

UPMC Health Options, Inc. – Small Group Plans

Rate request filing ID # UPMC-130536887- This document is a consumer tool to help explain the rate filing and the request made by the insurance company. 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/Pages/default.aspx>

Overview

Requested average rate change:	5.3%
Range of requested rate change:	0.1% - 23.1%
Effective date:	1/1/2017
People impacted:	8,032
Available in:	1, 2, 4, 5, 6

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$	522,524,157
Claims	\$	482,904,200
Administrative expenses	\$	71,061,549
Company made (before taxes)	\$	(31,441,592)

How it plans to spend your premium

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

Claims:	87.85%
Administrative:	9.84%
Taxes & fees:	3.41%
Profit:	-1.10%

The company expects its annual medical costs to increase 3.8%.

Explanation of requested rate change

Additional premium is needed to account for the higher cost and utilization of medical services each year.