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Oregon Insurance Division seeks public comment on health rate request

(Salem) — The Oregon Department of Consumer and Business Services' Insurance Division is seeking public comment on a proposed health insurance rate increase of 19 percent that would affect more than 79,000 Regence BlueCross BlueShield individual plan policyholders.

The proposed 19 percent increase, effective July 1, 2009, would apply to policyholders who renew in July, August, or September. This is the same group that received a 26 percent average rate increase a year ago, following a 16 percent decrease in 2006. Individual plans cover one person or a family and are purchased directly from an insurance company and not provided through an employer.

Regence submitted the proposed increase this week. Because of the number of Oregonians involved and the size of the rate request, the Insurance Division is providing a month-long written comment period for anyone who would be affected by the outcome. The division will review comments it receives as part of its rate review process.

“We understand the impact that this rate increase would have on consumers,” said Teresa Miller, acting administrator for the Insurance Division. “We want to make sure we consider all pertinent information before making a decision.”

Comments on Regence's proposal must be received by April 3, 2009.

The division must follow state law in reviewing rate requests. The law (ORS 742.005) says rate filings will be disapproved if:

- They are prejudicial
- They are unjust, unfair or inequitable
- Benefits are not reasonable in relation to the premium charged

The division asks that comments address those three areas.

“As health care costs continue to rise, we want to inform and engage the public as much as possible,” said Miller, adding that the public can view all health insurance rate filings on the division's Web site.

- To search for any rate filing, visit:
http://insurance.oregon.gov/insurer/rates_forms/health_rate_filings/health-rate-filing-search.html
- To view this Regence rate request, visit:
http://www4.cbs.state.or.us/ex/ins/filing/index.cfm?fuseaction=home.show_pdf&pdf=310

The department has proposed legislation that would create a public comment process for every rate request, as well as strengthen its rate review standards. For more information on these proposals, visit:

<http://insurance.oregon.gov/consumer/consumer-issues/regence-rate-increase/rate-review-reform-proposal-09.pdf>

Regence's rate request of a year ago was appealed by a Portland policyholder. The appeal was the subject of a hearing in February, and a final decision is expected in several months.

Here's how to comment on the pending request:

By mail: Oregon Department of Consumer and Business Services
Insurance Division
Attn: Sue Munson
P.O. Box 14480
Salem, OR 97309-0405

E-mail: paulinesue.munson@state.or.us

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The Insurance Division is part of the Department of Consumer & Business Services, Oregon's largest business regulatory and consumer protection agency. Visit www.dcbs.oregon.gov.