



**Colorado Consumer  
Health Initiative**

July 6, 2015

Commissioner Marguerite Salazar  
Colorado Division of Insurance  
1560 Broadway, Suite 850  
Denver, Colorado 80202

Re: Comments on Rocky Mountain HMO Individual Rate Filing LEIF-130052948

Dear Commissioner Salazar:

The Colorado Consumer Health Initiative (CCHI) is writing to submit comments on Rocky Mountain HMO's (Rocky Mountain) request for a 34.4% increase in the individual market. We are especially concerned about the proposed rate increases for Rocky Mountain's plans in rating area 9, the West region.

While the geographic rating factor for rating area 9 is proposed to go down by 17%, Rocky Mountain has proposed significant increases for all of its "Range" rating area 9 only plans.

- Rocky Mountain Range Exclusive HMO Gold - Deductible \$500/Copay \$35
  - 32.2% increase
- Rocky Mountain Range Exclusive HMO Silver - Deductible \$1500/Copay \$40
  - 35.6% increase
- Rocky Mountain Range Exclusive HMO Silver - Deductible \$2500/Copay \$40
  - 37.2% increase
- Rocky Mountain Range Exclusive HMO Silver - Deductible \$3000/Copay \$40
  - 38.2% increase
- Rocky Mountain Range Exclusive HMO Silver HSA - Deductible \$2700/100%
  - 30.2% increase
- Rocky Mountain Range Exclusive HMO Bronze - Deductible \$5000/Copay \$55
  - 43.1% increase
- Rocky Mountain Range Exclusive HMO Bronze - Deductible \$6500/Copay \$60
  - 47.1% increase
- Rocky Mountain Range Exclusive HMO Bronze HSA - Deductible \$6550/100%
  - 46.7% increase
- Rocky Mountain Range Exclusive HMO Catastrophic - Deductible \$6850/Copay \$45 - 3 PCP Visits
  - 49.2% increase

New to Rocky Mountain's filing this year is the fact that they will no longer be selling Individual HMO products statewide. While Rocky Mountain has projected that limiting service areas will reduce costs by 18.2% PMPM, it is concerning that these savings do not meaningfully extend to rating area 9. It is also concerning that the changes the state made to Colorado's geographic rating areas starting in 2015 have not made a significant difference to Rocky Mountain's rating practices in the mountain region.

In the past, the Division of Insurance (Division) has taken active steps to protect consumers in the mountain region. In 2012 Cigna proposed a small group plan with a 31.4% increase for a newly created mountain region. In the disposition letter regarding that Cigna plan, the Division cited both the excessive rate increase and the fact that the costs for this group were not spread out over a larger group as reasons to reject the plan.

Rocky Mountain's proposal for its "Range" plans creates the same issues for its enrollees. The plans listed above will only be sold in one service area and the rate increases are all above 30%. We urge the Division to consider stepping in to protect consumers in this region and ensure they are not unfairly impacted by higher rates.

Additionally, we request that the Division require Rocky Mountain to provide detailed support about how the geographic factor for rating area 9 was developed.

### **Target Loss Ratio**

Rocky Mountain states in Exhibit A5 that its targeted loss ratio for 2016 is 80.8%. However, in Exhibit A10 Rocky Mountain stated that its projected experience with the proposed rate change is 82.2%. We request that the Division seek clarification from Rocky Mountain as to why these loss ratios do not match.

### **Terminated Products**

There are 44 plans that Rocky Mountain has proposed to end in the filing. The Division should request a breakdown of the number of covered lives in these terminated plans. This information is important to understanding the market impact of Rocky Mountain transitioning away from statewide sales.

### **Trade Secrets**

As mentioned in CCHI's letter to the Division, dated June 18, 2015, we are concerned about the rate filing information deemed subject to trade secret protection. The confidentiality of this information, including the trend assumptions in Exhibit C1 and C2, significantly limited our ability to evaluate how the proposed rates were determined and whether they are sufficiently justified.

Division of Insurance Amended Regulation 4-2-39 states the Colorado Actuarial Memorandum cannot be held as confidential. The Division should ensure all sections of the memorandum are publicly available and accessible online. Any Excel documents

submitted to the Division should also be required to be submitted in PDF format so they are available through the System for Electronic Rate and Form Filing (SERFF). These documents are otherwise inaccessible to the public, which significantly hinders the ability of consumers to evaluate rate filings and undermines the rate review process.

Thank you for this opportunity to comment on the 2016 rate filings. If you have any questions, please feel free to contact us.

Sincerely,



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