Washington state awarded $1 million to increase transparency of health insurance rates

Local News

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OLYMPIA, Wash. – Washington state has been awarded a $1 million federal grant to improve its review of health insurance rates and to increase transparency for the public.

The grant award—provided under the Affordable Care Act—must be used by states to improve the oversight of health insurance rates, take action against unreasonable rates, and ensure that consumers receive value for their premium dollars.

“How health insurers determine their proposed rates and our review of those rates has been kept from public view for too long,” said Insurance Commissioner Mike Kreidler. “This award is a victory for consumers and will give us the resources to build a much more transparent system.”

Kreidler’s grant proposal for the first cycle includes two key projects:

Enhancing its IT and rate filing system to accept more detailed rate information from health insurers. The enhancements will include the ability to report this detailed information to the U.S. Department of Health and Human Services.

Increasing transparency for consumers on how health insurance premiums are determined. This enhancement includes building a consumer care website where the public can see the average rates requested and accepted by year and type of market.

The Affordable Care Act provides states with $250 million in Health Insurance Premium Review Grants over five years to help create a more level playing field by improving how they review proposed health insurance premium increases and holding insurance companies accountable for unjustified premium increases.
Projects awarded funding through the Cycle 1 grant are expected to be completed by Sept. 30, 2011.

Currently, the Insurance Commissioner’s Office collects a limited amount of rate information that can be publicly disclosed. Kreidler’s office will seek legislation next year to maintain its authority over the individual market and to increase the public’s access to additional rate information, such as how much of the premium change is for claims costs, administrative costs and profit. If he succeeds, that information also will be available to the public through the new consumer care website.