

## UPMC Health Coverage, Inc. – Small Group Plans

Rate request filing ID # UPMC-131034854 - 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:	-2.61% <sup>1</sup>
Revised requested average rate change:	-2.33% <sup>1</sup>
Range of requested rate change:	-5.87% to 0.21%
Effective date:	1/1/2018
People impacted:	4,725
Available in:	1, 2, 4, 5

### Key information

#### Jan. 2016-Dec. 2016 financial experience

Premiums	\$	14,794,974
Claims	\$	13,789,143
Administrative expenses	\$	1,956,513
Taxes & fees	\$	508,153
<b>Company made (after taxes)</b>	<b>\$</b>	<b>(1,458,835)</b>

#### How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2018:

Claims:	86.47%
Administrative:	12.10%
Taxes & fees:	3.43%
Profit:	-2.00%

The company expects its annual medical costs to increase by approximately 2.54% for 2018.

### Explanation of requested rate change

Despite higher cost and utilization of medical services each year and the return of the Health Insurance Tax in 2018, a decrease in rates has been requested due to lessen the likelihood of owing MLR rebates for this product in the Small Group market.

<sup>1</sup> The initial requested average rate change shows the average rate change when the filing was initially made in May. Based on revisions made in the course of the Department's review and information released by the federal government in July on the impact of a federal program called risk adjustment, the insurer may have revised the rate filing, resulting in a revised requested average rate change.