

Aetna Health Inc. (a PA corp)– Individual Plans

Rate request filing ID# AETN-130503304 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Requested average rate change: 17.2%
 Range of requested rate change: 2.6% - 30.4%
 Effective date: 01/01/2017
 People impacted: 47,305
 Available in:

Area	Counties
Rating Area 1	Mckean, Mercer, Venango, Warren
Rating Area 2	Cameron, Elk, Potter
Rating Area 3	Bradford, Clinton, Lackawanna, Luzerne, Lycoming, Monroe, Sullivan, Susquehanna, Tioga, Wayne, Wyoming
Rating Area 4	Fayette
Rating Area 5	Clearfield, Jefferson
Rating Area 6	Columbia, Lehigh, Northampton
Rating Area 7	Adams, York
Rating Area 8	Bucks, Chester, Delaware, Montgomery, Philadelphia
Rating Area 9	Cumberland, Dauphin, Perry, Franklin

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$71.4M
Claims	\$52M
Administrative expenses	\$5.8M
Company made (before taxes)	\$13.6M

The company expects its annual medical costs to increase **9.9%**.

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2017:

Claims:	79.9%
Administrative:	10.8%
Taxes & fees:	5.4%
Profit:	3.9%

Explanation of requested rate change

Medical costs are going up and we are changing our rates to reflect this increase. We expect medical costs to go up 9.9% excluding the effect of benefit or cost sharing changes. Medical costs go up for two reasons – providers raise their prices and members get more medical care.

The federal ACA Reinsurance Program has ended. The discontinuation of this program will increase premiums 5.7%. Based on 2016 membership, claims experience for this market has been worse than anticipated. Part of the rate increase is needed to ensure that we can continue to offer coverage in this market