



## Arkansas Blue Cross & Blue Shield – Individual Plans (Off Marketplace)

Rate request filing SERFF Tracking #: **ARBB-131588432**

Product Name: **2019 Rate Filing Individual OFF Exchange Only**

*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/py2019-ind-arbcbs-off-full.pdf>

### Overview

<b>Requested average rate change:</b>	<b>4.40%</b>	Range of requested rate change:	(15.40)% – 9.60%
		Effective date:	January 1, 2019
		Covered lives affected:	186,510

**This plan is available in the following counties:** Statewide

### Financial Information

#### Experience from January-December 2017:

Premiums written:	\$1.081 billion
Claims paid:	\$793.7 million

#### Projection for January-December 2019:

Projected premium:	\$701.7 million
Projected claims:	\$584.9 million

### Company Justification for Requested Change

#### According to the company's filing, its request is made because:

"The overall trend is around 6.6%, however, the claims experience is coming in better than anticipated in 2018 leading us to believe that the cost for 2019 will not increase at the same level."

#### According to the company's filing, its financial experience has been:

"Our current estimate of the demand for medical services is running better than was originally expected, which has impacted the needed rates for 2019. Rates Reflect Cost of Care. The cost of providing healthcare has the biggest impact on health insurance premiums. Our rates reflect the cost of caring for those with chronic illnesses and long-term medical conditions, an aging population, and the increased cost of new medicines, procedures, and technologies."

#### The request is made up of the following components:

- 29% of the 4.40% total request is due to Medical Utilization Changes.
- 16% of the 4.40% total request is due to Medical Price Changes.
- 6% of the 4.40% total request is due to Medical Benefit Changes Required by Law.
- 0% of the 4.40% total request is due to Medical Benefit Changes Not Required by Law.
- 4% of the 4.40% total request is due to Changes to Administration Costs.
- 12% of the 4.40% total request is due to Changes to Profit Margin.
- 33% of the 4.40% total request is due to Other, defined as: "Included is the changes in cost due to impact of the constantly changing demographic makeup, any enhanced benefits, and the loss of Cost Sharing Reduction subsidies."