

## Geisinger Quality Options – Individual Plans

Rate request filing ID # GSHP-131024096 - 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

Initial requested average rate change:	8.8% <sup>1</sup>
Revised requested average rate change:	-11.6% <sup>1</sup>
Range of requested rate change:	-11.6%
Effective date:	1/1/2018
People impacted:	361
Available in:	Rating areas 2, 3, 5, and 6

### Key information

#### Jan. 2016-Dec. 2016 financial experience

Premiums	\$48,545,384
Claims	\$48,029,046
Administrative expenses	\$4,394,444
Taxes & fees	\$2,653,948
Company made (after taxes)	<b>\$(6,532,054)</b>

#### How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2018:

Claims:	82.81%
Administrative:	5.84%
Taxes & fees:	6.35%
Profit:	5.00%

The company expects its annual medical costs to increase 8.7%.

### Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate decrease of -11.6% for Individual PPO members renewing in the Marketplace effective January 1, 2018 through December 1, 2018. The proposed overall rate decrease is uniform by plan due to only one plan being offered in 2018. The key driver of this decrease is the change in morbidity of the ACA population. The total projected 2018 administrative costs are slightly higher than those used for the current 2017 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 2018.

<sup>1</sup>The initial requested average rate change shows the average rate change when the filing was initially made in May. Based on revisions made in the course of the Department's review and information released by the federal government in July on the impact of a federal program called risk adjustment, the insurer may have revised the rate filing, resulting in a revised requested average rate change.