

Insurer's Explanation of Rate Increase

Baylor Scott & White Health Plan (BSWHP) has prepared the following written explanation of this increase.

Part II-Preliminary Justification

Scope and Range of the Rate Increase

Baylor Scott & White Health Plan (BSWHP) is requesting an average annual rate increase of 18.35% to HMO products on the Small Group Health Insurance Single Risk Pool effective on 01-01-2027.

Financial Experience of the Product

Forecasted claims for the projection period are expected to increase, facilitating the adjustment to future premium rates.

Changes in Medical Service Costs

Unit cost of medical benefits is expected to increase, and utilization of medical services is expected to increase slightly. BSWHP used an assumption of 9.1 percent for medical inflation. The remainder of the overall rate change is due to other factors such as changes in membership mix, changes in benefits, changes in administrative costs, and changes in risk adjustment parameters.