

# Rate Request Summary Documents as of 8/26/2020

## Individual and Small Group ACA Market

### Plan Year 2021

Health insurers offering plans in the individual and small group health insurance markets are required to file a Health Insurance Rate Request Summary. The summary document is prepared by the carrier to help explain the requested rate change. Please note that some summaries are multiple pages for a carrier. These documents can be found for each rate filing under SERFF Filing Access at <https://scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

#### **Glossary of Terms:**

<b>Medical Cost (Trend):</b>	The change in the cost and usage of health care services.
<b>Morbidity:</b>	The change in the average health status of enrollees.
<b>Demographics:</b>	The change in average age and gender of enrollees, as well as area changes.
<b>Network:</b>	The change in the composition and reimbursement rates of the carrier's provider network.
<b>Benefits:</b>	The change in the coverage and cost-sharing elements of the carrier's plan offerings.

# **INDIVIDUAL MARKET**

## Rate Change Request Summary

**Carrier Name and NAIC#:** CareFirst BlueChoice, Inc. (NAIC# 96202) **Market:** Individual

**Rate request SERFF Tracking #:** CFAP-132321507 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: -9.7 %  
 Current Requested Average Rate Change: -9.7 %  
 Range of Requested Rate Change: -12.0% to 0.7 %  
 Projected Number of Insureds Affected: 4,804

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>N/A</u>
Area 2 (Charlottesville)	<u>N/A</u>
Area 3 (Danville)	<u>N/A</u>
Area 4 (Harrisonburg)	<u>N/A</u>
Area 5 (Bristol)	<u>N/A</u>
Area 6 (Lynchburg)	<u>N/A</u>
Area 7 (Richmond)	<u>N/A</u>
Area 8 (Roanoke)	<u>N/A</u>
Area 9 (Tidewater)	<u>N/A</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>N/A</u>
Area 12 (Non-MSA)	<u>N/A</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021 :

Claims: 81.6 %  
 Administrative: 14.3 %  
 Taxes and fees: 2.5 %  
 Profit: 1.6 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 6.50%  
 Change in Morbidity: 22.62%  
 Change in Demographics: -1.30%  
 Change in Network: 0.00%  
 Change in Benefits: 0.34%  
 Change in Other (explain below): 1.59%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The main drivers supporting the rate change are an increase in the base period claims experience, lower projected risk adjustment factor, and lower projected morbidity.

Note that what this template labels as "profit" is called "contribution to reserve" in our rate filing.

The change in other projected in this rate filing is due to changes in capitation payments and drug rebates that occurred during the experience period.

# Rate Change Request Summary

**Carrier Name and NAIC#:** Cigna Health & Life Insurance Company, 67369 **Market:** Virginia

**Rate request SERFF Tracking #:** CCGH-13234099 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/01/21  
Initial Requested Average Rate Change: -7.85 %  
Current Requested Average Rate Change: -11.7 %  
Range of Requested Rate Change: -16.% to -10.%  
Projected Number of Insureds Affected: 76,000

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	_____
Area 2 (Charlottesville)	_____
Area 3 (Danville)	_____
Area 4 (Harrisonburg)	_____
Area 5 (Bristol)	_____
Area 6 (Lynchburg)	_____
Area 7 (Richmond)	<u>0.978</u>
Area 8 (Roanoke)	_____
Area 9 (Tidewater)	_____
Area 10 (Northern VA)	<u>1.011</u>
Area 11 (Winchester)	<u>1.027</u>
Area 12 (Non-MSA)	_____

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 78.8 %  
Administrative: 11.5 %  
Taxes and fees: 6.2 %  
Profit: 3.5 %

### Factors of Rate Change

Medical Cost (Trend) Change: 1.044  
Change in Morbidity: 1.007  
Change in Demographics: 1.016  
Change in Network: 1.000  
Change in Benefits: 0.999  
Change in Other (explain below): 0.987

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

### 1. GENERAL INFORMATION

Cigna Health & Life Insurance Company (CHLIC) is filing rates for comprehensive major medical product 41921VA002 for individuals & families, to be effective January 1, 2021 through December 2021. These plans are attached to an existing product that has been submitted under policy form filing VAINDEPO04172020. The proposed weighted average annual rate change for this filing is -11.7%.

### 2. KEY DRIVERS OF PROPOSED RATE CHANGE

The most significant factors causing the rate increase are:

- COVID-19 pandemic impact: CHLIC estimates that healthcare costs in the individual market will increase by 1% in 2021 compared to the pre-pandemic expectation for 2020 due to continued COVID-19 treatment costs, pent up demand for medical services, and expected vaccination costs.
- Medical inflation and unit cost changes of medical services year over year: The underlying claim costs are expected to increase from 2020 to 2021, which is reflective of anticipated changes in the prices of medical

## Rate Change Request Summary

**Carrier Name and NAIC#:** Group Hospitalization & Medical Services, Inc. (NAIC# 406) **Market:** Individual

**Rate request SERFF Tracking #:** CFAP-132321514 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 5.2 %  
Current Requested Average Rate Change: 5.2 %  
Range of Requested Rate Change: 5.1 % to 5.4 %  
Projected Number of Insureds Affected: 1,031

### Rating Areas Plans will be offered

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>N/A</u>
Area 2 (Charlottesville)	<u>N/A</u>
Area 3 (Danville)	<u>N/A</u>
Area 4 (Harrisonburg)	<u>N/A</u>
Area 5 (Bristol)	<u>N/A</u>
Area 6 (Lynchburg)	<u>N/A</u>
Area 7 (Richmond)	<u>N/A</u>
Area 8 (Roanoke)	<u>N/A</u>
Area 9 (Tidewater)	<u>N/A</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>N/A</u>
Area 12 (Non-MSA)	<u>N/A</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 90.5 %  
Administrative: 3.7 %  
Taxes and fees: 4.1 %  
Profit: 1.7 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 6.50%  
Change in Morbidity: 49.64%  
Change in Demographics: 2.41%  
Change in Network: 0.00%  
Change in Benefits: 0.00%  
Change in Other (explain below): 1.39%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The main drivers supporting the rate change are an increase in the base period claims experience, lower projected risk adjustment factor, and lower projected morbidity.

Note that what this template labels as "profit" is called "contribution to reserve" in our rate filing.

The change in other projected in this rate filing is due to changes in capitation payments and drug rebates that occurred during the experience period.

# Rate Change Request Summary

**Carrier Name and NAIC#:** Anthem HealthKeepers, Inc. #95169 **Market:** Individual

**Rate request SERFF Tracking #:** AWLP-13232982 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 1.4 %  
Current Requested Average Rate Change: -7.7 %  
Range of Requested Rate Change: -9.4% to -6.1%  
Projected Number of Insureds Affected: 112191

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.1245</u>
Area 2 (Charlottesville)	<u>1.0460</u>
Area 3 (Danville)	<u>0.9925</u>
Area 4 (Harrisonburg)	<u>1.0533</u>
Area 5 (Bristol)	<u>0.9923</u>
Area 6 (Lynchburg)	<u>1.0465</u>
Area 7 (Richmond)	<u>0.9448</u>
Area 8 (Roanoke)	<u>1.0470</u>
Area 9 (Tidewater)	<u>0.9959</u>
Area 10 (Northern VA)	<u>0.9940</u>
Area 11 (Winchester)	<u>1.0192</u>
Area 12 (Non-MSA)	<u>0.9928</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 82.2 %  
Administrative: 9.0 %  
Taxes and fees: 4.4 %  
Profit: 4.4 %

### Factors of Rate Change

Medical Cost (Trend) Change: 7.4%  
Change in Morbidity: -2.5%  
Change in Demographics: -0.4%  
Change in Network: 0.0%  
Change in Benefits: 0.0%  
Change in Other (explain below): -12.1%

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Anthem HealthKeepers is filing for a decrease to rates available for new and renewing individuals for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans on and off exchange, and the rate increase would be effective starting January 1, 2021.

