

Health Insurance Rates — A Big Surprise in Washington State

In Washington State health insurers were anticipating staggering premium hikes of up to 70% for new individual health plans created by the Patient Protection and Affordable Care Act (ObamaCare).

Surprise, surprise. Insurers filing requests for rates last week with the Washington State Office of the Insurance Commissioner found that requested premiums were not much higher than current plans. It was a big surprise for Washington Insurance Commissioner Mike Kreidler. A spokesman for the commissioner said, “Considering the dire situation the companies predicted, we're extremely surprised.”

Thoughts of huge price hikes were because insurers expected an influx of people with pre-existing conditions. And that includes those insured by the state's high-risk pool for people so sick that private companies would not insure them.

The insurance commissioner's office hasn't begun to review the rates. It could challenge them as too high — or even too low. The challenge — if issued — could be because insurers have artificially lowballed rates to gain market share. Both insurers and regulators cautioned that an apples-to-apples comparison with current rates is difficult at best. These are entirely new plans, most with more benefits and different out-of-pocket amounts and limits than the old plans.



Mike Kreidler