

Rate Change Summary

Highmark Coverage Advantage (HCA) – Small Group Plans

Rate request filing ID # HGHM-132831330 - 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 <https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx>

Overview

Initial requested average rate change:	-3.17% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-5.91% to -0.94%
Effective date:	January 1, 2022
Mapped Members:	2,221
Available in:	Rating Areas 1, 2, 4, 5, 6

Key information

Jan. 2020-Dec. 2020 financial experience

Premiums	\$16,280,073
Claims	\$11,571,774
Administrative expenses	\$1,633,854
Taxes & fees	\$9,932
Company made (after taxes)	\$3,064,512

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2022:

Claims:	90.2%
Administrative:	9.7%
Taxes & fees:	0.1%
Profit:	0.0%

The company expects its annual medical costs to increase **7.65%**.

Explanation of requested rate change

The proposed rate change is being driven by a re-evaluation of projected medical care costs, driven by the disruption in health care services stemming from the COVID pandemic. Medical costs are projected to be lower in 2022 than what was initially projected for 2021, with the decrease partially offset by an increase in administrative expenses.

¹ Note that the Initial requested average rate change reflects the insurer's rate change request, in July, after they have received updated information about the impact of a federal program called risk adjustment and finalization of the reinsurance program parameters.