

## **Part II of the Preliminary Justification**

### **Highmark – Individual Market**

#### **Scope and Range:**

Highmark is requesting an average ACA individual market rate increase of 10.1%, ranging from 2.0% to 18.8%. Products submitted with this filing will have effective dates from January 1, 2024 to December 31, 2024. This rate change is projected to affect 57,538 members.

#### **Historical Financial Experience:**

Highmark incurred an underwriting gain in its ACA individual market programs in 2022.

#### **Change in Medical Service Costs:**

The projected average cost of medical care for the projected population is expected to increase. The increase will emerge in utilization and average cost per service, and is spread across all types of services.

#### **Change in Benefits and Cost Sharing:**

Some cost sharing parameters were changed in order to maintain compliance with Federal AV requirements. Additionally, some out of pocket maximum parameters were changed to keep up with the rising cost of health care. These out of pocket maximum changes also aided in mitigating the rate increase.

#### **Administrative Costs and Anticipated Operating Results:**

The anticipated administrative costs and operating results are not excessive or unreasonable. In accordance with regulations, the projected medical loss ratio is over 80%.