The overall decrease is 7.7%. At the individual plan level, rate decreases range from -6.1% to -9.4%. A member's actual rate could be higher or lower depending on their age and benefit design. The primary drivers of premium increases are associated with increased cost of benefit expense, driven by increases in the price of services and increased utilization. Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member-level utilization and selection patterns in the market. Morbidity is another contributing factor, which is due to the projected sickness level (separate from aging) in the population. The 'other' negative amount is mostly due to favorable claim experience, the implementation of cost-containment initiatives, and the elimination of the Health Insurer Fee in 2021.

Anthem is committed to working to hold down the cost of insurance and price the individual ACA market for long-term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals. And we provide members with tools to make informed decisions about where and how to receive treatment. Despite these efforts to moderate the cost of insurance, the projected cost of benefit expense in the market indicates a need for the premium increases filed.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Kaiser Foundation Health Plan of the Mid-Atlantic States **Market:** Individual

**Rate request SERFF Tracking #:** KPMA-13236706 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 01/01/2021  
 Initial Requested Average Rate Change: -13.0 %  
 Current Requested Average Rate Change: -13.0 %  
 Range of Requested Rate Change: -19.% to -9.8%  
 Projected Number of Insureds Affected: 30173

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>N/A</u>
Area 2 (Charlottesville)	<u>N/A</u>
Area 3 (Danville)	<u>N/A</u>
Area 4 (Harrisonburg)	<u>N/A</u>
Area 5 (Bristol)	<u>N/A</u>
Area 6 (Lynchburg)	<u>N/A</u>
Area 7 (Richmond)	<u>1.000</u>
Area 8 (Roanoke)	<u>N/A</u>
Area 9 (Tidewater)	<u>N/A</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>N/A</u>
Area 12 (Non-MSA)	<u>1.000</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 88.7 %  
 Administrative: 9.3 %  
 Taxes and fees: 2.6 %  
 Profit: -0.6 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 2.4%  
 Change in Morbidity: -2.7%  
 Change in Demographics: 2.0%  
 Change in Network: 0.0%  
 Change in Benefits: 0.0%  
 Change in Other (explain below): 0.0%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Two plans will be discontinued and four new plans will be offered. For the renewing plans, primary factors that affect the rate change are:

- Claims experience of the single risk pool different than projected in the previous year.
- Medical inflation including increases in unit cost per service and utilization of services.
- Changes in population morbidity including impacts due to Medicaid Expansion eligible enrollment leaving the pool and Non-Enforcement of the Individual Mandate.
- Risk adjustment transfer payments into the statewide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value ("AV") requirements.

This results in varying rate changes by plan.

- Changes in CSR defunding loads related to changes in the distribution of subsidy eligible members across plans. The CSR defunding load result in varying rate changes between on exchange Silver plans and other plans.

The proposed average rate change is -13.0%. The average rate change does not indicate that every member's rate will change by this amount as rates are affected by the ages of those covered and benefits chosen. Proposed rate change by plan can be found in the Virginia Rate Template, Schedule V Plan Rates.



## Rate Change Request Summary

**Carrier Name and NAIC#:** Optima Health Insurance Company 70715      **Market:** Individual

**Rate request SERFF Tracking #:** OPHL-13236991. This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 1.1 %  
 Current Requested Average Rate Change: -2.03 %  
 Range of Requested Rate Change: -2.0% to -2.0%  
 Projected Number of Insureds Affected: 0

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>NA</u>
Area 2 (Charlottesville)	<u>NA</u>
Area 3 (Danville)	<u>NA</u>
Area 4 (Harrisonburg)	<u>NA</u>
Area 5 (Bristol)	<u>NA</u>
Area 6 (Lynchburg)	<u>NA</u>
Area 7 (Richmond)	<u>NA</u>
Area 8 (Roanoke)	<u>NA</u>
Area 9 (Tidewater)	<u>1.000</u>
Area 10 (Northern VA)	<u>NA</u>
Area 11 (Winchester)	<u>NA</u>
Area 12 (Non-MSA)	<u>NA</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 80.8 %  
 Administrative: 9.6 %  
 Taxes and fees: 4.4 %  
 Profit: 5.3 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 9.0%  
 Change in Morbidity: 0.0%  
 Change in Demographics: 0.2%  
 Change in Network: 0.0%  
 Change in Benefits: -3.2%  
 Change in Other (explain below): -7.4%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

This submission is for rate revisions, effective January 1, 2021, to existing OHIC individual medical ACA-compliant products, as presented by HIOS Plan ID in the applicable line of Worksheet 2 in the URRT. The proposed rate change from the most recently approved rates effective January 1, 2020 is a decrease of 2.0%. The cumulative average rate change over the past 12 months is the same since the most recently approved rates were effective January 1, 2020.

The proposed rate revision reflects consideration of the impact of a number of factors, including:

- Anticipated medical cost and utilization trends
- Historical experience for OHIC and its affiliated entity, Optima Health Plan (OHP)
- Consideration for anticipated changes in the average morbidity of the covered population
- Expected cost changes related to the COVID-19 pandemic

Changes to reflect the applicable provisions of corporate income and ACA-related taxes and fees for 2021

## Rate Change Request Summary

**Carrier Name and NAIC#:** Optima Health Plan 95281 **Market:** Individual

**Rate request SERFF Tracking #:** OPHL-13236989 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 11.1 %  
 Current Requested Average Rate Change: 7.699 %  
 Range of Requested Rate Change: -2.0% to 13.2%  
 Projected Number of Insureds Affected: 38077

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>NA</u>
Area 2 (Charlottesville)	<u>1.023</u>
Area 3 (Danville)	<u>NA</u>
Area 4 (Harrisonburg)	<u>1.023</u>
Area 5 (Bristol)	<u>NA</u>
Area 6 (Lynchburg)	<u>NA</u>
Area 7 (Richmond)	<u>1.023</u>
Area 8 (Roanoke)	<u>NA</u>
Area 9 (Tidewater)	<u>1.000</u>
Area 10 (Northern VA)	<u>NA</u>
Area 11 (Winchester)	<u>NA</u>
Area 12 (Non-MSA)	<u>1.023</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.9 %  
 Administrative: 9.6 %  
 Taxes and fees: 3.1 %  
 Profit: 5.5 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 9.0%  
 Change in Morbidity: -4.0%  
 Change in Demographics: 0.2%  
 Change in Network: 3.9%  
 Change in Benefits: -1.4%  
 Change in Other (explain below): 0.3%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Rate revisions to existing OHP individual medical ACA-compliant products, as presented by HIOS Plan ID in the applicable line item of Worksheet 2 in the URRT. The average proposed rate change across all plans from the most recently approved rates effective January 1, 2020, is an increase of 7.7%. The cumulative average rate change over the past 12 months is the same, since the most recently approved rates were effective January 1, 2020. Please note, the average rate change includes any changes for members that are in terminating plans and mapped into a plan that will be available in 2021, as applicable.

