

Attachment I

Rate Change Summary

Geisinger Quality Options – Individual Plans

Rate request filing ID # GSHP-132824666 - 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 <https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx>

Overview

Initial requested average rate change:	1.3% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-6.9% to 8.8%
Effective date:	1/1/2022
Mapped Members:	4,224
Available in:	Rating Areas 2, 3, 5, 6, 7 and 9

Key information

Jan. 2020-Dec. 2020 financial experience

Premiums	\$35,269,714
Claims	\$31,391,320
Administrative expenses	\$3,009,817
Taxes & fees	\$1,140,807
Company made (after taxes)	-\$272,230

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2022:

Claims:	85%
Administrative:	9%
Taxes & fees:	4%
Profit:	2%

The company expects its annual medical costs to increase **8.71%**.

Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate increase of 1.3% for Individual PPO members renewing in the Marketplace effective January 1, 2022 through December 1, 2022. The actual range of proposed rate changes vary from -6.9% to 8.8%. The key drivers of this increase are changes in the normalized risk pool experience and risk adjustment. The total projected 2022 administrative costs are slightly higher than those used for the current 2021 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 2022 to maintain compliance with mental health parity and to maintain the desired metallic level.

¹ Note that the Initial requested average rate change reflects the insurer's rate change request, in July, after they have received updated information about the impact of a federal program called risk adjustment and finalization of the reinsurance program parameters.