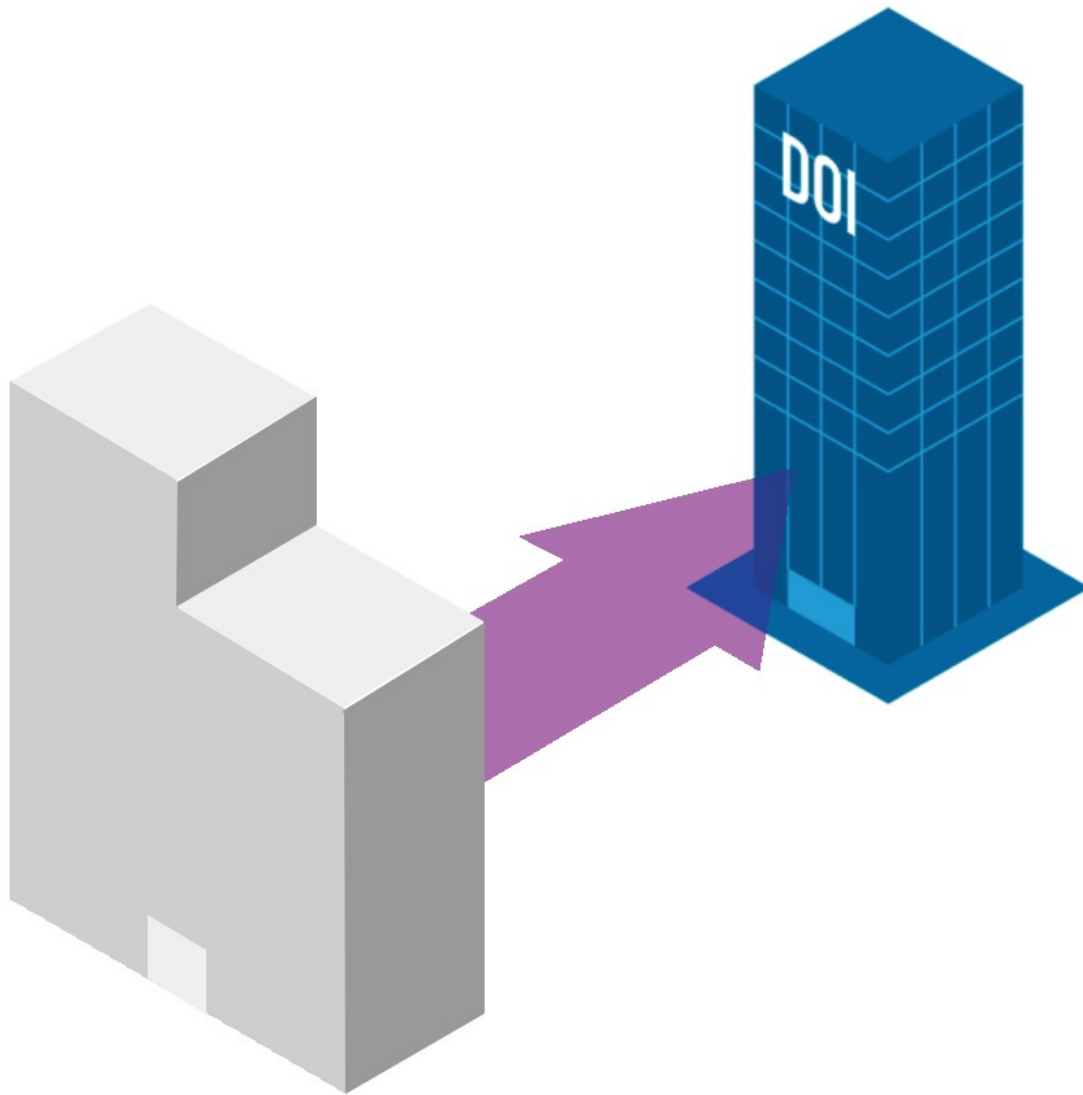
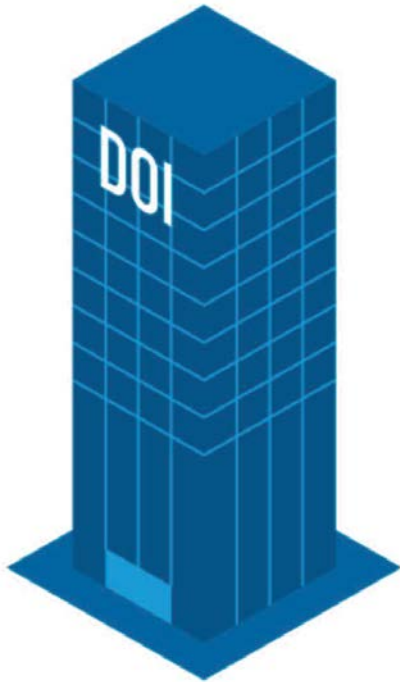


