

State: Pennsylvania Filing Company: Geisinger Quality Options
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only
Product Name: PPO
Project Name/Number: GQO SG/

Supporting Document Schedules

Satisfied - Item:	ACA Rate Change Request Summary
Comments:	
Attachment(s):	Rate_Change_Request_GQO_SG 20180514.pdf
Item Status:	
Status Date:	

Attachment I

Rate Change Summary

Geisinger Quality Options – Small Group Plans

Rate request filing ID # GSHP-131502028 - 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:	2.7% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-8.6% - 10.9%
Effective date:	1/1/2019
People impacted:	14,640
Available in:	Rating areas 2, 3, 5, 6, 7, and 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$118,892,874
Claims	\$101,406,540
Administrative expenses	\$15,107,848
Taxes & fees	\$1,007,440
Company made (after taxes)	\$1,371,045

How it plans to spend your premium

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

Claims:	88.48%
Administrative:	7.26%
Taxes & fees:	2.26%
Profit:	2.00%

The company expects its annual medical costs to increase **8.3%**.

Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate increase of 2.7% for Small Group PPO 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 -8.6% to a maximum of 10.9%. The key drivers of this increase are the annual claims, changes to the risk adjustment, adjustments made to accurately reflect cost sharing. The total projected 2019 administrative costs are approximately the same as 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.