



FOR IMMEDIATE RELEASE
July 18, 2016

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PREMERA BLUE CROSS FILES 2017 INDIVIDUAL HEALTH PLAN RATES

MOUNTLAKE TERRACE, Wash. — (July 18, 2016) — Premera Blue Cross Blue Shield of Alaska has filed an average rate increase request of 9.8% percent on its 2017 individual metallic plans in Alaska. The rate increase applies to Premera’s 6,800 individual members who purchased bronze, silver or gold health plans, which represents roughly five percent of the nearly 140,000 customers we serve in Alaska. The rate increase is significantly lower than past rate increases for 2015 and 2016, because of recent action by the Alaska State Legislature to create a state-based reinsurance program that stabilizes rates by spreading high medical costs across a broader base.

Alaska has a comparatively volatile insurance market and high medical care costs compared to other states because of its size and geography. Skyrocketing medical costs, combined with a large influx of people with significant medical needs, resulted in large premium rate increases for Premera customers over the past two years.

“Premera would like to thank Governor Bill Walker for introducing the legislation and Commissioner Hladick, Deputy Commissioner Parady, and the Division of Insurance Director Wing-Heier for their efforts to help ensure a more stable and affordable individual health insurance market,” said Jim Grazko, President and General Manager of Premera’s Anchorage office. “We also would like to thank the legislature for its leadership and prompt action in passing legislation to help Alaskans gain more affordable health coverage,” he said.

We believe this solution will build a more stable and sustainable market, without significant swings in premiums. It could also make the market more competitive by ideally attracting more health plans and increase consumer choice.

Had the legislature not passed the reinsurance legislation to provide some relief to Alaskans, Premera’s 2017 rate increase request would have been more than 40 percent, based on medical claims data from 2015. The reinsurance program will sunset after two years, but we remain committed to working with legislators, the Division of Insurance and other stakeholders to find a longer term solution.

About Premera

Premera Blue Cross Blue Shield of Alaska, which has operated in Alaska since 1952, is a not-for-profit, independent licensee of the Blue Cross Blue Shield Association. Premera and its family of companies provides comprehensive health benefits and tailored services to approximately 2 million people, from individuals to Fortune 100 companies. The company offers innovative health and wellness solutions focused on quality outcomes for patients and controlling costs.

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