

Rate Request Summary Documents

Individual and Small Group ACA Market

Plan Year 2020

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 scc.virginia.gov/boi/SERFFInquiry/

Glossary of Terms:

Medical Cost (Trend):	The change in the cost and usage of health care services.
Morbidity:	The change in the average health status of enrollees.
Demographics:	The change in average age and gender of enrollees, as well as area changes.
Network:	The change in the composition and reimbursement rates of the carrier's provider network.
Benefits:	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#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: Cigna Health and Life Insurance Company; NAIC #67369 Market: VA

Rate request SERFF Tracking #: CCGH-13190881 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: 6.9 %
 Current Requested Average Rate Change: 1.3 %
 Range of Requested Rate Change: -20. % to 3.8 %
 Projected Number of Insureds Affected: 105,08

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>1.060</u>
Area 12 (Non-MSA)	_____

Key information

Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2020:

Claims: 77.1 %
 Administrative: 10.9 %
 Taxes and fees: 8.0 %
 Profit: 4.0 %

Factors of Rate Change

Medical Cost (Trend) Change: 1.100
 Change in Morbidity: 1.155
 Change in Demographics: 1.008
 Change in Network: 1.001
 Change in Benefits: 1.006
 Change in Other (explain below): 0.984

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, 2020 through December 2020. These plans are attached to an existing product that has been submitted under policy form filing VAINDEPO042019. The proposed weighted average annual rate change for this filing is 1.3%.

2. KEY DRIVERS OF PROPOSED RATE CHANGE

The most significant factors causing the rate increase are:

- Changes in Medical Service Costs: The increasing cost of medical and pharmacy services and supplies accounts for a sizable portion of the premium rate increases. Cigna anticipates that the cost of medical and pharmacy services and supplies in 2020 will increase over the 2018 level because the prices charged by doctors, hospitals, and other providers are increasing. Additionally, the more frequent use of medical services by customers also increases Cigna's costs.

- Health Insurance Industry Fee Changes: The reinstatement of the Health Insurance Industry Fee for 2020 results in an increase to premium compared to 2019

The anticipated effects of these changes when combined with previous regulatory changes and overall Cigna claims experience in recent years suggest that it is appropriate to increase the premiums for individual plans reflecting the expected total claims increase in Virginia.

3. Cigna's COMMITMENT TO THE PEOPLE WE SERVE

One of Cigna's key objectives is to provide high quality, affordable healthcare services, with a focus on the individual, is closely aligned with the company's mission and strategy for a sustainable and affordable healthcare system. The increased premiums will help Cigna achieve this mission as Cigna continues to reinvest into the health and well-being of the people and markets we serve. Cigna believes that investing in our consumer's affordability and well-being through partnerships with hospitals and provider networks will drive quality healthcare solutions and sustain the long term viability of Cigna's involvement in the health exchanges.

Cigna's product offerings in the individual and family plan market reflect its principles, and Cigna's plans are designed to help individuals:

- Deliver valuable, cost-effective care for Cigna customers.
- Find the right family doctor from local networks by building up innovative partnerships with high-performing, value-based physician networks
- Easily access information. Cigna's nurses, customer service, and important health, benefit, and plan information are there when customers need them: 24 hours a day, 365 days a year. Cigna's support team has never been easier to reach, either by phone, Cigna's website, or on mobile devices using Cigna's user friendly apps.

These capabilities are available to all of Cigna's customers. The continued investment in these capabilities ensures that Cigna can continue to improve health outcomes, while pushing down the cost of healthcare services for its customers.

In the individual and family plan market, Cigna is making a dedicated effort to engage its customers. Through this outreach Cigna is increasingly helping more people find quality care providers who use best practices while remaining cost efficient. For example, Cigna helps those who require prescription medications to identify cheaper generic equivalent medications which can help save these consumers hundreds of dollars annually. Furthermore, for those who may have a chronic illness, Cigna puts those customers in touch with medical management nurses to help them access the system with personalized assistance to ensure quality healthcare for an affordable price.

