

RFJ Part II – Consumer Friendly Justification

Individual Exchange EPO/PPO Rate Filing

The rate change for UPMC Health Options Individual plans is 10.04% for 2024. Rate change drivers include the following:

- Increases in medical and pharmacy cost and utilization
- Changes to the state reinsurance program for the Individual health insurance market.

Scope and Range of the Rate Increase

The number of individuals affected by this rate increase is 98,427. The proposed rate increase varies by plan due to various changes made to meet AV requirements on a plan-by-plan basis. The range of the proposed rate change is 2.73% to 21.22%.

Financial Experience of the Product

UPMC Health Options incurred an underwriting gain in the ACA Individual market in 2022.

Changes in Medical Service Costs

Cost and utilization increases are expected to increase by approximately 4.64% for 2024.

Changes in Benefits

No changes in benefits contributed significantly to the increase.

Administrative Costs and Anticipated Margins

Changes in administrative costs contribute to the rate increase. This rate filing anticipates a surplus and risk margin for 2024.