Attachment I

Rate Change Summary

Geisinger Health Plan – Small Group Plans

Rate request filing ID # GSHP-131915715 - 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:	15.8%[1]
Revised requested average rate change:	14.5[1]
Range of requested rate change:	12.6% - 18.9%
Effective date:	1/1/2020
Mapped Members:	1,325
Available in:	Rating Areas 2, 3, 5, 6, 7 and 9

Key information

Jan. 2018-Dec. 2018 financial experience

Premiums	$6,674,375
Claims	$7,099,745
Administrative expenses	$672,050
Taxes & fees	$342,507
Company made (after taxes)	**-$1,439,927**

How it plans to spend your premium
This is how the insurance company plans to spend the premium it collects in 2020:

Claims:	88.8**%**
Administrative:	8.2**%**
Taxes & fees:	1.0%
Profit:	2.0**%**

The company expects its annual medical costs to increase **7.85%**.

Explanation of requested rate change

Geisinger Health Plan has proposed an overall base rate increase of 14.5% for Small Group HMO/POS members renewing effective January 1, 2020 through December 1, 2020. The actual range of proposed rate increases vary from a minimum of 12.6% to a maximum of 18.9%. The key drivers of this increase are the change in base period claims and change in Network. The total projected 2020 administrative costs are slightly higher than those used for the current 2019 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 2020 to maintain the desired metallic level.

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[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.