

Attachment I

Rate Change Summary

Geisinger Quality Options – Individual Plans

Rate request filing ID # GSHP-132364636 - 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:	-13.6%
Revised requested average rate change:	NA
Range of requested rate change:	-24.6% to 5.0%
Effective date:	1/1/2021
Mapped Members:	3,476
Available in:	Rating Areas 2, 3, 5, 6, 7 and 9

Key information

Jan. 2019-Dec. 2019 financial experience

Premiums	\$ 39,206,788
Claims	\$ 27,414,218
Administrative expenses	\$ 3,397,455
Taxes & fees	\$ 2,315,815
Company made (after taxes)	\$ 6,079,301

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2021:

Claims:	86.5%
Administrative:	8.0%
Taxes & fees:	3.5%
Profit:	2.0%

The company expects its annual medical costs to increase **9.49%**.

Explanation of requested rate change

Geisinger Quality Options has proposed an overall base rate decrease of -13.6% for Individual PPO members renewing in the Marketplace effective January 1, 2021 through December 1, 2021. The actual range of proposed rate changes vary from a minimum of -24.6% to a maximum of 5.0%. The key drivers of this decrease are changes in the expected morbidity of the population, risk adjustment, the implementation of the state-based reinsurance program, changes to pricing AVs, and the changes to the induced demand calculation. The total projected 2021 administrative costs are slightly higher than those used for the current 2020 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 2021 to maintain the desired metallic level.