

Part II Rate Increase Justification

Company Name: St. Luke's Health Plan, Inc.
Preliminary Rate Increase Justification for 2023
Small Group Health Benefit Plans

Rate Change

St. Luke's Health Plan is a new entrant to the Small Group market for 2023. As a result, there is no rate change for this product.

Most Significant Factors

N/A

Financial Experience

St. Luke's Health Plan has no prior financial experience offering Small Group market products.

Key Assumptions

The 2023 rates are made up of the following components:

- Claims: 83.9% of projected revenue
- Risk adjustment payment / (receipt): 1.0% of projected revenue
- Administrative costs: 10.1% of projected revenue
- Federal taxes and fees: 0.1% of projected revenue
- State taxes and fees: 1.5% of projected revenue
- Exchange fees: 0.0% of projected revenue
- Commissions: 2.3% of projected revenue
- Contributions to surplus, profit, and risk margin: 1.0% of projected revenue