Aetna Health, Inc. (and AHIC) – Small Group Plans
Rate request filing ID # AETN-130533489 & AETN-130533478 - 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: 32%
Range of requested rate change: -18% to 154%
Effective date: January 1, 2017
People impacted: 10,431
Available in: All rating areas, statewide

Key information
Jan. 2015-Dec. 2015 financial experience

| Premiums  | $151.3M |
| Claims    | $126.9M |
| Administrative expenses | $32.8M |
| Company made (before taxes) | -$8.4M |

The company expects its annual medical costs to increase 10%.

Explanation of requested rate change
Medical costs are going up, and we are changing our rates to reflect this increase. Medical costs go up for two reasons – providers raise their prices and members get more medical care. Rate increases differ by plan. The exact rate change depends on what benefit plan the group chooses, where the group is located, when the group’s contract renews, and the ages and family sizes of enrolling employees. Rates charged to employees also depend upon any change in the amount of premium paid by the employer.

The components of this rate change are as follows:

- The change in normalized allowed claims is worth 20%
- The change in allowable plan adjusted level components is worth 4%
- The change in retention components is worth 8%