

PacificSource Health Plans
URR Part II
Individual Health Benefit Plans

Scope and Range of the Rate Increase

There are approximately 500 members that are potentially affected by the requested rate increase, with increases that range from 4.7 percent to 27.5 percent. The range in premium impacts is driven by changes in member-cost sharing and plan-specific changes in pricing assumptions, and by area due to changes in geographic factors.

Financial experience of the product

Over the calendar year 2017, the Idaho Individual block earned an estimated 9.6 million dollars in risk adjusted premium and incurred an estimated 8.3 million dollars in claims, for a medical claims rate of 85.8 percent. With the proposed rate increase, PacificSource projects that the Idaho Individual ACA compliant block will earn 4.0 million dollars in premium in 2019 and incur approximately 3.5 million dollars in claims, for a medical claims rate of 85.2 percent.

Changes in Medical Service Costs

Medical service costs increase each year, and utilization of services also changes. To account for these changes, medical trend of 6.6 percent and drug trend of 9.8 percent are used. Additionally, average costs are expected to increase due to healthier individuals exiting the market. This expected change in market morbidity is the most significant driver of the rate increase.

Changes in benefits

Some plans will see increases in deductibles or out-of-pocket maximums in 2019. These changes help offset the required premium increase.

Administrative costs and anticipated margins

Increases in administrative costs and risk margin have a small effect on the rate increase. However, the moratorium of the Health Insurance Industry fee in 2019 reduces the rate increase.