

Rate Change Summary

Highmark Health Insurance Company – Individual Plans

Rate request filing ID # 1A-DP-18-HHIC (SERFF # HGHM-131475752) - 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:	-5.2% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-25.0% to 8.9%
Effective date:	January 1, 2019
People impacted:	17,118
Available in:	1, 2, 4, 5, 6, 7, and 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$242,612,542
Claims	\$180,093,209
Administrative expenses	\$15,491,136
Taxes & fees	\$11,052,160
Company made (after taxes)	\$35,976,037

How it plans to spend your premium

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

Claims:	87%
Administrative:	8%
Taxes & fees:	5%
Profit:	0%

The company expects its annual medical costs to increase **9.5%**.

Explanation of requested rate change

These premium rates are being set at a level that is required to adequately cover rising costs, primarily due to increasing medical and pharmacy services in the Individual market. The unanticipated financial gains realized in 2017, which followed three years of significant financial losses, are not indicative of future performance.

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.