How Rate Review Works



Step 1 – Insurance Carrier Submits Rate Filings to the Illinois Department of Insurance

Any insurance company, health maintenance organization or health service plan authorized to offer health insurance coverage, as that term is defined in the Illinois Health Insurance Portability and Accountability Act [215 ILCS 97/1 et.seq.], must file all proposed rate increases with the Department prior to its use.



Step 2 – Initial Review of the Rate Filing by the Department

Experts within the Department review the filing to ensure that it is complete, accurate and consistent. If information is missing or incomplete, the Department requests the missing information from the carrier. The rates are then further reviewed and posted on the Department’s website.

Step 3 – More In-Depth Review

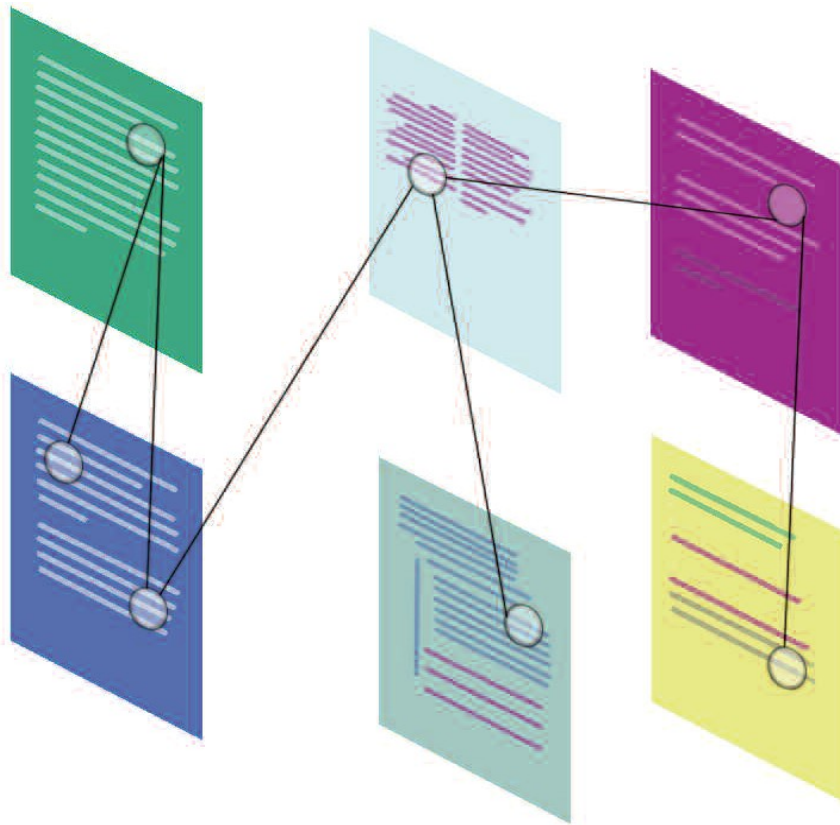
If the proposed rate increase is 10% or more, Department experts perform a more in-depth review.



Step 4 – Rate Justification

1. Insurance companies must submit a “Rate Justification” whenever they propose health insurance rate increases, including those increases for an individual or small group policy that are an average of 10% or more, to HHS and to the Department.

