

1. Scope and Range of Rate Increase

The purpose of this document is to present rate change justification for Oscar Health Plan, Inc. (Oscar's) individual Affordable Care Act (ACA) products, with an effective date of January 1, 2024, and to comply with the requirements of Section 2794 of the Public Health Service Act as added by Section 1003 of the Patient Protection and Affordable Care Act (ACA).

Using in-force business as of March 2023, the proposed average rate increase for renewing plans is 6.8%. Rate increases vary by plan due to a combination of factors including shifts in benefit leveraging and cost-sharing modifications. This rate increase is absent of rate changes due to attained age.

The rate increase impacts an estimated 3,781 members.

2. Reason for Rate Increase(s)

The significant factors driving the proposed rate change include the following:

Medical and Prescription Drug Inflation and Utilization Trends

The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

Administrative Expenses

Changes to the overall premium level are needed because of anticipated changes in administrative expenses.

Prospective Benefit Changes

Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

Changes in Conversion Factor

The distribution of contracts anticipated for the 2024 plan year varies from those in 2023 premium rates.

Risk Adjustment

There is an impact to premium due to projected changes in risk adjustment transfer — namely changes to the statewide average premium, changes to the changes to the Health and Human Services Hierarchical Condition Categories (HHS-HCC) coefficients from the 2023 plan year to the 2024 plan year.

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