

SERFF Tracking #:

INAC-131478429

State Tracking #:

INAC-131478429

Company Tracking #:

QCC SMALL GROUP 1-1-2019

State:

Pennsylvania

Filing Company:

QCC Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only

Product Name:

QCC Small Group PPO effective 1-1-2019

Project Name/Number:

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	ACA Rate Change Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	2019 QCC SG Rate Change Request Summary IBC0621.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

# Rate Change Summary

## QCC Insurance Company, Inc. – Small Group Plans

Rate request filing ID INAC-131478429 - 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:	5.1% <sup>1</sup>
Revised requested average rate change:	N/A <sup>1</sup>
Range of requested rate change:	1.1% – 13.1%
Effective date:	January 1, 2019
People impacted:	71,487
Available in:	Area 8

### Key information

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

Premiums	\$502,676,761
Claims	\$376,306,622
Administrative expenses	\$46,231,193
Taxes & fees	\$28,952,284
Company made (after taxes)	<b>\$51,186,662</b>

#### How it plans to spend your premium

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

Claims:	80%
Administrative:	15%
Taxes & fees:	3%
Profit:	2%

The company expects its annual medical costs to increase **6.3%**.

### Explanation of requested rate change

QCC Insurance Company ("QCC") is revising premium rates for the Pennsylvania Small Group ACA compliant products, effective from January 1, 2019.

About 71,000 members will be affected.

#### Financial Experience of the Product:

QCC is required by federal law to pay out a minimum of 80% percent of premium dollars for medical claims—this is referred to as the minimum Medical Loss Ratio (MLR). The rate action proposed in this filing is expected to achieve a Medical Loss Ratio of greater than 80%.

<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.

#### Changes in Medical Service Costs:

Premium rates for health care insurance are increasing as the cost of health care service rise. Health care service costs increase as health care providers increase their fees, members use more health care services and supplies, and the types of health care services and supplies change, among other factors.

We are projecting that claims will increase by 6.3% in 2019. Nearly half of the change in health care service costs is driven by changes to health care provider fees.

#### Changes in Benefits:

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

#### Administrative Costs:

In addition, the Affordable Care Act (ACA) imposes taxes and other levies.