



ThinkStock Photo

Health insurance rates on the rise

By: [Claude Solnik](#) October 7, 2014 0

While a handful of health insurers have cut premiums, most rates are rising, both on and off the New York State online health benefits exchange, a wide range of local experts said Tuesday.

Healthcare advisers told the roughly 100 people gathered Tuesday morning in Hauppauge for the [HIA-LI Healthcare Update Executive Breakfast](#) to expect most plans to cost more and in many cases to offer less. The panel discussed insurance trends roughly one year after the [New York State Health Insurance Exchange](#) launched.

Nearly 1 million individuals are covered by plans offered through New York State's online health insurance exchange, according to numbers issued by the New York State Department of Financial Services last month, and about 80 percent of those previously had no coverage, said Christine Ippolito, founding principal at Melville-based human resources consulting firm [Compass Workforce](#).

Employers went through their first renewals with an 8- to 9-percent increase on average, including nearly 5 percent due to additional taxes imposed on carriers, Ippolito said. She said she saw increases of more than 20 percent, while others used high deductibles to control premiums and mitigate expenses.

"I don't see rates coming down," said John Klimchak, a certified financial professional at [Economic Evaluation Group](#), a group benefits consulting and brokerage in Melville. "Rates are going up, unless you're in one of the old-type Oxford plans with rich benefits. Those have come down."

He talked about premiums in one plan rising 10 percent, even as co-pays and deductibles rose significantly.

"The key is the new benefit plan you're moving forward with," Klimchak said. "You're paying more and the employee will have more out of pocket. That warrants further investigation of other plans available."

Insurers on average requested a 12.5-percent increase in health insurance rates for individuals for 2015, according to the New York State Department of Financial Services. The state, however, only granted hikes on average of 5.7 percent, with 4.5 percent of that rise relating to the reduction in a federal re-insurance program for insurers provided through the federal Affordable Care Act.

Without that impact, the average increase would have been 1.2 percent, according to the department.

Not everybody's rates are rising though. North Shore-LIJ is cutting its small group rates for Care Connect by 14.6 percent and its rates for individuals by 3.2 percent. And Affinity Health Plan is dropping its rates for individuals by 15.2 percent, while Healthfirst will drop its rates by 12 percent.

Some companies that offer health insurance may do a disservice, since employees can't then obtain exchange subsidies, some experts say.

"If you have a workforce that qualifies for subsidies, it may be a win-win to cut back on insurance for certain

workers," said Steven Friedman, co-chair of the employer benefits practice group at Manhattan-based Littler Mendelson.

More firms are opting to self-insure, a method already common among giants such as Coca Cola, Google, Microsoft and Intel.

"Self-insured plans used to be only for the biggest companies," said David Kotowski, CEO of Elevate Captives, a Syosset-based firm that helps companies self-insure or create "captive insurance" companies. "It's another way for companies to try and come up with alternatives."

The next New York State of Health open enrollment period begins Nov. 15 for coverage starting on January 1, 2015, but New Yorkers eligible for Medicaid and all children can enroll in coverage through the state's online health exchange at any time.

Tagged with:

HEALTH INSURANCE

HEALTH INSURANCE RATES

HIA-LI

LONG ISLAND

NEW YORK STATE

NEW YORK STATE HEALTH INSURANCE EXCHANGE

Copyright © 2014 Long Island Business News | 2150 Smithtown Avenue, Suite 7, Ronkonkoma, NY 11779
a mile south of the Long Island Expressway at exit 60

