

Rate Change Summary

Highmark, Inc. – Small Group Plans

Rate request filing ID #HGHM-131937189 - 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:	6.55% ¹
Revised requested average rate change:	6.67% ¹
Range of requested rate change:	5.34% to 11.58%
Effective date:	January 1, 2020
Mapped Members:	10,590
Available in:	Rating Areas 1,2,4,5,6,7,9

Key information

Jan. 2018-Dec. 2018 financial experience

Premiums	\$64,910,491
Claims	\$61,774,135
Administrative expenses	\$8,116,855
Taxes & fees	\$1,311,584
Company made (after taxes)	(\$6,292,083)

How it plans to spend your premium

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

Claims:	87.2%
Administrative:	10.0%
Taxes & fees:	2.8%
Profit:	0.0%

The company expects its annual medical costs to increase **8.50%**.

Explanation of requested rate change

The proposed increases are being driven by rising medical care costs, which are expected to continue through the remainder of 2019 and throughout 2020 as a result of both higher utilization and the increasing cost of healthcare services, and the underlying morbidity of the population within Highmark's ACA products.

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.