As our understanding of the specific needs and preferences of the health exchanges becomes more refined, Cigna continues to improve its product offerings so that they are more closely aligned with the health, well-being and sense of security of the communities we serve.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

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

Rate request SERFF Tracking #: AWLP-13188852 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
Initial Requested Average Rate Change: 8.9 %
Current Requested Average Rate Change: -5.6 %
Range of Requested Rate Change: -8.4 % to -4.6%
Projected Number of Insureds Affected: 106715

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>1.1200</u>
Area 2 (Charlottesville)	<u>1.0419</u>
Area 3 (Danville)	<u>0.9886</u>
Area 4 (Harrisonburg)	<u>1.0491</u>
Area 5 (Bristol)	<u>0.9883</u>
Area 6 (Lynchburg)	<u>1.0423</u>
Area 7 (Richmond)	<u>0.9410</u>
Area 8 (Roanoke)	<u>1.0429</u>
Area 9 (Tidewater)	<u>0.9919</u>
Area 10 (Northern VA)	<u>0.9900</u>
Area 11 (Winchester)	<u>1.0152</u>
Area 12 (Non-MSA)	<u>0.9889</u>

Key information

Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2020:

Claims: 80.9 %
Administrative: 7.3 %
Taxes and fees: 7.4 %
Profit: 4.4 %

Factors of Rate Change

Medical Cost (Trend) Change: 8.5%
Change in Morbidity: 3.4%
Change in Demographics: -0.7%
Change in Network: -1.8%
Change in Benefits: -0.8%
Change in Other (explain below): -14.2%

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 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, 2020.

The overall increase is -5.6%. At the individual plan level, rate increases range from -8.4% to -4.6%. These rates, submitted July 10th, have been revised lower from the initial filing. Most of this change comes from lowering our morbidity assumption. We have also modified our pricing trend, commission expense, exchange fee, risk adjustment, and drug rebate assumptions.

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 and the implementation of cost-containment initiatives.

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#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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 scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

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

Rate request SERFF Tracking #: OPHL-13194201 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: -4.6 %
 Current Requested Average Rate Change: -19.6 %
 Range of Requested Rate Change: -19. % to -19. %
 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 2020:

Claims: 77.6 %
 Administrative: 10.4 %
 Taxes and fees: 6.8 %
 Profit: 5.3 %

Factors of Rate Change

Medical Cost (Trend) Change: 9.6%
 Change in Morbidity: 0.0%
 Change in Demographics: 0.1%
 Change in Network: 0.0%
 Change in Benefits: -7.8%
 Change in Other (explain below): -20.6%

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, 2020, 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, 2019 is a decrease of 19.6%. The cumulative average rate change over the past 12 months is the same since the most recently approved rates were effective January 1, 2019. The "Change in Other" rate change component of -20.6% includes the cumulative impact of changes in the underlying manual rate cost compared to 2019 excluding those that can be more explicitly measured (e.g. trend, benefit changes), as well as changes in administrative expenses and taxes and fees.

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

Rate Change Request Summary

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

Rate request SERFF Tracking #: OPHL-13193993 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 scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: 3.2 %
 Current Requested Average Rate Change: -20.5 %
 Range of Requested Rate Change: -37. % to -15. %
 Projected Number of Insureds Affected: 23766

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>NA</u>
Area 2 (Charlottesville)	<u>1.0105</u>
Area 3 (Danville)	<u>NA</u>
Area 4 (Harrisonburg)	<u>1.105</u>
Area 5 (Bristol)	<u>NA</u>
Area 6 (Lynchburg)	<u>NA</u>
Area 7 (Richmond)	<u>1.105</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>1.105</u>

Key information

Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2020:

Claims: 81.9 %
 Administrative: 8.7 %
 Taxes and fees: 3.9 %
 Profit: 5.5 %

Factors of Rate Change

Medical Cost (Trend) Change: 8.8%
 Change in Morbidity: 5.0%
 Change in Demographics: 0.2%
 Change in Network: -4.3%
 Change in Benefits: -1.5%
 Change in Other (explain below): -26.4%

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 the following rate revisions and new benefit plans, effective January 1, 2020:

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, 2019, is a decrease of 20.5%. The cumulative average rate change over the past 12 months is the same, since the most recently approved rates were effective January 1, 2019. 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 2020, as applicable. The "Change in Other" rate change component of -26.4% includes a combination of changes in the projected risk adjustment, impact of the non-funding of CSR payments funding, capitation agreements and retention items (profit and risk margin, administrative expenses, and taxes and fees). The majority of this impact is risk adjustment.

