



Health Advantage – Small Group

Rate request filing SERFF Tracking #: **HLAD-131580532**

Product Name: **2019 HA Small Group Off Exchange Rate Filing**

This document is offered as a tool for Arkansas consumers to help explain the company's rate filing prepared and uses information submitted by the insurance company. It is not intended to describe or include all factors or information considered in AID's review process. All information is in the public domain. Financial information is based upon the annual company statement filed for the calendar year noted. For further information on this filing, visit:

<https://www.insurance.arkansas.gov/uploads/pages/py2019-sg-hadv-full.pdf>

Overview

Requested average rate change:	5.58%	Range of requested rate change:	(4.01)% – 19.21%
		Effective date:	January 1, 2019
		Covered lives affected:	4,928

This plan is available in the following counties:

Statewide

Financial Information

Experience from January-December 2017:

Premiums written:	\$19.85 million
Claims paid:	\$15.65 million

Projection for January-December 2019:

Projected premium:	\$27.61 million
Projected claims:	\$21.76 million

Company Justification for Requested Change

According to the company's filing, its request is made because:

"In general the factors driving the proposed 5.58% average rate change are medical cost and utilization trends."

According to the company's filing, its financial experience has been:

"Our current estimate of the demand and cost of medical services is running close to what was originally expected."

The request is made up of the following components:

- 39% of the 5.58% total request is due to Medical Utilization Changes.
- 87% of the 5.58% total request is due to Medical Price Changes.
- 0% of the 5.58% total request is due to Medical Benefit Changes Required by Law.
- 22% of the 5.58% total request is due to Medical Benefit Changes Not Required by Law.
- -57% of the 5.58% total request is due to Changes to Administration Costs.
- 13% of the 5.58% total request is due to Changes to Profit Margin.
- -4% of the 5.58% total request is due to Other, defined as: "Impact of changes in demographic makeup and adjustment for HA rates to be 5% less than BC."