

Cigna Health and Life Insurance Company – Small Group Plans

Rate request filing ID # CCGH-133673840 – This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx>

Overview

Initial request average rate change:	1.3%
Revised requested average rate change: ¹	1.3%
Range of requested:	-2.1% to 10.2%
Effective date:	January 1st, 2024
Mapped members:	75
Available in:	Rating Area 8

Key Information

Jan. 2022 – Dec. 2022 financial experience

Premiums	\$0
Claims	\$0
Administrative Expenses	\$0
Taxes & Fees	\$0
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Insurer made (after taxes)	\$0

How insurer plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2024

Claims:	82%
Administrative:	13%
Taxes & Fees:	3%
Profit:	2%

The insurer expects its annual medical costs to increase 0%.

Explanation of Requested Rate Change:

The most significant factor causing the rate increase is changes in Medical Service Costs. The increasing cost of medical and pharmacy services and supplies accounts for a sizeable portion of the premium rate increases. Cigna anticipates that the cost of medical and pharmacy services and supplies in 2024 will increase over the 2023 level because the prices charged by doctors, hospitals, drug manufacturers and other providers are increasing. Additionally, Cigna's costs are impacted by the higher use of medical and pharmacy services. Additionally, changes to the plan benefit designs in 2024 contribute towards changes

¹ Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.



Rate Change Summary – 2024

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in rates from 2023 to 2024. Finally, changes to administrative expenses also contribute to the change in premium rates from 2023 to 2024.