

Rate Change Summary

Highmark Health Insurance Company (HHIC) – Small Group Plans

Rate request filing ID # HGHM-132830955 - 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:	4.42% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	1.55% to 12.30%
Effective date:	January 1, 2022
Mapped Members:	322
Available in:	Rating Areas 1, 2, 4, 5, 6, 7, 9

Key information

Jan. 2020-Dec. 2020 financial experience

Premiums	\$3,061,596
Claims	\$1,592,166
Administrative expenses	\$366,895
Taxes & fees	\$51,577
Company made (after taxes)	\$1,050,958

How it plans to spend your premium

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

Claims:	88.9%
Administrative:	9.0%
Taxes & fees:	2.1%
Profit:	0%

The company expects its annual medical costs to increase **5.32%**.

Explanation of requested rate change

The proposed rate change is being driven by rising medical care costs, which are expected to continue through the remainder of 2021 and throughout 2022 as a result of both higher utilization and the increasing cost of healthcare services. These upward impacts are being offset by improvements in the morbidity of the population within HHIC's ACA products.

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.