



QCA Health Plan, Inc. – Small Group

Rate request filing SERFF Tracking #: **QUAC-131113278**

Product Name: **QCA Small Group Metal Rates 2018**

This document is offered as a tool for Arkansas consumers to help explain the company's rate filing prepared and uses information submitted by the insurance company. It is not intended to describe or include all factors or information considered in AID's review process. All information is in the public domain. Financial information is based upon the annual company statement filed for the calendar year noted. For further information on this filing, visit: <https://www.insurance.arkansas.gov/uploads/pages/py2018-sq-qca-full.pdf>.

Overview

Requested average rate change:

(6.96%)

Range of requested rate change:

(13.20%) – (2.10%)

Effective date:

January 1, 2018

Covered lives affected:

1,327

This plan is available in the following:

Statewide

Financial information

Experience from January-December 2016:

Premiums written: \$6.20M
Claims paid: \$4.96M

Projection for January-December 2018:

Projected premium: \$17.21M
Projected claims: \$13.77M

Company justification for requested change

According to the company's filing, the following components make up its rate request:

"Price Inflation - the cost per service is increasing; Utilization Trend - the number of and distribution of services utilized by members is increasing plan sponsor costs; Morbidity - the anticipated average risk profile of projected membership in 2018; and Administrative Expenses"

- - 57.4% of the - 6.96% total request is due to Medical Utilization Changes.
- - 43.2% of the - 6.96% total request is due to Medical Price Changes.
- 0% of the - 6.96% total request is due to Medical Benefit Changes Required by Law.
- 0% of the - 6.96% total request is due to Medical Benefit Changes Not Required by Law.
- 14.3% of the - 6.96% total request is due to Changes to Administration Costs.
- 10.7% of the - 6.96% total request is due to Changes to Profit Margin.
- 175.6% of the - 6.96% total request is due to Other, defined as: "Morbidity, Risk Adjustment, and Benefit Pricing."