

Rate Change Justification for 2021

Carrier: SilverSummit Healthplan, Inc. Average Change: 2.3% Min: -3.3% Max: 6.2%

HMO Plans offered by County and Metallic Level on January 1, 2020 and proposed for 2021:

	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 2020	0	0	2	2	3	3	1	1	0	0
Clark & Nye Counties in 2021	0	0	6	6	12	24	2	6	0	0
Washoe County in 2020	0	0	2	2	3	3	1	1	0	0
Washoe County in 2021	0	0	6	6	12	24	2	6	0	0
Lyon, Carson, Storey, & Douglas Co. in 2020	0	0	2	2	3	3	1	1	0	0
Lyon, Carson, Storey, & Douglas Co. in 2021	0	0	6	6	12	24	2	6	0	0
All other Counties in 2020	0	0	2	2	3	3	1	1	0	0
All other Counties in 2021	0	0	6	6	12	24	2	6	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 2.3% applies to approximately 13,563 individuals and includes an adjustment for the impact of COVID-19 on 2021 costs: We expect that the direct expense of COVID-19 testing and treatment, along with the secondary effects of the pandemic on medical expenditures, will result in a net increase to costs in 2021. These rates will be offered statewide and will be in effect for the entirety of 2021.

SilverSummit filed rates for the individual block of business in the State of Nevada for the first time in 2018. Rates for 2021 are based on experience collected during calendar year 2019. 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.

For 2020, the ACA Insurer Fee was in effect. For 2021, there is no ACA Insurer Fee. This decreases rates in 2021 relative to 2020, all else equal. SilverSummit's projected administrative expenses for 2021 are \$67.74 per member per month, or 10.8% of premium, in addition to \$48.27 for taxes and fees. The projected loss ratio for 2021 is 85.2%, which satisfies the federal minimum loss ratio requirement of 80.0%.