Proposed premiums for new individual benefit plans to be available for sale effective January 1, 2021. To the extent that current membership on terminating plans are proposed to be mapped into one of the new plans, the applicable rate change is illustrated in the URRT and included in the previously noted average. Note, there is no such mapping proposed for 2021.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Optimum Choice, Inc. **Market:** Individual

**Rate request SERFF Tracking #:** UHLC-13237859 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: \_\_\_\_\_ %  
 Current Requested Average Rate Change: \_\_\_\_\_ %  
 Range of Requested Rate Change: \_\_\_\_\_ % to \_\_\_\_\_ %  
 Projected Number of Insureds Affected: \_\_\_\_\_

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	_____
Area 2 (Charlottesville)	_____
Area 3 (Danville)	_____
Area 4 (Harrisonburg)	_____
Area 5 (Bristol)	_____
Area 6 (Lynchburg)	_____
Area 7 (Richmond)	_____
Area 8 (Roanoke)	_____
Area 9 (Tidewater)	_____
Area 10 (Northern VA)	<u>0.859</u>
Area 11 (Winchester)	<u>0.938</u>
Area 12 (Non-MSA)	_____

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 82.1 %  
 Administrative: 9.8 %  
 Taxes and fees: 4.4 %  
 Profit: 3.6 %

#### Factors of Rate Change

Medical Cost (Trend) Change: \_\_\_\_\_  
 Change in Morbidity: \_\_\_\_\_  
 Change in Demographics: \_\_\_\_\_  
 Change in Network: \_\_\_\_\_  
 Change in Benefits: \_\_\_\_\_  
 Change in Other (explain below): \_\_\_\_\_

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

n/a

# Rate Change Request Summary

**Carrier Name and NAIC#:** Oscar Insurance Company 15777 **Market:** Individual

**Rate request SERFF Tracking #:** OHIN-VA21-125 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

**Overview**

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 9.9 %  
 Current Requested Average Rate Change: 2.2 %  
 Range of Requested Rate Change: -5.0% to 7.1 %  
 Projected Number of Insureds Affected: 721

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	_____
Area 2 (Charlottesville)	_____
Area 3 (Danville)	_____
Area 4 (Harrisonburg)	_____
Area 5 (Bristol)	_____
Area 6 (Lynchburg)	_____
Area 7 (Richmond)	<u>1.00</u>
Area 8 (Roanoke)	_____
Area 9 (Tidewater)	_____
Area 10 (Northern VA)	_____
Area 11 (Winchester)	_____
Area 12 (Non-MSA)	_____

**Key information**

**Breakdown of premium**

This is how the carrier plans to spend the premium collected in plan year 2021 :

Claims: 84.8 %  
 Administrative: 8.6 %  
 Taxes and fees: 5.6 %  
 Profit: 1.0 %

**Factors of Rate Change**

Medical Cost (Trend) Change: 1.087  
 Change in Morbidity: .693  
 Change in Demographics: 1.028  
 Change in Network: 1.191  
 Change in Benefits: .999  
 Change in Other (explain below): 1.032

**Explanation of requested rate change**

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The significant factors driving the proposed rate change include the following:

**Medical and Prescription Drug Inflation and Utilization Trends**  
 The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

**Administrative Expenses, Taxes and Fees, and Risk Margin**  
 Changes to the overall premium level are needed because of required changes in federal and state taxes and fees. In addition, there are anticipated changes in both administrative expenses and targeted risk margin.

**Prospective Benefit Changes**  
 Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

**Changes in Conversion Factor**  
 The distribution of contracts anticipated for 2021 plan year varies from those in 2020 premium rates.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Piedmont Community Healthcare HMO, Inc. NAIC# 15791 **Market:** Individual

**Rate request SERFF Tracking #:** PDHP-13230208: This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 01/01/2021  
 Initial Requested Average Rate Change: -3.4 %  
 Current Requested Average Rate Change: -3.4 %  
 Range of Requested Rate Change: -20.0 % to 1.4 %  
 Projected Number of Insureds Affected: 6000

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>                    </u>
Area 2 (Charlottesville)	<u>1.0605</u>
Area 3 (Danville)	<u>1.1578</u>
Area 4 (Harrisonburg)	<u>                    </u>
Area 5 (Bristol)	<u>                    </u>
Area 6 (Lynchburg)	<u>1.0000</u>
Area 7 (Richmond)	<u>                    </u>
Area 8 (Roanoke)	<u>                    </u>
Area 9 (Tidewater)	<u>                    </u>
Area 10 (Northern VA)	<u>                    </u>
Area 11 (Winchester)	<u>                    </u>
Area 12 (Non-MSA)	<u>1.0921</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 77.92%  
 Administrative: 21.98%  
 Taxes and fees: 0.10 %  
 Profit 0.00 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 1.019  
 Change in Morbidity: 0.929  
 Change in Demographics: 1.000  
 Change in Network: 1.003  
 Change in Benefits: 0.995  
 Change in Other (explain below): 0.924

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Change in Plan Mix: 1.000  
 Administrative Costs Change Factor: 1.059  
 Taxes & Fees Change Factor: 0.974  
 Risk Change Factor: 1.101  
 Profit Change Factor: 0.975  
 Explanation for Other Rate Change Factor: The main driver is the better than expected experience in 2019.

# **SMALL GROUP MARKET**

# Rate Change Request Summary

**Carrier Name and NAIC#:** Aetna Health Inc., 95109 **Market:** Virginia

**Rate request SERFF Tracking #:** AETN-13231546. This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/21  
Initial Requested Average Rate Change: -2.4 %  
Current Requested Average Rate Change: -2.4 %  
Range of Requested Rate Change: -2.4% to -2.4%  
Projected Number of Insureds Affected: 20

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>0.9141</u>
Area 2 (Charlottesville)	<u>0.9289</u>
Area 3 (Danville)	<u>0.9700</u>
Area 4 (Harrisonburg)	<u>1.0200</u>
Area 5 (Bristol)	<u>0.9800</u>
Area 6 (Lynchburg)	<u>0.9700</u>
Area 7 (Richmond)	<u>0.9475</u>
Area 8 (Roanoke)	<u>0.8971</u>
Area 9 (Tidewater)	<u>0.9909</u>
Area 10 (Northern VA)	<u>0.9600</u>
Area 11 (Winchester)	<u>0.9600</u>
Area 12 (Non-MSA)	<u>0.9792</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 571.83 :

Claims: 82.86%  
Administrative: 10.1 %  
Taxes and fees: 2.3 %  
Profit: 4.74 %

### Factors of Rate Change

Medical Cost (Trend) Change: 10.3%  
Change in Morbidity: 1.01  
Change in Demographics: 0.992  
Change in Network: 1.000  
Change in Benefits: 0.991  
Change in Other (explain below): 1.024

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Other includes: Pooling, Deductible Suppression, and Rx Other Trend (1.0 in this instance).

### Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

#### A. Reason for Rate Decrease(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

## Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

### A. Reason for Rate Decrease(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

The weighted average increase across plans based on current ACA-compliant membership, inclusive of the impact of benefit and cost sharing changes, is -2.4%. The minimum increase is -2.4% and the maximum increase is -2.4%.



# Rate Change Request Summary

**Carrier Name and NAIC#:** Aetna Life Insurance Company, 60054 **Market:** Virginia

**Rate request SERFF Tracking #:** AETN-13231546: This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 17.1 %  
Current Requested Average Rate Change: 17.1 %  
Range of Requested Rate Change: 17.1% to 17.1%  
Projected Number of Insureds Affected: 28

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>0.9141</u>
Area 2 (Charlottesville)	<u>0.9289</u>
Area 3 (Danville)	<u>0.9700</u>
Area 4 (Harrisonburg)	<u>1.0200</u>
Area 5 (Bristol)	<u>0.9800</u>
Area 6 (Lynchburg)	<u>0.9700</u>
Area 7 (Richmond)	<u>0.9475</u>
Area 8 (Roanoke)	<u>0.8971</u>
Area 9 (Tidewater)	<u>0.9909</u>
Area 10 (Northern VA)	<u>0.9600</u>
Area 11 (Winchester)	<u>0.9600</u>
Area 12 (Non-MSA)	<u>0.9792</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 747.95 :

Claims: 83.76%  
Administrative: 7.58%  
Taxes and fees: 3.92%  
Profit: 4.74%

### Factors of Rate Change

Medical Cost (Trend) Change: 10.3%  
Change in Morbidity: 1.010  
Change in Demographics: 1.008  
Change in Network: 1.000  
Change in Benefits: 0.971  
Change in Other (explain below): 1.024

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Other includes: Pooling, Deductible Suppression, and Rx Other Trend (1.0 in this instance).

