

PREMIUM REVIEW PROJECT ABSTRACT

One of the primary goals of health care reform, and the vision incorporated into the Affordable Care Act, is to make comprehensive health insurance coverage affordable and accessible to all Americans. The new program launched in Section 2794 of the Public Health Service Act, entitled “Ensuring That Consumers Get Value For Their Dollar,” provides new opportunities and invaluable resources for states like Illinois to do just that. For this reason, the Illinois Department of Insurance (“the Department”) intends to pursue this grant to fund expanded reporting and review of health insurer premium increases. The people of Illinois, including policymakers, will be educated and informed about Illinois’ currently dysfunctional marketplace.

Under the existing framework for health insurance regulation in Illinois, health insurers that offer major medical policies face few statutory reporting requirements and no mandate to deliver affordable options for health coverage. As a result, the health insurance marketplace fails consumers, often pricing Illinois’ businesses and families out of health insurance. The goals of the *Premium Review Project* are to expand the scope of the current premium review process in the State and significantly enhance consumer protections, including effective engagement and education of the public and policymakers on the issue of health insurance premium rates. The Department plans to expend the \$1,000,000 requested as part of the Cycle I grants to accomplish these goals through: 1) establishment of the infrastructure necessary for premium rate review; and 2) establishment of new processes to collect, publish, and analyze premium information to educate consumers and State policymakers.

More specifically, the Department will increase actuarial staffing and invest in the necessary technological infrastructure to prepare for increased premium rate reporting, analysis, and stakeholder engagement. The current process for collecting rate increase information does not permit the Department’s actuaries to analyze and effectively draw conclusions from the information submitted by insurers. Some insurers submit, process, and file information through a strictly paper system. The rate submission process must be updated to facilitate the Department’s analysis and understanding of current trends in the State’s health insurance marketplace and health care economy.

Using the information gained from improved reporting and analysis of premium rate information, the Department will implement a permanent process to engage and educate consumers and policymakers on health insurer premium rate increases. The Department will conduct public hearings, develop interactive tools on the Department’s website allowing consumers to search current health insurance premium rate information and provide feedback on insurance products, and publish reports on rate increases, health care costs, health care utilization and the impact of benefit design on utilization. Additionally, the Department will develop resources for consumers regarding premium rate information to assure such information is in a format that is of value to family and business consumers.

Rate review activities enable the Department to better support a competitive, functioning health insurance marketplace.