health Plans: 35.1% reduction, \$274.

Health Republic Insurance: 4.1% reduction, \$241.

Health Net of Oregon: 27.5% reduction; \$197.

Kaiser Health: 12.0% reduction; \$201.

LifeWise Health Plan: 1.5 percent reduction; \$192.

Moda Health: 1.8% reduction; \$166.

Oregon's Health Co-op: 2.5% reduction, \$228.

PacificSource Health Plans: 2.1% reduction; \$191.

Providence Health Plan: 20.5% reduction; \$231.

Regence BlueCross BlueShield: 3.4% reduction, \$229.

Time Insurance: 28.4% reduction; \$209.

Trillium Community Health Plan: 32.4% reduction, \$271.