### A. Reason for Rate Increase(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

## Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

### A. Reason for Rate Increase(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

The weighted average increase across plans based on current ACA-compliant membership, inclusive of the impact of benefit and cost sharing changes, is 17.1%. The minimum increase is 17.1% and the maximum increase is 17.1%.

# Rate Change Request Summary

**Carrier Name and NAIC#:** Anthem Health Plans of Virginia, Inc. #71835 **Market:** Small Group

**Rate request SERFF Tracking #:** AWLP-13232983 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 2.1 %  
Current Requested Average Rate Change: 1.0 %  
Range of Requested Rate Change: -1.1% to 7.7 %  
Projected Number of Insureds Affected: 69820

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.0676</u>
Area 2 (Charlottesville)	<u>0.9414</u>
Area 3 (Danville)	<u>0.9861</u>
Area 4 (Harrisonburg)	<u>0.9979</u>
Area 5 (Bristol)	<u>1.0060</u>
Area 6 (Lynchburg)	<u>0.9690</u>
Area 7 (Richmond)	<u>1.0756</u>
Area 8 (Roanoke)	<u>1.0412</u>
Area 9 (Tidewater)	<u>1.0560</u>
Area 10 (Northern VA)	<u>0.9822</u>
Area 11 (Winchester)	<u>0.9393</u>
Area 12 (Non-MSA)	<u>1.0060</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.0 %  
Administrative: 8.7 %  
Taxes and fees: 3.9 %  
Profit: 6.3 %

### Factors of Rate Change

Medical Cost (Trend) Change: 7.5%  
Change in Morbidity: 1.4%  
Change in Demographics: 0.4%  
Change in Network: 0.0%  
Change in Benefits: -0.1%  
Change in Other (explain below): -8.3%

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Anthem Health Plans of Virginia is filing for an increase to rates available for new and renewing small groups for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans off exchange, and the rate increase would be effective starting January 1, 2021.

The overall increase is 1.0%. At the individual plan level, rate increases range from -1.1% to 7.7%. A group's actual rate could be higher or lower depending on group demographic make-up, benefit design, and the quarter in which they renew. The primary drivers of premium increases are associated with increased cost of benefit expense for this ACA-compliant block. Increased cost of benefit expense is driven by increases in the price of services primarily from hospitals, physicians and pharmacies, coupled with members increasing their use of health care services, also called "utilization". Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member-level utilization and selection patterns in the market. Morbidity is another contributing factor, which is due to the projected sickness level (separate from aging) in the population. The 'other' negative amount is mostly due to favorable claim experience, improved risk adjustment outlook, and the elimination of the Health Insurer Fee in 2021.

Anthem is committed to working to hold down the cost of insurance and price the small group ACA market for long-term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals. And we provide members with tools to make informed decisions about where and how to receive treatment. Despite these efforts to moderate the cost of insurance, the projected cost of benefit expense in the market indicates a need for the premium increases filed.

## Rate Change Request Summary

**Carrier Name and NAIC#:** CareFirst BlueChoice, Inc. (NAIC# 96202) **Market:** Small Group

**Rate request SERFF Tracking #:** CFAP-13238266E This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 0.749 %  
 Current Requested Average Rate Change: 1.458 %  
 Range of Requested Rate Change: -4.0% to 12.9%  
 Projected Number of Insureds Affected: 42,570

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>n/a</u>
Area 2 (Charlottesville)	<u>n/a</u>
Area 3 (Danville)	<u>n/a</u>
Area 4 (Harrisonburg)	<u>n/a</u>
Area 5 (Bristol)	<u>n/a</u>
Area 6 (Lynchburg)	<u>n/a</u>
Area 7 (Richmond)	<u>n/a</u>
Area 8 (Roanoke)	<u>n/a</u>
Area 9 (Tidewater)	<u>n/a</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>n/a</u>
Area 12 (Non-MSA)	<u>n/a</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.2 %  
 Administrative: 14.6 %  
 Taxes and fees: 1.0 %  
 Profit: 3.2 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 6.00%  
 Change in Morbidity: 0.43%  
 Change in Demographics: 2.67%  
 Change in Network: 0.00%  
 Change in Benefits: 0.62%  
 Change in Other (explain below): 0.73%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The main drivers supporting the rate increase are an increase to the market adjusted index rate, an increase to plan level benefit factors, and decreases to the administrative cost factor and the age calibration factor. The change in the market adjusted index rate is driven by increases to the base period index rate, the demographic factor (which is mostly offset by the age calibration), and in payments into the federal risk adjustment program. Our administrative cost factor has decreased primarily due to the removal of the Health Insurer Fee.

Note that what this template labels as "profit" we call "contribution to reserve" in our rate filing.

The change in other projected in this rate filing is due to changes in capitation payments, drug rebates, and the new smart shopper incentive program.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Group Hospitalization & Medical Services, Inc. (NAIC# 403) **Market:** Small Group

**Rate request SERFF Tracking #:** CFAP-132382614 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 5.500 %  
 Current Requested Average Rate Change: 4.081 %  
 Range of Requested Rate Change: 3.3 % to 9.3 %  
 Projected Number of Insureds Affected: 14,249

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>n/a</u>
Area 2 (Charlottesville)	<u>n/a</u>
Area 3 (Danville)	<u>n/a</u>
Area 4 (Harrisonburg)	<u>n/a</u>
Area 5 (Bristol)	<u>n/a</u>
Area 6 (Lynchburg)	<u>n/a</u>
Area 7 (Richmond)	<u>n/a</u>
Area 8 (Roanoke)	<u>n/a</u>
Area 9 (Tidewater)	<u>n/a</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>n/a</u>
Area 12 (Non-MSA)	<u>n/a</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.8 %  
 Administrative: 11.7 %  
 Taxes and fees: 3.1 %  
 Profit: 3.4 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 8.00%  
 Change in Morbidity: -0.33%  
 Change in Demographics: 1.87%  
 Change in Network: 0.00%  
 Change in Benefits: 1.49%  
 Change in Other (explain below): 0.63%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The main drivers supporting the rate increase are an increase to the market adjusted index rate, an increase to plan level benefit factors, and decreases to the administrative cost factor and the age calibration factor. The change in the market adjusted index rate is driven by an increase to the base period index rate. Our administrative cost factor has decreased primarily due to the removal of the Health Insurer Fee.

Note that what this template labels as "profit" we call "contribution to reserve" in our rate filing.

The change in other projected in this rate filing is due to changes in capitation payments, drug rebates, and the new smart shopper incentive program.

