

Rate Change Summary

Highmark Choice Company – Individual Plans

Rate request filing ID # 1A-DP-18-HCC (SERFF Filing # HGHM-131475734)- 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:	5.9% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-38.0% to 23.5%
Effective date:	January 1, 2019
People impacted:	5,131
Available in:	1,4

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$1,629,471
Claims	\$1,660,962
Administrative expenses	\$99,719
Taxes & fees	\$504
Company made (after taxes)	(\$131,714)

How it plans to spend your premium

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

Claims:	88%
Administrative:	10%
Taxes & fees:	2%
Profit:	0%

The company expects its annual medical costs to increase **8.58%**.

Explanation of requested rate change

The proposed increases are being driven by the rising costs in medical and pharmacy services observed in the Individual market. The expanded HMO product offering, which is expected to result in lower claim costs, is also affecting the average and range of rate increases.

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.