

New Jersey Health Insurance Rate Review Forum: Loss Ratios

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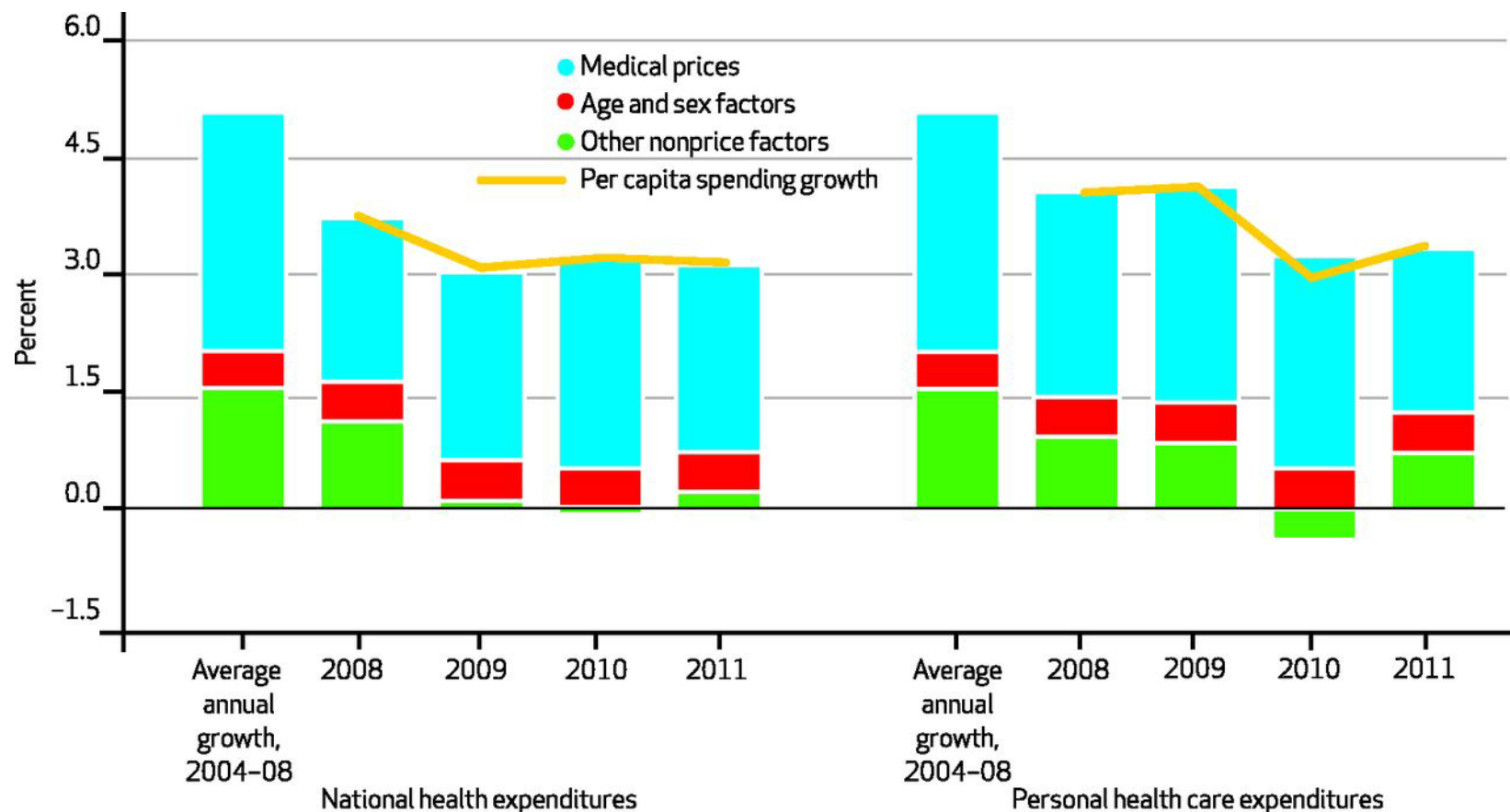
Hosted by the Rutgers Center for State Health Policy

**Supported by the New Jersey Department of Banking & Insurance,
under a grant from the U.S. Department of Health & Human Services**

Welcome and Introduction

- Why discuss loss ratios and rate review?
- Health care costs: recent trends and projections
- How will premiums in New Jersey change in 2014?
- Overview of the day

Factors Accounting For Growth In Per Capita National Health Expenditures And Personal Health Care Expenditures, Selected Calendar Years 2004–11.