# Rate Change Request Summary

**Carrier Name and NAIC#:** Anthem HealthKeepers, Inc. #95169 **Market:** Small Group

**Rate request SERFF Tracking #:** AWLP-13232975 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 3.5 %  
Current Requested Average Rate Change: 2.7 %  
Range of Requested Rate Change: -0.4% to 7.5 %  
Projected Number of Insureds Affected: 68130

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.0596</u>
Area 2 (Charlottesville)	<u>0.9392</u>
Area 3 (Danville)	<u>0.9807</u>
Area 4 (Harrisonburg)	<u>0.9883</u>
Area 5 (Bristol)	<u>0.9919</u>
Area 6 (Lynchburg)	<u>0.9704</u>
Area 7 (Richmond)	<u>1.0254</u>
Area 8 (Roanoke)	<u>1.0326</u>
Area 9 (Tidewater)	<u>0.9713</u>
Area 10 (Northern VA)	<u>1.0229</u>
Area 11 (Winchester)	<u>0.9545</u>
Area 12 (Non-MSA)	<u>0.9719</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 82.0 %  
Administrative: 10.0 %  
Taxes and fees: 2.2 %  
Profit: 5.8 %

### Factors of Rate Change

Medical Cost (Trend) Change: 7.7%  
Change in Morbidity: 1.4%  
Change in Demographics: 0.4%  
Change in Network: 0.0%  
Change in Benefits: -0.1%  
Change in Other (explain below): -6.7%

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Anthem HealthKeepers is filing for an increase to rates available for new and renewing small groups for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans off exchange, and the rate increase would be effective starting January 1, 2021.

The overall increase is 2.7%. At the individual plan level, rate increases range from -0.4% to 7.5%. A group's actual rate could be higher or lower depending on group demographic make-up, benefit design, and the quarter in which they renew. The primary drivers of premium increases are associated with increased cost of benefit expense for this ACA-compliant block. Increased cost of benefit expense is driven by increases in the price of services primarily from hospitals, physicians and pharmacies, coupled with members increasing their use of health care services, also called "utilization". Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member-level utilization and selection patterns in the market. Morbidity is another contributing factor, which is due to the projected sickness level (separate from aging) in the population. The 'other' negative amount is mostly due to favorable claim experience, improved risk adjustment outlook, and the elimination of the Health Insurer Fee in 2021.

Anthem is committed to working to hold down the cost of insurance and price the small group ACA market for long-term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals. And we provide members with tools to make informed decisions about where and how to receive treatment. Despite these efforts to moderate the cost of insurance, the projected cost of benefit expense in the market indicates a need for the premium increases filed.



## Rate Change Request Summary

**Carrier Name and NAIC#:** Innovation Health Insurance Company, 15097      **Market:** Virginia

**Rate request SERFF Tracking #:** AETN-13231546 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: -6.7 %  
 Current Requested Average Rate Change: -6.7 %  
 Range of Requested Rate Change: -14.% to -1.6%  
 Projected Number of Insureds Affected: 4404

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>0.0000</u>
Area 2 (Charlottesville)	<u>0.0000</u>
Area 3 (Danville)	<u>0.0000</u>
Area 4 (Harrisonburg)	<u>0.0000</u>
Area 5 (Bristol)	<u>0.0000</u>
Area 6 (Lynchburg)	<u>0.0000</u>
Area 7 (Richmond)	<u>0.0000</u>
Area 8 (Roanoke)	<u>0.0000</u>
Area 9 (Tidewater)	<u>0.0000</u>
Area 10 (Northern VA)	<u>1.0000</u>
Area 11 (Winchester)	<u>1.0000</u>
Area 12 (Non-MSA)	<u>1.0000</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 568.54 :

Claims: 81.70%  
 Administrative: 9.59 %  
 Taxes and fees: 3.97 %  
 Profit 4.74 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 8.9%  
 Change in Morbidity: 1.01  
 Change in Demographics: 0.974  
 Change in Network: 1.000  
 Change in Benefits: 1.007  
 Change in Other (explain below): 1.006

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Other includes: Pooling, Deductible Suppression, and Rx Other Trend (1.0 in this instance).

A. Reason for Rate Decrease(s):  
 Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

## Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

### A. Reason for Rate Decrease(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

### B. Variation in Rate Changes by Plan/Product:

Rate changes differ by plan for the following reasons:

- Provider cost estimates have been updated, and the change differs based on network.
- Changes in cost sharing differ by plan in order to maintain compliance with Actuarial Value and other regulatory requirements.
- Our internal pricing models have been updated to reflect more current information on levels of induced demand associated with different benefit designs. These changes impact our estimates of the relative costs of the plan designs that will be offered.

The weighted average increase across plans based on current ACA-compliant membership, inclusive of the impact of benefit and cost sharing changes, is -6.7%. The maximum decrease is -14.1% and the minimum decrease is -1.6%.

# Rate Change Request Summary

**Carrier Name and NAIC#:** Innovation Health Plan, Inc., 15098      **Market:** Virginia

**Rate request SERFF Tracking #:** AETN-13231552: This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: -2.1 %  
 Current Requested Average Rate Change: -2.1 %  
 Range of Requested Rate Change: -5.4% to -1 %  
 Projected Number of Insureds Affected: 1255

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>0.0000</u>
Area 2 (Charlottesville)	<u>0.0000</u>
Area 3 (Danville)	<u>0.0000</u>
Area 4 (Harrisonburg)	<u>0.0000</u>
Area 5 (Bristol)	<u>0.0000</u>
Area 6 (Lynchburg)	<u>0.0000</u>
Area 7 (Richmond)	<u>0.0000</u>
Area 8 (Roanoke)	<u>0.0000</u>
Area 9 (Tidewater)	<u>0.0000</u>
Area 10 (Northern VA)	<u>1.0000</u>
Area 11 (Winchester)	<u>1.0000</u>
Area 12 (Non-MSA)	<u>1.0000</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 536.88 :

Claims: 82.74%  
 Administrative: 10.17%  
 Taxes and fees: 2.35 %  
 Profit 4.74 %

### Factors of Rate Change

Medical Cost (Trend) Change: 8.9%  
 Change in Morbidity: 1.010  
 Change in Demographics: 0.972  
 Change in Network: 1.000  
 Change in Benefits: 0.992  
 Change in Other (explain below): 1.033

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Other includes: Pooling, Deductible Suppression, and Rx Other Trend (1.0 in this instance).

Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

A. Reason for Rate Decrease(s):  
 Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

B. Variation in Rate Changes by Plan/Product:  
 Rate changes differ by plan for the following reasons:

- Provider cost estimates have been updated, and the change differs based on network.
- Changes in cost sharing differ by plan in order to maintain compliance with Actuarial Value and other regulatory requirements.
- Our internal pricing models have been updated to reflect more current information on levels of induced demand associated with different benefit designs. These changes impact our estimates of the relative costs of the plan designs that will be offered.

## Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2021 through December 31, 2021.

### A. Reason for Rate Decreases(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services);
- Revisions to our assumptions about population morbidity and the projected population distribution;
- Changes in cost sharing to ensure that plans comply with Actuarial Value requirements;
- Changes in our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

### B. Variation in Rate Changes by Plan/Product:

Rate changes differ by plan for the following reasons:

- Provider cost estimates have been updated, and the change differs based on network.
- Changes in cost sharing differ by plan in order to maintain compliance with Actuarial Value and other regulatory requirements.
- Our internal pricing models have been updated to reflect more current information on levels of induced demand associated with different benefit designs. These changes impact our estimates of the relative costs of the plan designs that will be offered.

