# Highmark Benefits Group (HBG) – Small Group Plans

Rate request filing ID # HGHM-131014789 - 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: | 5.50%[1] |
| Revised requested average rate change: | N/A[1] |
| Range of requested rate change: | -1.3% to 19.4% |
| Effective date: | January 1, 2018 |
| People impacted: | 5,081 |
| Available in: | Regions 6, 7, 9 |

## Key information

**Jan. 2016-Dec. 2016 financial experience**

| | |
|---|---|
| Premiums | $43,166,384 |
| Claims | $36,522,411 |
| Administrative expenses | $4,813,667 |
| Taxes & fees | $895,870 |
| Company made (after taxes) | **$934,436** |

The company expects its annual medical costs to increase **9.8%**.

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

| | |
|---|---|
| Claims: | 87.37**%** |
| Administrative: | 9.20**%** |
| Taxes & fees: | 3.43% |
| Profit: | 0.00**%** |

## Explanation of requested rate change

The proposed increases are being driven by increases in taxes and fees as well as rising medical care costs, which are expected to continue through the remainder of 2017 and throughout 2018 as a result of both higher utilization and increasing cost of healthcare services.

[1]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.