

**U.S. SENATE  
COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS  
“A NEW, OPEN MARKETPLACE: THE EFFECT OF GUARANTEED ISSUE  
AND NEW RATING RULES”  
THURSDAY, APRIL 11, 2013**

**QUESTIONS FOR THE RECORD**

**Questions from The Honorable Henry A. Waxman:**

**Mr. Christopher Carlson**

1. Your testimony discusses 2014 insurance premiums in Oregon, stating that, “the average premium rate in these files represents an increase of 36 to 53 percent over current premium rates.” This conclusion stands in contrast to the findings other experts who have reviewed the rates. To help understand the differences, we ask that you provide the Committee with a detailed description of the analysis conducted for your testimony, including descriptions of which carriers and plans you included in the analysis, and spreadsheets or other materials showing all comparisons that were made in your analysis.

Chris Carlson: My analysis was based on the rate filings published by the Oregon Insurance Division at <http://www.oregonhealthrates.org/>. The three filings I based my review on were the Individual (Major Medical) filings prepared by Kaiser Foundation Health Plan of the Northwest (Kaiser), Providence Health Plans and Regence BlueCross BlueShield of Oregon. These three insurers represent three of the largest health insurers in the state of Oregon.

The Providence filing explicitly states on the first page (labeled as Exhibit 2, Page 47) that the proposed rate increase is 53.2 percent, on average.

For the Kaiser filing, I relied upon the exhibit labeled “Development of Rate Change or Base Rate” on page 51 of the PDF document. The calculation of the presumed rate increase is based on “Row (29) – 2014 Premium Requirement” divided by “Row (27) 2013 Premiums (Current).” This calculation is \$296.93 divided by \$217.63 minus 1, or 36.4%.

For the Regence filing, we also relied upon the exhibit labeled “Development of Rate Change or Base Rate” on page 9 of the PDF document. The calculation of the presumed rate increase is based on “Row (AH) – Required Revenue” divided by “Row (AD) Earned Premium in the Experience Period.” This calculation is \$302.91 divided by \$211.05 minus 1, or 43.5%. However, I note that this calculation is comparing the rates for calendar year 2012, which represents the experience period. If more recent premiums are considered, the calculation would reflect rate changes since the experience period and the increase would be revised to 32.3% (Row (AH) divided by Row (AF)).

