



Celtic Insurance Company (Ambetter) – Individual Plan

Rate request filing SERFF Tracking #: **CELT-131932180**

Product Name: **Ambetter from AR Health & Wellness**

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/py2020-ind-amb-full.pdf>.

Overview

Requested average rate change: 1.90% Range of requested rate change: (5.10%) – 6.80%
Effective date: January 1, 2020
Covered lives affected: 67,959

This plan is available in the following counties:

Service Area	Counties`
Central	Cleburne, Conway, Faulkner, Grant, Lonoke, Perry, Pope, Prairie, Pulaski, Saline, Van Buren, White, Yell
Northeast	Clay, Craighead, Crittenden, Cross, Fulton, Greene, Independence, IZard, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp, St. Francis, Stone, Woodruff
Northwest	Baxter, Benton, Boone, Carroll, Madison, Marion, Newton, Searcy, Washington
South Central	Clark, Garland, Hot Spring, Montgomery, Pike
Southeast	Arkansas, Ashley, Bradley, Chicot, Cleveland, Dallas, Desha, Drew, Jefferson, Lee, Lincoln, Monroe, Phillips
Southwest	Calhoun, Columbia, Hempstead, Howard, Lafayette, Little River, Miller, Nevada, Ouachita, Sevier, Union
West Central	Crawford, Franklin, Johnson, Logan, Polk, Sebastian, Scott

Historical Approved Rate Changes

PY2019: 4.60% **PY2018:** 21.40% **PY2017:** 4.00%
PY2016: 0.08% **PY2015:** (12.00%)

Financial Information

Experience from January-December 2018:

Premiums written: \$440.7 million
Claims paid: \$316.6 million

Projection for January-December 2020:

Projected premium: \$377.6 million
Projected claims: \$285.4 million

Company Justification for Requested Change

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

"Single risk pool experience, unit cost trend, utilization trend, deterioration of morbidity within the single risk pool, and reinstatement of previously suspended taxes. The rate increase requested takes into consideration the decrease in the Federal Exchange User Fee from 3.0% to 2.5% and the elimination of the Arkansas Health Insurance Marketplace (AHIM) Exchange User Fee of 1.25% beginning January 1, 2020. This results in a lower premium increase than anticipated for Arkansans utilizing the Marketplace

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

"The experience includes claims experience incurred in 2018 and paid through March 31, 2019."

According to the company's filing, the rate request will affect the financial experience by:

"Prior to the requested 1.9% rate increase for 2020, the projected MLR is 87.0%. The rate increase reduces the projected MLR to 85.4%."

The request is made up of the following components:

- 4.1% of the 1.90% total request is due to Medical Utilization Changes.
- 3.5% of the 1.90% total request is due to Medical Price Changes.
- 0% of the 1.90% total request is due to Medical Benefit Changes Required by Law.
- 0% of the 1.90% total request is due to Medical Benefit Changes Not Required by Law.
- 1.6% of the 1.90% total request is due to Changes to Administration Costs.
- 1.1% of the 1.90% total request is due to Changes to Profit Margin.
- -7.3% of the 1.90% total request is due to Other, defined as: "Rating impact due to favorable 2018 experience, morbidity increase observed partially offset by projected risk adjustment credits, greater Cost Share Reduction payments expected as a % of total liability, demographic shifting into the projection period."

