

Attachment 1

2019 ACA-Compliant Health Insurance Rate Filing Guidance

Pennsylvania Insurance Department

May 21, 2018

Highmark Benefits Group (HBG) – Small Group Plans

Rate request filing ID # **HGHM-131496086**- 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:	5.14% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	4.2% to 5.9%
Effective date:	January 1, 2019
People impacted:	5,114
Available in:	Regions 6, 7, 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$33,038,240
Claims	\$29,938,251
Administrative expenses	\$3,320,782
Taxes & fees	\$8,271
Company made (after taxes)	(\$229,064)

The company expects its annual medical costs to increase **9.4%**.

How it plans to spend your premium

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

Claims:	87.90%
Administrative:	10.57%
Taxes & fees:	1.53%
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 2018 and throughout 2019 as a result of both higher utilization and increasing cost of healthcare services.

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.