

SERFF Tracking #:

GSHP-131501956

State Tracking #:

GSHP-131501956

Company Tracking #:

ACTUARIAL GHP INDIV

State:

Pennsylvania

Filing Company:

Geisinger Health Plan

TOI/Sub-TOI:

H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense

Product Name:

HMO/POS

Project Name/Number:

GHP Individual/

Supporting Document Schedules

Satisfied - Item:	ACA Rate Change Request Summary
Comments:	
Attachment(s):	Rate_Change_Request_GHP_Indiv 20180717.pdf
Item Status:	
Status Date:	

Attachment I

Rate Change Summary

Geisinger Health Plan – Individual Plans

Rate request filing ID # GSHP- GSHP-131501956 - 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:	7.9% ¹
Revised requested average rate change:	5.1% ¹
Range of requested rate change:	-5.0% – 12.4%
Effective date:	1/1/2019
People impacted:	60,505
Available in:	Rating areas 2, 3, 5, 6, 7, 8, and 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$315,393,976
Claims	\$223,937,677
Administrative expenses	\$20,860,984
Taxes & fees	\$16,846,683
Company made (after taxes)	\$53,748,632

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2019:

Claims:	89.78%
Administrative:	4.92%
Taxes & fees:	3.30%
Profit:	2.00%

The company expects its annual medical costs to increase **8.2%**.

Explanation of requested rate change

Geisinger Health Plan has proposed an overall base rate increase of 5.1% for Individual HMO/POS members renewing in the Marketplace effective January 1, 2019 through December 1, 2019. The actual range of proposed rate increases vary from a minimum of -5.0% to a maximum of 12.4%. The key drivers of this increase are the increase in morbidity of the ACA population, annual claims trend, changes in the federal risk adjustment program, potential changes to the cost-sharing reduction program and the enforcement of the individual mandate. The total projected 2019 administrative costs are lower than those used for the current 2018 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 2019.

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.