



Montana Health CO-OP – Small Group Health Plans

This document is prepared by the Montana Office of the Commissioner of Securities and Insurance to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the complete Part II Justification for the proposed rate increase at csimt.gov.

Overview

Requested average rate change:	3 %
Range of requested rate change:	-8 % - 8 %
Effective date:	01/01/2017
People impacted:	1,000

Average Annual Rate Change for All Plans

Product Name	Average Rate Increase
Access Care	5 %
Connected Care	2 %
Total	3 %

Other changes in allowable rating factors such as age and tobacco use (if applicable) may also impact the premium amount and vary by individual.

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$7M
Claims	\$8.2M
Loss Ratio	117 %

* Administrative cost includes agent commissions and exchange fees.

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2017:

Claims:	84%
Administrative: *	13%
Taxes & fees:	0%
Profit:	3%

Explanation of requested rate change

The expected average annual medical and prescription drug trend is 8 %.

- There were no changes in benefits being offered. Plan designs were adjusted with assumed medical and Rx trend so that there was no significant impact on the rates due to plan design changes.
- Average allowed costs represent all claims paid by MHC and MHC's members for services covered by MHC's plans. MHC's average allowed medical costs increased by 3% from the 2014 experience period used in 2016 pricing to the 2015 experience period used for 2017 pricing.