Proposed premiums for new individual benefit plans to be available for sale effective January 1, 2020. 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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/page/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: Virginia Premier Health Plan, 95612 Market: Individual

Rate request SERFF Tracking #: VPHP-13189907 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/20
 Initial Requested Average Rate Change: 8.5 %
 Current Requested Average Rate Change: 5.7 %
 Range of Requested Rate Change: 1.3 % to 8.1 %
 Projected Number of Insureds Affected: 5,187

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>1.0</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 2020:

Claims: 78.7 %
 Administrative: 15.3 %
 Taxes and fees: 3.0 %
 Profit: 3.0 %

Factors of Rate Change

Medical Cost (Trend) Change: 7.0%
 Change in Morbidity: 5.0%
 Change in Demographics: 0.5%
 Change in Network: 0.0%
 Change in Benefits: -0.7% to 0.9%
 Change in Other (explain below): -10.1% to -5.1%*

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.

Explanation of Requested Rate Change:

VPHP began offering Individual health insurance plans in Virginia effective January 1, 2019; therefore, minimal claims experience was available to use for the 2020 rate development. The 2020 rates were developed using the same assumptions as were used for the 2019 rates, with a few appropriate adjustments to 2020.

Key adjustments made to the 2019 rates include claims trend, change in morbidity, plan design changes, and changes in the premium adjustment required to cover cost sharing reductions offered to lower-income members.

Footnote to above table:

*Change in Other is primarily a change in induced utilization due to members enrolled in Cost Sharing Reduction (CSR) plan variations, as well as a change in the CSR amount paid for members in CSR plan variations due to the non-funding of this amount by the federal government. It also includes small changes in risk adjustment transfer payments and retention.

SMALL GROUP MARKET

Rate Change Request Summary

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

Rate request SERFF Tracking #: AETN-13194544 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
Initial Requested Average Rate Change: 5 %
Current Requested Average Rate Change: 5 %
Range of Requested Rate Change: 5 % to 5 %
Projected Number of Insureds Affected: 14

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 2020:

Claims: 81.18 %
Administrative: 9.73 %
Taxes and fees: 4.78 %
Profit: 4.31 %

Factors of Rate Change

Medical Cost (Trend) Change: 10.8%
Change in Morbidity: 1.129
Change in Demographics: 0.954
Change in Network: 1.001
Change in Benefits: 0.866
Change in Other (explain below): 0.982

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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, 2020 through December 31, 2020.

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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 5%. The minimum increase is 5% and the maximum increase is 5%.

Rate Change Request Summary

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

Rate request SERFF Tracking #: AETN-13194545 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 scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: 12.2 %
 Current Requested Average Rate Change: 3.3 %
 Range of Requested Rate Change: 3.3 % to 3.3 %
 Projected Number of Insureds Affected: 17

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 2020:

Claims: 80.4 %
 Administrative: 8.79 %
 Taxes and fees: 6.42 %
 Profit: 4.31 %

Factors of Rate Change

Medical Cost (Trend) Change: 10.8%
 Change in Morbidity: 1.129
 Change in Demographics: 1.020
 Change in Network: 1.000
 Change in Benefits: 0.852
 Change in Other (explain below): 1.046

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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 Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

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#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

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-13194426 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 scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: 2.5 %
 Current Requested Average Rate Change: 2.5 %
 Range of Requested Rate Change: -7.8 % to 10.2%
 Projected Number of Insureds Affected: 650

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 559.35 :

Claims: 78.5 %
 Administrative: 10.7 %
 Taxes and fees: 6.43 %
 Profit: 4.31 %

Factors of Rate Change

Medical Cost (Trend) Change: 10.3%
 Change in Morbidity: 1.129
 Change in Demographics: 0.995
 Change in Network: 1.000
 Change in Benefits: 0.930
 Change in Other (explain below): 1.056

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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, 2020 through December 31, 2020.

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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 2.5%. The minimum increase is -7.8% and the maximum increase is 10.2%.

Rate Change Request Summary

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

Rate request SERFF Tracking #: AETN-13194427 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: 1/1/2020
 Initial Requested Average Rate Change: 8.1 %
 Current Requested Average Rate Change: 8.1 %
 Range of Requested Rate Change: 3.4 % to 18.2 %
 Projected Number of Insureds Affected: 213

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 2020:

Claims: 79.4 %
 Administrative: 11.5 %
 Taxes and fees: 4.8 %
 Profit: 4.3 %

Factors of Rate Change

Medical Cost (Trend) Change: 10.3%
 Change in Morbidity: 1.129
 Change in Demographics: 1.005
 Change in Network: 1.000
 Change in Benefits: 0.950
 Change in Other (explain below): 0.972

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, 2020 through December 31, 2020.

