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SelectHealth Preliminary Rate Increase Justification for 2023 Individual Health Benefit Plans

Rate Change

The Individual plan rates are decreasing by 2.6 percent on average. Gold and Silver plans are decreasing in the range of 1 to 8 percent. The actual rate change varies by selected benefit plan and area.

The number of individuals impacted is 32,918.

Most Significant Factors

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

1. Implementing 1332 Waiver: -9.5%
2. Plan Design Changes 3%
3. Projected changes to medical and pharmacy claims: 4.5%

The factors above equal the total average rate increase for the block. 1) The implementation of the 1332 waiver will decrease Individual ACA rates by 9.5%, 12% from current 2022 rates excluding the Idaho risk pool improvement. 2) Benefit changes are occurring for the projected year resulting in an impact to the rate. 3) Projected increases from prior experience are expected for medical and pharmacy claims.

Financial Experience

For 2021, the average premium per member per month was \$494. The average paid claims per member per month was \$445.



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Key Assumptions

The annual cost trends used in developing the new rates:

- Medical: 8%
- Pharmacy: 12.7%

The projected rates are made up of the following components:

- Claims: 81.8%
- Administrative Costs: 8.7%
- Federal Taxes and fees: 2.3%
- States taxes and fees: 1.7%
- Commissions: 2.5
- Contribution to surplus, profit, and risk margin to account for variability of claims: 3.0%