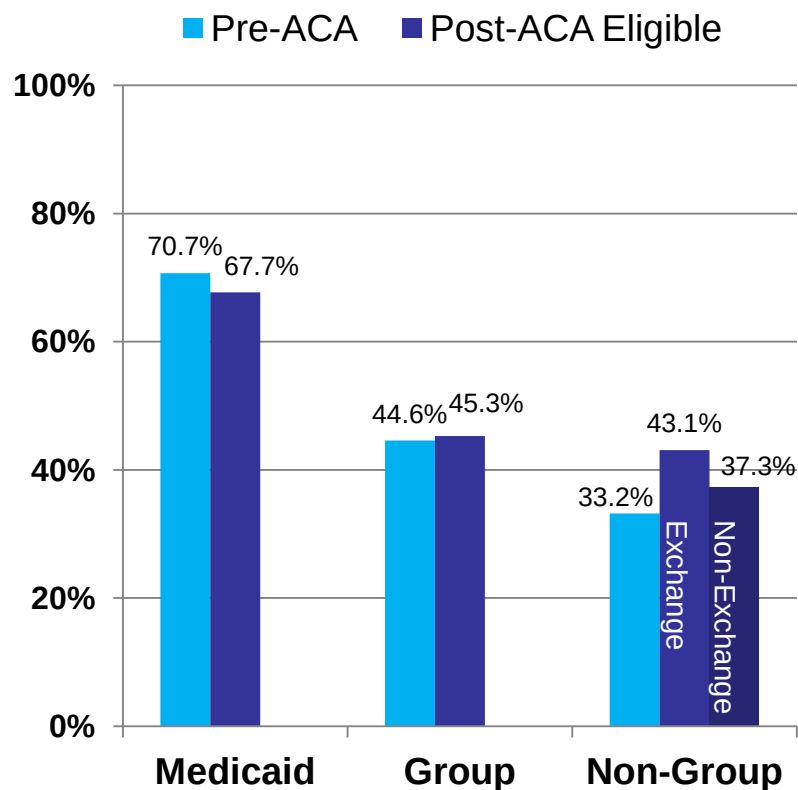
Hartman M et al. Health Aff 2013;32:87-99

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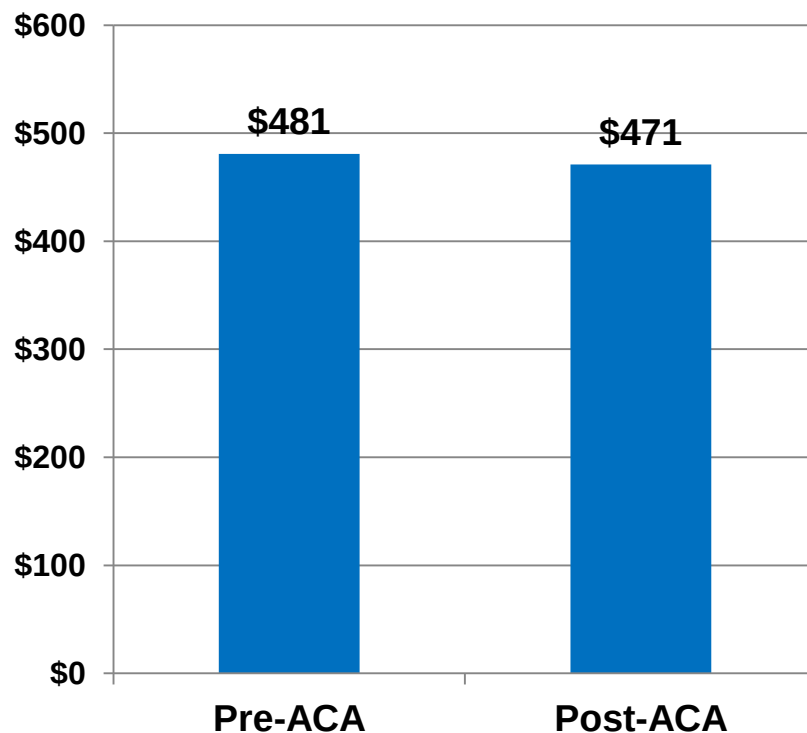
How will premiums in New Jersey change in 2014?

Share with health problem, 2009



Source: CSHP estimates
<http://www.cshp.rutgers.edu/Downloads/8970.pdf>

Non-group PMPM spending, 2014



Source: Society of Actuaries
<http://www.soa.org/NewlyInsured/>

How will premiums in New Jersey change in 2014?

- **“Where you stand depends on where you sit”**
 - Nelson Mandela
 - Access to group coverage or not
 - Age & sex
 - Young adults <26 and <31 y/o
 - Basic & Essential versus Standard plans
 - Eligible for ACA Catastrophic Plan (<30 or >affordability threshold)
 - Subsidy eligibility
- **The 3Rs**
 - Reinsurance
 - Risk corridors
 - Risk adjustment

Forum Agenda

Federal and State Medical Loss Ratio Methodologies

*Tara Adams Ragone, Research Fellow and Lecturer in Law, Seton Hall University
School of Law*

Medical Loss Ratio Calculations and Premiums

*Donna Novak, Actuary and President, NovaRest Actuarial Consulting in association
with the Hay Group*

Overview of Medical Loss Ratio and the Rate Review Process in New Jersey

*R. Neil Vance, Managing Actuary, Life & Health, NJ Department of Banking &
Insurance*

Breakout Discussion Groups

- Medical Loss Ratio – Further Discussion and Explanation
- Single Risk Pool, Medical Loss Ratio and the Impact on Product Pricing