The weighted average increase across plans based on current ACA-compliant membership, inclusive of the impact of benefit and cost sharing changes, is -2.1%. The minimum decrease is -0.4% and the maximum decrease is -7.4%

## Rate Change Request Summary

**Carrier Name and NAIC#:** Kaiser Foundation Health Plan of the Mid-Atlantic States **Market:** Small Group

**Rate request SERFF Tracking #:** KPMA-13236700 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date:	<u>1/1/2021</u>
Initial Requested Average Rate Change:	<u>1.0</u> %
Current Requested Average Rate Change:	<u>1.0</u> %
Range of Requested Rate Change:	<u>-2.5%</u> to <u>4.0%</u>
Projected Number of Insureds Affected:	<u>16007</u>

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>N/A</u>
Area 2 (Charlottesville)	<u>N/A</u>
Area 3 (Danville)	<u>N/A</u>
Area 4 (Harrisonburg)	<u>N/A</u>
Area 5 (Bristol)	<u>N/A</u>
Area 6 (Lynchburg)	<u>N/A</u>
Area 7 (Richmond)	<u>1.000</u>
Area 8 (Roanoke)	<u>N/A</u>
Area 9 (Tidewater)	<u>N/A</u>
Area 10 (Northern VA)	<u>1.000</u>
Area 11 (Winchester)	<u>N/A</u>
Area 12 (Non-MSA)	<u>1.000</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims:	<u>97.1</u> %
Administrative:	<u>16.9</u> %
Taxes and fees:	<u>0.1</u> %
Profit	<u>-14.1</u> %

#### Factors of Rate Change

Medical Cost (Trend) Change:	<u>2.3%</u>
Change in Morbidity:	<u>-2.0%</u>
Change in Demographics:	<u>0.2%</u>
Change in Network:	<u>-0.3%</u>
Change in Benefits:	<u>-0.2%</u>
Change in Other (explain below):	<u>0.0%</u>

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

All current benefit plans are renewing in 2021. Primary factors that affect the rate change for these plans are:

- Claims experience of the single risk pool different than projected in the previous year.
- Medical inflation including increases in unit cost per service and utilization of services.
- Changes in population morbidity.
- Risk adjustment transfer payments into the statewide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value ("AV") requirements.

This results in varying rate changes by plan.

The proposed average rate change is 1.0%. The average rate change does not indicate that every member's rate will change by this amount as rates are affected by the ages of those covered and benefits chosen.

Proposed rate change by plan can be found in the Virginia Rate Template, Schedule V Plan Rates.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Optima Health Insurance Company 70715      **Market:** Small Group

**Rate request SERFF Tracking #:** OPHL-13235502 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 16.0 %  
 Current Requested Average Rate Change: 9.5 %  
 Range of Requested Rate Change: -7.1% to 20.4%  
 Projected Number of Insureds Affected: 1,418

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>0.979</u>
Area 2 (Charlottesville)	<u>0.924</u>
Area 3 (Danville)	<u>0.979</u>
Area 4 (Harrisonburg)	<u>0.980</u>
Area 5 (Bristol)	<u>0.979</u>
Area 6 (Lynchburg)	<u>0.879</u>
Area 7 (Richmond)	<u>0.999</u>
Area 8 (Roanoke)	<u>0.979</u>
Area 9 (Tidewater)	<u>0.929</u>
Area 10 (Northern VA)	<u>0.979</u>
Area 11 (Winchester)	<u>0.979</u>
Area 12 (Non-MSA)	<u>0.979</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.2 %  
 Administrative: 11.7 %  
 Taxes and fees: 3.3 %  
 Profit: 3.8 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 6.9%  
 Change in Morbidity: 1.5%  
 Change in Demographics: 0.7%  
 Change in Network: 1.7%  
 Change in Benefits: 0.3%  
 Change in Other (explain below): -1.8%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Optima Health Insurance Company is filing for an increase to rates available for new and renewing small groups for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans off exchange, and the rate increase would be effective starting January 1, 2021. The overall increase is 9.5% with a range of -7.1% to 20.4% at the individual plan level. The increase is largely driven by an increase in the historical and projected medical and pharmacy claims cost and an anticipated increase in medical and pharmacy costs in 2021 due to COVID 19. A portion of the rate change is due to the removal of the Health Insurer Fee. Components of the 'Change in Other' include a load for anticipated COVID 19 costs, an update to the model used for setting benefit relativities, changes in underlying experience period claims levels, changes in Risk Adjustment and decreases from taxes.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Optima Health Plan 95281 **Market:** Small Group

**Rate request SERFF Tracking #:** OPHL-13235494 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 17.4 %  
 Current Requested Average Rate Change: 10.9 %  
 Range of Requested Rate Change: -5.0% to 26.1%  
 Projected Number of Insureds Affected: 35,156

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.036</u>
Area 2 (Charlottesville)	<u>0.976</u>
Area 3 (Danville)	<u>1.036</u>
Area 4 (Harrisonburg)	<u>1.038</u>
Area 5 (Bristol)	<u>1.036</u>
Area 6 (Lynchburg)	<u>0.931</u>
Area 7 (Richmond)	<u>1.058</u>
Area 8 (Roanoke)	<u>1.036</u>
Area 9 (Tidewater)	<u>0.930</u>
Area 10 (Northern VA)	<u>1.036</u>
Area 11 (Winchester)	<u>1.036</u>
Area 12 (Non-MSA)	<u>1.036</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 81.6 %  
 Administrative: 11.9 %  
 Taxes and fees: 0.2 %  
 Profit: 6.4 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 7.2%  
 Change in Morbidity: 0.0%  
 Change in Demographics: 0.6%  
 Change in Network: 1.6%  
 Change in Benefits: 0.2%  
 Change in Other (explain below): 1.0%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Optima Health Plan is filing for an increase to rates available for new and renewing small groups for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans off exchange, and the rate increase would be effective starting January 1, 2021.

The overall increase is 10.9% with a range of -5.0% to 26.1% at the individual plan level. The increase is largely driven by an increase in the historical and projected medical and pharmacy claims cost and an anticipated increase in medical and pharmacy costs in 2021 due to COVID 19. A portion of the rate change is due to the removal of the Health Insurer Fee. Components of the 'Change in Other' include a load for anticipated COVID 19 costs, an update to the model used for setting benefit relativities, changes in underlying experience period claims levels, changes in Risk Adjustment and decreases from taxes.

# Rate Change Request Summary

Carrier Name and NAIC#: Optimum Choice, Inc. 96940 Market: Small Group

Rate request SERFF Tracking #: UHLC-1323305: This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: 1/1/2021  
Initial Requested Average Rate Change: 5.77 %  
Current Requested Average Rate Change: 5.77 %  
Range of Requested Rate Change: -10.0% to 13.9%  
Projected Number of Insureds Affected: 5,097

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.04</u>
Area 2 (Charlottesville)	<u>.945</u>
Area 3 (Danville)	<u>1.04</u>
Area 4 (Harrisonburg)	<u>1.04</u>
Area 5 (Bristol)	<u>1.04</u>
Area 6 (Lynchburg)	<u>1.04</u>
Area 7 (Richmond)	<u>1.017</u>
Area 8 (Roanoke)	<u>1.010</u>
Area 9 (Tidewater)	<u>.954</u>
Area 10 (Northern VA)	<u>.893</u>
Area 11 (Winchester)	<u>.918</u>
Area 12 (Non-MSA)	<u>.975</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 78.4 %  
Administrative: 11.6 %  
Taxes and fees: 3.8 %  
Profit: 6.2 %

### Factors of Rate Change

Medical Cost (Trend) Change: 0.5%  
Change in Morbidity: 1.8%  
Change in Demographics: 5.5%  
Change in Network: 0.0%  
Change in Benefits: -1.2%  
Change in Other (explain below): -3%

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The Change on Other is mainly due to the ACA fees being removed in 2021. Please see the Part II Consumer Disclosure OCI 2021-01 document for a narrative of key information.



