

Highmark Inc., d/b/s Highmark BCBS – Individual Plans

Rate request filing ID # 1A-DP-16-HI HGHM-130540834 - 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:	38.4%
Range of requested rate change:	26.0%-55.6%
Effective date:	01/01/2017
People impacted:	38,559 members
Available in:	Rating areas – 1, 2, 4, 5, and 6

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$715,850,950*
Claims	\$917,636,254*
Administrative expenses	\$88,242,139
Company made (before taxes)	(\$240,806,102)**

*Does not include reinsurance ceded.

**Includes transitional ACA reinsurance receivable.

How it plans to spend your premium

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

Claims:	90%
Administrative:	10%
Taxes & fees:	0%
Profit:	0%

The company expects its annual medical costs to increase **11.5%**.

Explanation of requested rate change

The premium rate increase for Highmark is set adequately to cover the rising medical and pharmacy costs.

The primary drivers of the rate increase are the experience of the ACA single risk pool membership is emerging higher than assumed in the prior rate filing, trend, and the expiration of the federal transitional reinsurance program.