

Aetna Health of Utah, Inc. dba Altius Health Plans Inc.
Idaho Small Group
61175

Summary

Altius is filing rates for Small Group plans in Idaho. This filing proposes to raise average premium rates by 11.5%.

Who is affected?

The rates will apply to policies that start or renew from January 2016 through December 2016. Approximately 250 members are enrolled in plans to which the new rates will apply.

Why We Need to Increase Premiums

Medical costs are going up and we are changing our rates to reflect this increase. We expect medical costs to go up 9.1% excluding the effect of benefit changes described below. Medical costs go up mainly for two reasons – providers raise their prices and members get more medical care.

For small groups in Idaho, some examples of increasing medical costs we have experienced in the last 12 months include:

- Radiology costs (e.g. X-ray, MRI, etc.) have increased by 27.9%.
- Outpatient surgery costs have increased by 36.6%.
- Pharmacy costs have increased by 29.3%.

What Else Affects Our Request to Increase Premiums

Several requirements related to the Affordable Care Act (ACA) also impact these rates. These include:

- Changes to required taxes and fees

Will Premiums for All Small Groups Increase by the same amount?

No, the increases shown above are averages. Rate changes differ by plan due to changes in cost sharing.

Some premiums will increase less than the average, others will increase by more. The exact rate change will depend on what benefit plan the small group chooses, the average age for enrolling family members, and where in Idaho the group is located.

Financial Performance

As shown in the filed Unified Rate Review Template (URRT), in 2014, incurred claims of \$5.0M associated with this product were \$5.0M, while premiums received were \$6.1M, resulting in a claim-to-premium ratio of 81.7%.

How does this request align to Minimum Loss Ratio Requirements (MLR)?

These rates are expected to produce an MLR equal to or above the 80% requirement for Individual business. Under the ACA, at least 80% of the premiums collected by health plans are expected to pay for medical care and activities that improve health care quality for members. If the actual MLR turns out to be less than 80%, rebates will be issued to members in accordance with the law.

Altius makes significant investments that benefit our members that the government does not allow us to use in this calculation. These investments include customer service, health quality activities like disease management programs, and the development of new information technologies.

What is Altius doing to keep premiums affordable?

Altius is taking a number of steps to keep our products as affordable as possible and to address the underlying cost of health care. These actions include:

- Developing new agreements, arrangements, and partnerships with health care providers that base provider compensation on the quality of care and not the quantity of services.
- Creating medical management programs that address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services.
- Working to reduce the ability of out-of-network providers to collect unreasonably excessive payments for services they provide.

Altius is dedicated to increasing transparency within the health care system and helping members best utilize the plans that they have. Members can access My Online Services, a secure member website, which allows them to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. Additionally, Aetna's Plan for Your Health website aims to educate all consumers on how to take advantage of their health care benefits.