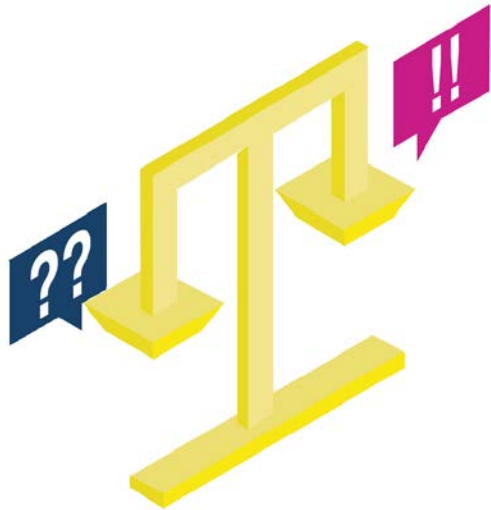
A "Rate Justification" is a federally developed form that enables consumers to see why the insurance carrier is proposing a rate increase, and the explanation provided by the insurance carrier will be posted on <https://ratereview.healthcare.gov>



Step 5 – Further Review to Determine If the Rate Increase Is "Reasonable"

The Department considers many factors in reviewing and determining if a rate increase is "reasonable" or "unreasonable". They include:

- Enrollment patterns, for example, how many people are enrolled in the plan, is this a new plan with expected growth or is this an old plan that doesn't accept new enrollees
- Medical trends -- Medical costs are driven by many factors, including increases in hospital and doctor charges to greater use of medical care, increased usage of prescription drugs, unhealthy lifestyles, and more. This is commonly referred to as the medical trend
- Administrative expenses to run the insurance company, for example, salaries, marketing, advertising, office expenses
- Profits
- Reserves
- Benefit changes
- Company's history of rate changes
- Medical Loss ratio (The portion spent on medical care)
- Consumer comments submitted to the Department
- Other factors driving the rate increase
- Recent and projected future costs of medical care and prescription drugs

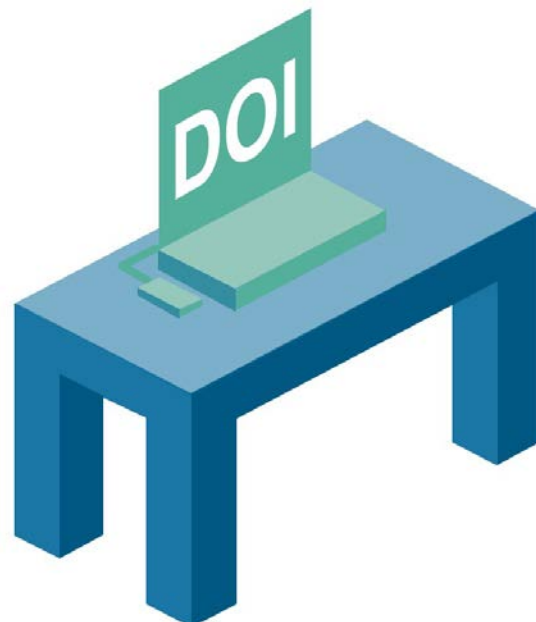


Step 6 – Final Determination on the "Reasonableness" of an Increase of 10% or More

The Department's final determination on the reasonableness of an increase of 10% or more includes an explanation of its analysis, and is provided to the insurance company and to HHS. A link is provided on the Department's website to this information on <https://ratereview.healthcare.gov>.

Step 7 – Rate Information Posted on the Department Website

When the Department has completed its review, information on the rate filing is added to the chart of proposed rate changes posted on our website at <http://www.insurance.illinois.gov/hirc/rate-filings.asp>. Note that a rate change that is announced is always an average rate, and your individual premium may be different.



Public Comments

The Department accepts [questions, concerns and comments](#) related to rate filings. When submitting your comments, please identify both the company and the policy number. The Department cannot respond to submitted comments but will respond to questions consistent with our [Comment Policy](#).

