

Action Ordered to Protect Highmark Medicare Supplement Consumers

Series of changes come after reports of Highmark premium notice errors

Dozens of complaints have been registered with the Delaware Department of Insurance after Highmark Blue Cross Blue Shield processed hundreds of customer birthdates incorrectly, leading to notices of higher July 1 premiums for many Medicare Supplement participants, including those in the company's Medigap Blue Plan. Department staff have taken action to ensure that these errors are corrected, and impacted consumers will be notified. Additionally, the company has agreed to reduce their July 1 rate increase significantly.

"Medicare Supplement customers should continue to feel secure knowing that the Department of Insurance is working to ensure this problem is corrected quickly," said Insurance Commissioner Trinidad Navarro. "As we worked to resolve this issue with Highmark, the company has also agreed to cut its average premium increase in half due to the reduction in claims activity throughout the coronavirus pandemic."

Initially pursued prior to the advent of COVID-19, Highmark planned to increase Medicare Supplement premiums an average of 7.2%, the first increase on these plans in several years. The increase was justified for a normal plan year by independent actuaries, but the Department of Insurance and Highmark agree that due to the pandemic, these estimates no longer apply due to low utilization and fewer claims being paid by the company. Highmark has agreed to reduce the premium increase to an average of 3.5%. Consumers can expect to receive additional information in the mail.

The Department of Insurance Market Conduct investigators are monitoring the resolution of this issue, will work with the company to explore the causes of the error as well as any other instances that it may have occurred, and will review measures taken to prevent billing issues in the future.

Medicare Supplement plan premiums are, in part, based on the age of the participant. While the department has not approved a rate increase for Highmark's plan in several years, participants may have had premium adjustments due to their birthday. These age-based increases are generally very low, are included in the consumer's policy, and are not reviewed by the department. An error in the birthdate of a consumer can result in an increase, as occurred within the Highmark plan. Plan participants are urged to review the date of birth that is recorded with their insurer.

Contact the Delaware Department of Insurance Consumer Services team to report insurance issues by visiting insurance.delaware.gov, emailing consumer@delaware.gov, or calling (302) 674-7300.