

Geisinger Quality Options – Small Group Plans

Rate request filing ID # GSHP-133664990 – 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:	-1.5%
Revised requested average rate change: ¹	-1.5%
Range of requested:	-8.0% to 4.2%
Effective date:	January 1st, 2024
Mapped members:	8,360
Available in:	Rating Areas 2, 3, 5, 6, 7, and 9

Key Information

Jan. 2022 – Dec. 2022 financial experience

Premiums	\$87,688,620
Claims	\$66,950,624
Administrative Expenses	\$8,692,314
Taxes & Fees	\$2,752,341
Insurer made (after taxes)	\$9,293,341

How insurer plans to spend your premium

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

Claims:	87%
Administrative:	10%
Taxes & Fees:	1%
Profit:	2%

The insurer expects its annual medical costs to increase 6.8%.

Explanation of Requested Rate Change:

Geisinger Quality Options has proposed an overall base rate decrease of 1.5% for Small Group PPO members renewing in the Marketplace effective January 1, 2024 through December 1, 2024. The actual range of proposed rate changes vary from -8.0% to 4.2%. The key drivers of this decrease are changes in the normalized risk pool experience, URRT morbidity, risk adjustment, pricing AVs, and benefit richness. The total projected 2024 administrative costs are slightly higher than those used for the current 2023 rates. As required by federal regulations and using the Federally prescribed MLR methodology, the

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.



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projected loss ratio exceeds 80%. There were minimal benefit changes proposed for 2024 to maintain the desired metallic level.