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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 8.1%. The minimum increase is 3.4% and the maximum increase is 18.2%.

Rate Request Summary Narrative

Monthly premium rates for all Small Group Market products in Virginia are being revised for effective dates January 1, 2020 through December 31, 2020.

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.
- Re-instatement of the Health Insurers Fee after a 1 year hiatus in 2019.

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 8.1%. The minimum increase is 3.4% and the maximum increase is 18.2%.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Optimum Choice, Inc.
Virginia Small Group
2020 Non-Grandfathered Employer Rates

Scope and Range of the Rate Increase

The requested average rate change for the small group health benefit plans sold in the state of Virginia is +13.4%, though rate changes may range from -4.5% to 18.7% depending on the specific plan. Additional premium changes may occur due to member aging and changes in plan selection. Rate changes will be effective January 1, 2020.

Changes in Medical Service Costs

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

- **Increasing Cost of Medical Services:** Annual increases in reimbursement rates to health care providers – such as hospitals, doctors, and pharmaceutical companies.
- **Increased Utilization:** The number of office visits and other services continues to grow. In addition, total health care 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:** While health care costs continue to rise every year, if deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
- **Cost shifting from the public to the private sector:** Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals generally make up this reimbursement shortfall by charging private health plans more.
- **Impact of New Technology:** Improvements to medical technology and clinical practice require use of more expensive services - leading to increased health care spending and utilization.

Changes in Benefits

Changes in covered benefits or benefit plan designs 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, to respond to consumer feedback, or to address a particular medical cost issue to provide for greater long-term affordability of the product.

The Affordable Care Act implemented requirements for the “value” that must be offered by plan designs in the Individual and Small Group markets. These are called “metal levels”. For a benefit plan to remain classified within a particular metal level from year to year, adjustments to deductibles, copayments or coinsurance are sometimes required. These adjustments impact the cost and therefore the premium increases for the plan.

Administrative Costs

UnitedHealthcare works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make health care more affordable. We have led the marketplace by introducing key innovations that make health care services more accessible and affordable for customers, improve the quality and coordination of health care services, and help individuals and their physicians make more informed health care decisions. Updated analysis of administrative costs has shown that the administrative costs associated with these plans are higher than previously estimated and those costs are included in the requested rate change.

State and Federal government imposed taxation and fees are significant factors that impact health care spending and have to be included in the administrative costs associated with the plans. These fees include Patient Protection and Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

UnitedHealthcare Insurance Company
Virginia Small Group
2020 Non-Grandfathered Employer Rates

Scope and Range of the Rate Increase

The requested average rate change for the small group health benefit plans sold in the state of Virginia is +13.5%, though rate changes may range from -4.5% to +18.1% depending on the specific plan. Additional premium changes may occur due to member aging and changes in plan selection. Rate changes will be effective January 1, 2020.

Changes in Medical Service Costs

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

- **Increasing Cost of Medical Services:** Annual increases in reimbursement rates to health care providers – such as hospitals, doctors, and pharmaceutical companies.
- **Increased Utilization:** The number of office visits and other services continues to grow. In addition, total health care 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:** While health care costs continue to rise every year, if deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
- **Cost shifting from the public to the private sector:** Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals generally make up this reimbursement shortfall by charging private health plans more.
- **Impact of New Technology:** Improvements to medical technology and clinical practice require use of more expensive services - leading to increased health care spending and utilization.

Changes in Benefits

Changes in covered benefits or benefit plan designs 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, to respond to consumer feedback, or to address a particular medical cost issue to provide for greater long-term affordability of the product.

The Affordable Care Act implemented requirements for the “value” that must be offered by plan designs in the Individual and Small Group markets. These are called “metal levels”. For a benefit plan to remain classified within a particular metal level from year to year, adjustments to deductibles, copayments or coinsurance are sometimes required. These adjustments impact the cost and therefore the premium increases for the plan.

Administrative Costs

UnitedHealthcare works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make health care more affordable. We have led the marketplace by introducing key innovations that make health care services more accessible and affordable for customers, improve the quality and coordination of health care services, and help individuals and their physicians make more informed health care decisions. Updated analysis of administrative costs has shown that the administrative costs associated with these plans are higher than previously estimated and those costs are included in the requested rate change.

