

Attachment I

Rate Change Summary

Geisinger Quality Options – Individual Plans

Rate request filing ID # GSHP-133251210 - 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/Companies/ProductAndRateRequire/Pages/default.aspx>

Overview

Initial requested average rate change:	27.5% ¹
Revised requested average rate change:	NA ¹
Range of requested rate change:	20.4% to 30.4%
Effective date:	1/1/2023
Mapped Members:	4,617
Available in:	Rating Areas 2, 3, 5, 6, 7 and 9

Key information

Jan. 2021-Dec. 2021 financial experience

Premiums	\$36,393,574
Claims	\$35,602,598
Administrative expenses	\$3,923,262
Taxes & fees	\$301,401
Company made (after taxes)	-\$3,433,687

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2023:

Claims:	86%
Administrative:	8%
Taxes & fees:	4%
Profit:	2%

The company expects its annual medical costs to increase **8.93%**.

Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate increase of 27.5% for Individual PPO members renewing in the Marketplace effective January 1, 2023 through December 1, 2023. The actual range of proposed rate changes vary from 20.4% to 30.4%. The key drivers of this increase are changes in the normalized risk pool experience, risk adjustment, trend, URRT morbidity, normalized reinsurance recoveries, and benefit richness. The total projected 2023 administrative costs are slightly higher than those used for the current 2022 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 2023 to maintain the desired metallic level.

¹ Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.