

FOR IMMEDIATE RELEASE: January 11, 2015

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Insurance Department Releases Annual Report on Health Insurance Costs

CONCORD, NH – The New Hampshire Insurance Department today released its annual report on health insurance costs in the state.

“The report’s findings help us understand what factors affect health insurance markets and health care delivery systems in New Hampshire,” said New Hampshire Insurance Commissioner Roger Sevigny. “Knowing how these complex systems work can help policymakers, consumers, and stakeholders make decisions that will contain costs.”

The report, which was created for the department by the Massachusetts firm Gorman Actuarial, looks at 2014 data from health insurance companies operating in New Hampshire. Top findings include:

- From December 2013 to April 2015, membership in individual market coverage increased from 37,000 to 65,000.
- As of April 2015, 63% of individual market members obtained their coverage through New Hampshire’s federally facilitated health insurance marketplace, with the remaining 37% purchasing coverage through traditional routes.
- Overall, in New Hampshire’s fully-insured markets in 2014, 78% of premium was used to pay for medical and pharmacy claims, 7% was used for administrative expenses & fees, 7% for federal & state taxes, 3% for Affordable Care Act related fees and taxes, and 5% for insurance company profits.
- The average premium increase across all fully-insured markets was 3.9%. Premiums increased the most (23.6% on average) in the individual market, largely due to the elimination of the state high risk pool and absorption of its members into the individual market.
- The percentage of people with a deductible of at least \$3,000 was:
 - 39% in the individual market
 - 68% in the small group market
 - 30% in the large group market
- There was an increase in limited network products, with carriers reporting that this kept premiums between 10-30% lower than they would otherwise have been.
- The largest increase in medical spending was found in the prescription drug category at 4.5%

The full report is available on the Insurance Department’s website:

http://www.nh.gov/insurance/reports/documents/2015_annual_report_cost_drivers.pdf.

State law requires the insurance commissioner to “hold an annual public hearing concerning premium rates in the health insurance market and the factors, including health care costs and cost trends that

have contributed to rate increases during the prior year.” A preliminary version of the report was presented and discussed at this year’s annual hearing, which took place November 6 in Concord.

For more information on the Insurance Department’s 2015 annual hearing, including the agenda, slides, and video footage, please visit: <http://www.nh.gov/insurance/lah/index.htm>

The New Hampshire Insurance Department Can Help

Contact us with any questions or concerns you may have regarding your insurance coverage at 1-800-852-3416 or (603) 271-1406, or by email at consumerservices@ins.nh.gov. If you wish to file a grievance, you may call, email, or submit a complaint electronically or by mail or fax:

<http://www.nh.gov/insurance/consumers/complaints.htm>.

The New Hampshire Insurance Department’s mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. For more information, visit www.nh.gov/insurance.

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