**Federal Rate Filing Justification Part II  
Written Description Justifying the Rate Increase**

**Optimum Choice, Inc.**

**NAIC: 96940**

**FEIN: 521518174**

**State of Virginia Rate Review**

## Scope and Range of the Rate Increase

The requested rate change for small group health benefit plans sold in the state of Virginia will be effective January 1, 2021 and impact 5,097 covered lives. The rate change experienced by members will vary depending on plan selection and geographic area. Additional premium changes may occur upon renewal due to changes in member age, changes in plan selection, and changes in geographic location.

## Financial Experience of the Product

The benefit care ratio for these products during the 2019 calendar year is 77%. This ratio is the portion of premium that is needed to pay medical claims. The complement of the benefit care ratio is the portion of premium needed for taxes and fees, administrative expenses, and margin.

The experience available for this product is not fully credible and we base our rates on the best information that we have available about the expected costs for these plans.

## Changes in Medical Service Costs

There are many different healthcare cost trends that contribute to increases in the overall U.S. healthcare spending each year. These trend factors affect health insurance premiums, which can mean a premium rate increase to cover costs. Some of the key healthcare cost trends that have affected this year's rate actions include:

- Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies.
- Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected by the use of expensive procedures such as surgery versus simply monitoring or providing medications.
- Higher costs from deductible leveraging: Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a higher percentage of healthcare costs need to be covered by health insurance premiums each year.
- Cost shifting from the public to the private sector: Reimbursements from the Centers for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals typically make up this reimbursement shortfall by charging private health plans more.
- Impact of new technology: Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased healthcare spending and utilization.

## Changes in Benefits

Changes in covered benefits impact costs and therefore affect premium changes. Benefit plans are typically changed for one of three reasons: to comply with the requirements of the Affordable Care Act or state law, to respond to consumer feedback, or to address a particular medical cost issue to provide greater long-term affordability of the product.

## **Administrative Costs and Anticipated Margins**

UnitedHealthcare Insurance Company works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make healthcare more affordable. We have led the marketplace by introducing key innovations that make healthcare services more accessible and affordable for customers, improve the quality and coordination of healthcare services, and help individuals and their physicians make more informed healthcare decisions. Taxes and fees imposed by the State and Federal government are significant factors that impact healthcare spending and have to be included in the administrative costs associated with the plans. These fees include Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium. Another component of premium is margin, which is set to address expected volatility and risk in the market.

The requested rate change is anticipated to be sufficient to cover the projected benefit and administrative costs for the 2021 plan year.

## Rate Change Request Summary

**Carrier Name and NAIC#:** Piedmont Community Healthcare HMO, Inc. NAIC# 15791 **Market:** Small Group Off-Exc

**Rate request SERFF Tracking #:** PDHP-13234029 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date:	<u>01/01/2021</u>
Initial Requested Average Rate Change:	<u>3.0</u> %
Current Requested Average Rate Change:	<u>3.0</u> %
Range of Requested Rate Change:	<u>-7.0</u> % to <u>7.0</u> %
Projected Number of Insureds Affected:	<u>1780</u>

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>                    </u>
Area 2 (Charlottesville)	<u>1.0605</u>
Area 3 (Danville)	<u>1.1578</u>
Area 4 (Harrisonburg)	<u>                    </u>
Area 5 (Bristol)	<u>                    </u>
Area 6 (Lynchburg)	<u>1.0000</u>
Area 7 (Richmond)	<u>                    </u>
Area 8 (Roanoke)	<u>                    </u>
Area 9 (Tidewater)	<u>                    </u>
Area 10 (Northern VA)	<u>                    </u>
Area 11 (Winchester)	<u>                    </u>
Area 12 (Non-MSA)	<u>1.0921</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims:	<u>74.73</u> %
Administrative:	<u>29.15</u> %
Taxes and fees:	<u>0.12</u> %
Profit	<u>-4.00</u> %

#### Factors of Rate Change

Medical Cost (Trend) Change:	<u>1.032</u>
Change in Morbidity:	<u>1.000</u>
Change in Demographics:	<u>1.000</u>
Change in Network:	<u>0.964</u>
Change in Benefits:	<u>0.990</u>
Change in Other (explain below):	<u>1.009</u>

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

Change in Administrative Costs: 1.126  
 Change in Taxes and Fees: 0.983  
 Change in Profit and Risk Margin: 0.956  
 Change in Induced Utilization: 0.998  
 Impact of Claims Coding Improvements: 0.980  
 Explanation for Other Rate Change Factor: The main component of the other adjustment reflects changes to the underlying experience used for the manual rate.

Rate Request SERFF Tracking #: PDHP-132340291

## Rate Change Request Summary

**Carrier Name and NAIC#:** UnitedHealthcare Insurance Company, 25978      **Market:** Small Group

**Rate request SERFF Tracking #:** UHLC-13233053 This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 4.34 %  
 Current Requested Average Rate Change: 4.34 %  
 Range of Requested Rate Change: -10.% to 18.7%  
 Projected Number of Insureds Affected: 60,313

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.04</u>
Area 2 (Charlottesville)	<u>.945</u>
Area 3 (Danville)	<u>1.04</u>
Area 4 (Harrisonburg)	<u>1.04</u>
Area 5 (Bristol)	<u>1.04</u>
Area 6 (Lynchburg)	<u>1.04</u>
Area 7 (Richmond)	<u>1.017</u>
Area 8 (Roanoke)	<u>1.010</u>
Area 9 (Tidewater)	<u>.954</u>
Area 10 (Northern VA)	<u>.893</u>
Area 11 (Winchester)	<u>.918</u>
Area 12 (Non-MSA)	<u>.975</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 78.4 %  
 Administrative: 11.6 %  
 Taxes and fees: 3.8 %  
 Profit: 6.2 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 0.5%  
 Change in Morbidity: 1.8%  
 Change in Demographics: -1.5%  
 Change in Network: 0.0%  
 Change in Benefits: 0.0%  
 Change in Other (explain below): 1%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The Change on Other is mainly due to the ACA fees being removed in 2021. Please see the Part II Consumer Disclosure UHIC 2021-01 document for a narrative of key information.

**Federal Rate Filing Justification Part II  
Written Description Justifying the Rate Increase**

**UnitedHealthcare Insurance Company**

**NAIC: 79413**

**FEIN: 362739571**

**State of Virginia Rate Review**

## Scope and Range of the Rate Increase

The requested rate change for small group health benefit plans sold in the state of Virginia will be effective January 1, 2021 and impact 60,313 covered lives. The rate change experienced by members will vary depending on plan selection and geographic area. Additional premium changes may occur upon renewal due to changes in member age, changes in plan selection, and changes in geographic location.

## Financial Experience of the Product

The benefit care ratio for these products during the 2019 calendar year is 73.7%. This ratio is the portion of premium that is needed to pay medical claims. The complement of the benefit care ratio is the portion of premium needed for taxes and fees, administrative expenses, and margin.

The experience available for this product is not fully credible and we base our rates on the best information that we have available about the expected costs for these plans.

## Changes in Medical Service Costs

There are many different healthcare cost trends that contribute to increases in the overall U.S. healthcare spending each year. These trend factors affect health insurance premiums, which can mean a premium rate increase to cover costs. Some of the key healthcare cost trends that have affected this year's rate actions include:

- Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies.
- Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected by the use of expensive procedures such as surgery versus simply monitoring or providing medications.
- Higher costs from deductible leveraging: Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a higher percentage of healthcare costs need to be covered by health insurance premiums each year.
- Cost shifting from the public to the private sector: Reimbursements from the Centers for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals typically make up this reimbursement shortfall by charging private health plans more.
- Impact of new technology: Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased healthcare spending and utilization.

## Changes in Benefits

Changes in covered benefits impact costs and therefore affect premium changes. Benefit plans are typically changed for one of three reasons: to comply with the requirements of the Affordable Care Act or state law, to respond to consumer feedback, or to address a particular medical cost issue to provide greater long-term affordability of the product.

