

Written Description Justifying the Rate Increase

Blue Cross Blue Shield Healthcare Plan of GA, Inc. (NAIC 96962)
Consumer Disclosure for Proposed Health Insurance Rate Increase
Individual Plans
Rate Change Effective January 1, 2025

Scope and Range of the Rate Increase

Blue Cross Blue Shield Healthcare Plan of GA, Inc. (BCBSHP) has made an application to the Georgia Department of Insurance for premium rate changes for its fully ACA-compliant individual health plan products. This filing includes an average rate change of 8.0%, excluding the impact of aging, effective January 1, 2025. At the individual plan level, rate increases range from 3.4% to 15.6% for renewing plans. A subscriber's actual rate could be higher or lower depending on the geographic location, age characteristics, dependent coverage, and other factors.

Financial Experience

BCBSHP expects the proposed rate increase will cover projected medical trends and yield a medical loss ratio of 85.0%, meaning more than eighty-five cents of each premium dollar are expected to go to covering our members' medical expenses and improving health care quality. This projected MLR of 85.0% exceeds the minimum MLR requirement of 80% as defined in the Affordable Care Act (ACA). In the event BCBSHP's MLR is less than the Federal required minimum for a three-year period, Anthem will refund the difference to policyholders, consistent with federal regulations.

Drivers of Rate Increase

The primary drivers of premium increases are associated with increased cost of benefit expense for this ACA-compliant block. Increased cost of benefit expense is driven by increases in the price of services primarily from hospitals, physicians, and pharmacies, coupled with members increasing their use of health care services, also called "utilization". Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member level utilization and selection patterns in the Guaranteed Issue, Community Rated ACA market.

The rate increase reflects an estimate of the claims cost impact of COVID-19, economic impacts, the State of Georgia's Section 1332 Waiver reinsurance program, and expected membership migration across markets. The rates are in accordance with the regulatory framework and insurer participation in the market as of August 6, 2024. If there are changes in regulation, reinsurance parameters, or insurer participation, then these rates may no longer be appropriate and will be evaluated for resubmission.

Efforts to Control Costs

BCBSHP is committed to working to hold down the cost of insurance and price the Individual ACA market for long term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals, and we provide members with tools to make informed decisions about where and how to receive treatment.