

HB 547 -- Health Insurance Premium Rate Reviews

Sponsor: McNeil

Beginning July 1, 2011, all health carriers must include a rate filing with any report, certificate of authority application, or health benefit plan submitted for approval to the Department of Insurance, Financial Institutions and Professional Registration unless the health benefit plan form does not require a change in a rate. The rate filing must include an explanation of the actuarial basis for the rate and a certification from a qualified actuary stating that to the best of the actuary's knowledge the rate filing is in compliance with all state laws and regulations and that the benefits are reasonable in relation to the rates. Rate revision filings for previously approved health insurance policies must include a statement of the reason for the revision and an estimate of the expected average effect on premiums, what business the filing applies to, a history of the experience under existing rates, and the date and magnitude of each previous rate change if any.

A health carrier must maintain records of earned premiums and incurred benefits for each calendar year for each policy form. Experience data will be assessed for credibility and appropriateness based on the statistical credibility of premiums and benefits, experienced and projected trends relative to the kind of coverage, preliminary term reserves and loss ratios, and mix of business by risk classification.

When a health carrier files a significant rate increase for approval by the department, the carrier must notify in writing all affected enrollees of the proposed rate increase. Upon receipt of a significant rate increase filing, the department director must hold a public hearing within 30 days after the department receives the filing to discuss the rate increase and to allow public testimony from proponents and opponents of the rate increase. The department director must consider the public testimony when determining whether to approve or disapprove the rate increase and decide whether to approve the rate within 20 days of the public hearing. A health carrier can appeal a decision of the department director to prohibit the proposed rate as specified in Chapter 536, RSMo.

The bill contains an emergency clause.