## **Administrative Costs and Anticipated Margins**

UnitedHealthcare Insurance Company works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make healthcare more affordable. We have led the marketplace by introducing key innovations that make healthcare services more accessible and affordable for customers, improve the quality and coordination of healthcare services, and help individuals and their physicians make more informed healthcare decisions. Taxes and fees imposed by the State and Federal government are significant factors that impact healthcare spending and have to be included in the administrative costs associated with the plans. These fees include Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium. Another component of premium is margin, which is set to address expected volatility and risk in the market.

The requested rate change is anticipated to be sufficient to cover the projected benefit and administrative costs for the 2021 plan year.



## Rate Change Request Summary

**Carrier Name and NAIC#:** UnitedHealthcare of the Mid-Atlantic, Inc. 95025      **Market:** Small Group

**Rate request SERFF Tracking #:** UHLC-13233055! This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

### Overview

Effective Date: 1/1/2021  
 Initial Requested Average Rate Change: 8.60% %  
 Current Requested Average Rate Change: 8.60% %  
 Range of Requested Rate Change: -10.% to 16.1%  
 Projected Number of Insureds Affected: 9,310

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.04</u>
Area 2 (Charlottesville)	<u>.945</u>
Area 3 (Danville)	<u>1.04</u>
Area 4 (Harrisonburg)	<u>1.04</u>
Area 5 (Bristol)	<u>1.04</u>
Area 6 (Lynchburg)	<u>1.04</u>
Area 7 (Richmond)	<u>1.017</u>
Area 8 (Roanoke)	<u>1.010</u>
Area 9 (Tidewater)	<u>.954</u>
Area 10 (Northern VA)	<u>.893</u>
Area 11 (Winchester)	<u>.918</u>
Area 12 (Non-MSA)	<u>.975</u>

### Key information

#### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 78.4 %  
 Administrative: 11.6 %  
 Taxes and fees: 3.8 %  
 Profit: 6.2 %

#### Factors of Rate Change

Medical Cost (Trend) Change: 0.5%  
 Change in Morbidity: 1.8%  
 Change in Demographics: 3.8%  
 Change in Network: 0.0%  
 Change in Benefits: -2.1%  
 Change in Other (explain below): -7.1%

### Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

The Change on Other is mainly due to the ACA fees being removed in 2021. Please see the Part II Consumer Disclosure UHCMA 2021-01 document for a narrative of key information.

**Federal Rate Filing Justification Part II  
Written Description Justifying the Rate Increase**

**United Healthcare of the Mid-Atlantic, Inc.**

**NAIC: 95025**

**FEIN: 521130183**

**State of Virginia Rate Review**

## Scope and Range of the Rate Increase

The requested rate change for small group health benefit plans sold in the state of Virginia will be effective January 1, 2021 and impact 9,310 covered lives. The rate change experienced by members will vary depending on plan selection and geographic area. Additional premium changes may occur upon renewal due to changes in member age, changes in plan selection, and changes in geographic location.

## Financial Experience of the Product

The benefit care ratio for these products during the 2019 calendar year is 80.4%. This ratio is the portion of premium that is needed to pay medical claims. The complement of the benefit care ratio is the portion of premium needed for taxes and fees, administrative expenses, and margin.

The experience available for this product is not fully credible and we base our rates on the best information that we have available about the expected costs for these plans.

## Changes in Medical Service Costs

There are many different healthcare cost trends that contribute to increases in the overall U.S. healthcare spending each year. These trend factors affect health insurance premiums, which can mean a premium rate increase to cover costs. Some of the key healthcare cost trends that have affected this year's rate actions include:

- Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies.
- Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected by the use of expensive procedures such as surgery versus simply monitoring or providing medications.
- Higher costs from deductible leveraging: Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a higher percentage of healthcare costs need to be covered by health insurance premiums each year.
- Cost shifting from the public to the private sector: Reimbursements from the Centers for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals typically make up this reimbursement shortfall by charging private health plans more.
- Impact of new technology: Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased healthcare spending and utilization.

## Changes in Benefits

Changes in covered benefits impact costs and therefore affect premium changes. Benefit plans are typically changed for one of three reasons: to comply with the requirements of the Affordable Care Act or state law, to respond to consumer feedback, or to address a particular medical cost issue to provide greater long-term affordability of the product.

## **Administrative Costs and Anticipated Margins**

UnitedHealthcare Insurance Company works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make healthcare more affordable. We have led the marketplace by introducing key innovations that make healthcare services more accessible and affordable for customers, improve the quality and coordination of healthcare services, and help individuals and their physicians make more informed healthcare decisions. Taxes and fees imposed by the State and Federal government are significant factors that impact healthcare spending and have to be included in the administrative costs associated with the plans. These fees include Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium. Another component of premium is margin, which is set to address expected volatility and risk in the market.

The requested rate change is anticipated to be sufficient to cover the projected benefit and administrative costs for the 2021 plan year.

# Rate Change Request Summary

**Carrier Name and NAIC#:** UnitedHealthcare Plan of the River Valley, Inc. NAIC Com **Market:** Small Group ACA

**Rate request SERFF Tracking #:** UHLC-13236204; This document is prepared by the carrier to help explain the requested rate change and is only a summary of the carrier's request. It is not intended to describe or include all factors or information considered in the review process. For more information, refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A glossary of terms used on this form can be found at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. A map of rating areas can be found at <https://www.scc.virginia.gov/boi/cons/index.aspx>.

## Overview

Effective Date: January 1, 2021  
Initial Requested Average Rate Change: 2.3 %  
Current Requested Average Rate Change: 2.3 %  
Range of Requested Rate Change: -4.2% to 11.2%  
Projected Number of Insureds Affected: 2380

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>.8682</u>
Area 2 (Charlottesville)	<u>.8682</u>
Area 3 (Danville)	<u>.8682</u>
Area 4 (Harrisonburg)	<u>.8682</u>
Area 5 (Bristol)	<u>.7898</u>
Area 6 (Lynchburg)	<u>.8682</u>
Area 7 (Richmond)	<u>.8682</u>
Area 8 (Roanoke)	<u>.8682</u>
Area 9 (Tidewater)	<u>.8682</u>
Area 10 (Northern VA)	<u>.8682</u>
Area 11 (Winchester)	<u>.8682</u>
Area 12 (Non-MSA)	<u>.8682</u>

## Key information

### Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2021:

Claims: 80.0 %  
Administrative: 8.3 %  
Taxes and fees: 1.95 %  
Profit: 6.9 %

### Factors of Rate Change

Medical Cost (Trend) Change: 8.3%  
Change in Morbidity: 0.0%  
Change in Demographics: 0.0%  
Change in Network: 0.0%  
Change in Benefits: 0.0%  
Change in Other (explain below): -6.0%

## Explanation of requested rate change

Provide a narrative below to summarize the key information used to develop the rates including the main drivers for new or revised rates. Include additional pages as needed. Data filed within this document must remain current and concur with data contained in the Rate Filing Template as well as on the Rate/Rule Schedule.

In this filing, UHC is proposing a decrease in base rates as well as a change to the pricing trend.

The key information leading to these proposals are as such:

First, actual historical claims information is projected forward to the new effective date. From there, expenses such as administrative costs are considered. Once totaled, this is compared against the current rate environment to determine a base rate. Individual plans' structures are then considered as well as the ages and locations of the members to determine final rates.

Additionally, the components of "Change in Other" are comprised of the following:

- Composite Rating
- Catastrophic Claims Adjustment
- Trend Adjustment
- Adjustment for allowing self-employed groups of 1
- Lining up premium with expected claims