

Geisinger Health Plan – Individual Plans

Rate request filing ID # GSHP - 130558318 - 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:	41.2%
Range of requested rate change:	30%-75%
Effective date:	1/1/2017
People impacted:	25,021
Available in:	Rating Areas 2, 3, 5, 6, 7 and 9

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$92,056,264
Claims	\$106,895,919
Administrative expenses	\$10,041,951
Company made (before taxes)	-\$24,881,606

NOTE: The preceding Financial data includes both ACA and non-ACA data and will differ from the ACA Filing experience period data.

How it plans to spend your premium

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

Claims:	84.4%
Administrative:	7.0%
Taxes & fees:	3.6%
Risk Margin:	5.0%

The company expects its annual medical costs to increase **7.5%**.

Explanation of requested rate change

Geisinger Health Plan has proposed an overall base rate increase of 41.2% for Individual HMO/POS members renewing in the Marketplace effective January 1, 2017 through December 1, 2017. The actual range of proposed rate increases vary from a minimum of 29.6% to a maximum of 74.9%. The overall increase is largely due to the claims experience in ACA compliant individual market plans being much higher than what was assumed in the current rates. Other contributing factors include annual claims trend, federally-prescribed ACA fees and changes in the federal risk-adjustment program. The total projected 2017 administrative costs are slightly higher than those used for the current 2016 rates. As required by federal regulations and using the Federally prescribed MLR methodology, the projected loss ratio exceeds 80%. There were minimal benefit changes proposed for 2017.