

Final Rate Determination

The Florida Administrative Code requires that all individual and small group carriers obtain approval of their premium rates from the Florida Office of Insurance Regulation (OIR). In addition, the Patient Protection and Affordable Care Act (ACA) requires that all weighted average rate increases in the individual and small group markets that exceed a stipulated threshold (currently 15%), must be assessed to determine if they are "reasonable". For individual and small group carriers issuing coverage in the state of Florida, the federal enforcement agency for the Patient Protection and Affordable Care Act, the U.S. Department of Health and Human Services (HHS), has delegated the authority to determine if rate increases are reasonable to the OIR.

Currently, all Capital Health Plan rate increases for individual and small group products fall below the threshold.

Rate Increase Justification

The rate actions for all Capital Health Plan products that are fully compliant with the ACA are due to the following reasons:

- Medical Inflation (Trend)
 - Medical Trend: Combined effect of medical provider price increases, utilization changes, medical cost shifting, specialty pharmacy, and new medical procedures and technology.
 - Insurance Trend: Impact of leveraging on plans with fixed dollar cost shares.
- Risk Adjustment Transfer
 - Changes to the CMS Risk Adjustment coefficients
- Adjustment to account for cost savings initiatives