



P.O. Box 30192
Salt Lake City, UT 84130-0192
801-442-5038 / 800-538-5038
www.selecthealth.org

SelectHealth Preliminary Rate Increase Justification for 2022 Individual Health Benefit Plans

Rate Change

The Individual plan rates are decreasing by 1.2 percent on average. Gold and Silver plans are decreasing by 2% to 3%. Bronze plans are increasing by 1% to 1.5%. The actual rate change varies by selected benefit plan and area. Rate changes in Northern and Eastern Idaho will be lower due to the decrease in the rating area factors.

The number of individuals impacted is 30,396.

Most Significant Factors

The rate change described above is driven by the following factors:

1. Plan design changes: 1.3%
2. Projected changes to medical and pharmacy claims: -2.5%

The factors above sum to the total average rate increase. 1) Benefit changes are occurring for the projected year resulting in an impact to the rate. 2) Projected decreases from current rates are expected for medical and pharmacy claims.

Financial Experience

For 2020, the average premium per member per month was \$487. The average paid claims per member per month was \$438.



P.O. Box 30192
Salt Lake City, UT 84130-0192
801-442-5038 / 800-538-5038
www.selecthealth.org

Key Assumptions

The annual cost trends used in developing the new rates:

- Medical: 5.1%
- Pharmacy: 8.3%

The projected rates are made up of the following components:

- Claims: 83.6%
- Administrative Costs: 7.7%
- Federal Taxes and fees: 2.1%
- States taxes and fees: 1.7%
- Commissions: 1.8%
- Contribution to surplus, profit, and risk margin to account for variability of claims: 3.0%