

**SERFF Tracking #:**

GSHP-131501975

**State Tracking #:**

GSHP-131501975

**Company Tracking #:**

ACTUARIAL GQO INDIV

**State:**

Pennsylvania

**Filing Company:**

Geisinger Quality Options

**TOI/Sub-TOI:**

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

**Product Name:**

PPO

**Project Name/Number:**

GQO Indiv/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	ACA Rate Change Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	Rate_Change_Request_GQO_Indiv 20180717.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

# **Attachment I**

# Rate Change Summary

## Geisinger Quality Options – Individual Plans

Rate request filing ID # GSHP-131501975 - 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:	13.2% <sup>1</sup>
Revised requested average rate change:	13.2% <sup>1</sup>
Range of requested rate change:	13.2-13.2%
Effective date:	1/1/2019
People impacted:	277
Available in:	Rating areas 2, 3, 5, 6, 7, 8, and 9

### Key information

#### Jan. 2017-Dec. 2017 financial experience

Premiums	\$9,528,452
Claims	\$6,526,336
Administrative expenses	\$1,027,183
Taxes & fees	\$469,417
Company made (after taxes)	<b>\$1,505,516</b>

#### How it plans to spend your premium

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

Claims:	92.23%
Administrative:	4.87%
Taxes & fees:	4.20%
Profit:	2.00%

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

### Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate increase of 13.2% for Individual PPO members renewing in the Marketplace effective January 1, 2019 through December 1, 2019. The proposed overall rate increase is uniform by plan due to only one plan being offered in 2018. The key drivers of this increase are the change in morbidity of the ACA population, the potential changes to the cost-sharing reduction program and the enforcement of the individual mandate. The total projected 2019 administrative costs are slightly less 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.

<sup>1</sup> 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.