

Rate Change Summary

Highmark, Inc – Small Group Plans

Rate request filing ID # HGHM-133250441- 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/Companies/ProductAndRateRequire/Pages/default.aspx>

Overview

Initial requested average rate change:	3.6%
Revised requested average rate change:	3.6%
Range of requested rate change:	-8.8% to 15.9%
Effective date:	January 1, 2023
Mapped Members:	7,117
Available in:	Rating Areas 1, 2, 4, 5, 6, 7, and 9

Key information

Jan. 2021-Dec. 2021 financial experience

Premiums	\$46,214,247
Claims	\$39,749,201
Administrative expenses	\$5,418,415
Taxes & fees	\$38,323
Company made (after taxes)	\$1,008,308

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2023:

Claims:	90.2%
Administrative:	9.7%
Taxes & fees:	0.1%
Profit:	0.0%

The company expects its annual medical costs to increase **7.4%**.

Explanation of requested rate change

The proposed increases are being driven by rising medical care costs, which are expected to continue through the remainder of 2022 and throughout 2023 because of both higher utilization and the increasing cost of healthcare services.