State and Federal government imposed taxation and fees are significant factors that impact health care spending and have to be included in the administrative costs associated with the plans. These fees include Patient Protection and Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium.

Rate Change Request Summary

Carrier Name and NAIC#: _____ Market: _____

Rate request SERFF Tracking #: _____ 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

scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at

scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: _____
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)	_____
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 _____:

Claims: _____ %
Administrative: _____ %
Taxes and fees: _____ %
Profit: _____ %

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.

UnitedHealthcare of the Mid-Atlantic, Inc.
Virginia Small Group
2020 Non-Grandfathered Employer Rates

Scope and Range of the Rate Increase

The requested average rate change for the small group health benefit plans sold in the state of Virginia is +11.4%, though rate changes may range from -0.7% to +17.4% depending on the specific plan. Additional premium changes may occur due to member aging and changes in plan selection. Rate changes will be effective January 1, 2020.

Changes in Medical Service Costs

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

- **Increasing Cost of Medical Services:** Annual increases in reimbursement rates to health care providers – such as hospitals, doctors, and pharmaceutical companies.
- **Increased Utilization:** The number of office visits and other services continues to grow. In addition, total health care 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:** While health care costs continue to rise every year, if deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
- **Cost shifting from the public to the private sector:** Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover the cost of providing care to these patients. Hospitals generally make up this reimbursement shortfall by charging private health plans more.
- **Impact of New Technology:** Improvements to medical technology and clinical practice require use of more expensive services - leading to increased health care spending and utilization.

Changes in Benefits

Changes in covered benefits or benefit plan designs 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, to respond to consumer feedback, or to address a particular medical cost issue to provide for greater long-term affordability of the product.

The Affordable Care Act implemented requirements for the “value” that must be offered by plan designs in the Individual and Small Group markets. These are called “metal levels”. For a benefit plan to remain classified within a particular metal level from year to year, adjustments to deductibles, copayments or coinsurance are sometimes required. These adjustments impact the cost and therefore the premium increases for the plan.

Administrative Costs

UnitedHealthcare works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make health care more affordable. We have led the marketplace by introducing key innovations that make health care services more accessible and affordable for customers, improve the quality and coordination of health care services, and help individuals and their physicians make more informed health care decisions. Updated analysis of administrative costs has shown that the administrative costs associated with these plans are higher than previously estimated and those costs are included in the requested rate change.

State and Federal government imposed taxation and fees are significant factors that impact health care spending and have to be included in the administrative costs associated with the plans. These fees include Patient Protection and Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium.

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-13195233 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 scc.virginia.gov/boi/SERFFInquiry. A glossary of terms used on this form can be found at scc.virginia.gov/boi/SERFFInquiry. A map of rating areas can be found at scc.virginia.gov/pages/Insurance.

Overview

Effective Date: January 1,
 Initial Requested Average Rate Change: 16.3 %
 Current Requested Average Rate Change: 3.2 %
 Range of Requested Rate Change: -3.9 % to 12.7%
 Projected Number of Insureds Affected: 2,561

Rating Areas Plans will be offered	Area Factor
Area 1 (Blacksburg)	<u>.877</u>
Area 2 (Charlottesville)	<u>.877</u>
Area 3 (Danville)	<u>.877</u>
Area 4 (Harrisonburg)	<u>.877</u>
Area 5 (Bristol)	<u>.782</u>
Area 6 (Lynchburg)	<u>.877</u>
Area 7 (Richmond)	<u>.877</u>
Area 8 (Roanoke)	<u>.877</u>
Area 9 (Tidewater)	<u>.877</u>
Area 10 (Northern VA)	<u>.877</u>
Area 11 (Winchester)	<u>.877</u>
Area 12 (Non-MSA)	<u>.877</u>

Key information

Breakdown of premium

This is how the carrier plans to spend the premium collected in plan year 2020:

Claims: 78.0 %
 Administrative: 12.7 %
 Taxes and fees: 4.1 %
 Profit: 5.2 %

Factors of Rate Change

Medical Cost (Trend) Change: 0.9%
 Change in Morbidity: 0.0%
 Change in Demographics: 0.0%
 Change in Network: 0.0%
 Change in Benefits: -0.3%
 Change in Other (explain below): 2.7%

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.

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

These adjustments are explained in detail in Section 6 (page 9) of the Part III Actuarial Memorandum.

Health Insurance Rate Request Summary

Part 2 – To Be Completed By Company

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.