

Rate Change Justification for 2020

Carrier: SilverSummit Healthplan, Inc. Average Change: 4.7% Min: -2.1% Max: 8.0%

HMO Plans offered by County and Metallic Level on January 1, 2019 and proposed for 2020:

	Catastrophic		Bronze		Silver		Gold		Platinum	
	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex
Clark & Nye Counties in 2019	0	0	1	1	3	4	1	1	0	0
Clark & Nye Counties in 2020	0	0	2	2	3	3	1	1	0	0
Washoe County in 2019	0	0	1	1	3	4	1	1	0	0
Washoe County in 2020	0	0	2	2	3	3	1	1	0	0
Lyon, Carson, Storey, & Douglas Co. in 2019	0	0	1	1	3	4	1	1	0	0
Lyon, Carson, Storey, & Douglas Co. in 2020	0	0	2	2	3	3	1	1	0	0
All other Counties in 2019	0	0	1	1	3	4	1	1	0	0
All other Counties in 2020	0	0	2	2	3	3	1	1	0	0

Explanation of the Rate: SilverSummit Healthplan, Inc. has filed rates with the Nevada Division of Insurance for its Individual Affordable Care Act (ACA) products in Nevada. The proposed rate change of 4.7% applies to approximately 30,736 individuals. These rates will be offered statewide and will be in effect for the entirety of 2020.

SilverSummit filed rates for the individual block of business in the State of Nevada for the first time in 2018, so rates are based on experience collected during calendar year 2018. Actual experience will differ from projections for a number of reasons, including population changes, claims experience, and random deviations from assumptions.

Anticipated changes to the average health status, or morbidity, of the single risk pool along with medical trend each contribute to the premium rate change. Medical trend, or the increase in health care costs over time, is composed of two components: the increase in the unit cost of services and the increase in the utilization of those services. Unit cost increases occur as care providers and their suppliers raise their prices. Utilization increases can occur as people seek more services than before. Additionally, simple services can be replaced with more complex services over time, which is known as service intensity trend. An example of service intensity trend would be the replacement of an X-ray with an MRI scan. Replacing the service with a more intense service causes the total cost of medical services to increase.

Whether the government reimburses cost-sharing amounts for lower income individuals greatly impacts the rates. Rate levels assume that there will be no funding of cost-sharing reduction subsidies. The premium rate change reflects updated expectations regarding the portion of individuals enrolling in cost-sharing reduction plans.

There was a moratorium on the ACA Insurer fee for 2019. For 2020, the ACA Insurer Fee will be in effect. This increases rates relative to 2019. SilverSummit's projected administrative expenses for 2020 are \$49.41 per member per month, or 8.3% of premium, in addition to \$62.94 for taxes and fees. The projected loss ratio is 81.5%, which satisfies the federal minimum loss ratio requirement of 80.0%.