



## QualChoice Life and Health – Small Group

Rate request filing SERFF Tracking #: **QUAC-131590779**

Product Name: **QCLH Small Group Metal Rates 2019**

*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-sq-aclh-full.pdf>

### Overview

**Requested average rate change: 0.54%**

Range of requested rate change: (1.33%) – 9.39%

Effective date: January 1, 2019

Covered lives affected: 1,021

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

Statewide

### Financial Information

#### Experience from January-December 2017:

Premiums written: \$6.26 million

Claims paid: \$5.01 million

#### Projection for January-December 2019:

Projected premium: \$8.33 million

Projected claims: \$6.66 million

### Company Justification for Requested Change

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

"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 2019; and Administrative Expenses."

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

"A historical review of 2017 financials and emerging 2018 experience indicates a rate adjustment is necessary."

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

- 564.2% of the 0.54% total request is due to Medical Utilization Changes.
- 716.1% of the 0.54% total request is due to Medical Price Changes.
- 0% of the 0.54% total request is due to Medical Benefit Changes Required by Law.
- 0% of the 0.54% total request is due to Medical Benefit Changes Not Required by Law.
- -564.3% of the 0.54% total request is due to Changes to Administration Costs.
- 281.2% of the 0.54% total request is due to Changes to Profit Margin.
- -971.2% of the 0.54% total request is due to Other, defined as: "Morbidity, Risk Adjustment, and Benefit Pricing."