

Director's Remarks

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Director

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Rate Review 2016 Filings

- All health plans submitted rate filings by July 30, 2015
- Total number of filings received and currently being reviewed: 24
 - Covered California products are included in 17 of the 24 rate filings
- Rate review of all plans is expected to be completed by October 1, 2015

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Proposed Rate Changes

Annual rate increases across all health plans

- Individual Market – average 4.3%; range from -19% to 6%
- Small Group Market – average 4.5%; range from -4% to 23%

Rate increases vary by geographic region

- Average rate increase in northern CA vs. southern CA, 7% vs. 2%
- Rate increases as high as 44%, Region 9 (include Monterey county)
- Rate decreases as low as -13%, Region 15 (include LA County NE)

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Drivers of 2016 Rate Changes

- Projected annual increase in medical cost of 6.2%, on average
- Expansion of provider networks in several northern California regions
- Increased administrative expenses PMPM
- Reduced recoveries from ACA Transitional Reinsurance Program
- Changes in Risk Adjustment payment/charges assumptions

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Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year

CMS Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year to California plans licensed by DMHC and CDI

\$ in millions

Company	Reinsurance	Risk Adjustment		Total
		Individual	Small Group	
Aetna	\$0	\$0	(\$25)	(\$25)
Blue Cross	\$401	(\$182)	\$23	\$243
Blue Shield	\$363	\$135	\$14	\$512
Chinese Community	\$2	(\$17)	(\$3)	(\$18)
Cigna	\$21	\$18	\$0	\$39
Contra Costa	\$2	\$2	\$0	\$4
County of Santa Clara	\$0	(\$0)	\$0	\$0
County of Ventura	\$0	\$0	\$1	\$1
Health Net	\$145	(\$46)	(\$5)	\$94
Humana	\$0	\$0	\$0	\$0
Kaiser	\$240	\$99	(\$6)	\$333
LA Care	\$0	(\$32)	\$0	(\$31)
Molina	\$1	(\$9)	\$0	(\$8)
Sharp	\$11	\$10	(\$1)	\$20
UnitedHealthCare	\$0	\$0	\$2	\$2
Western Health Advantage	\$6	\$3	\$1	\$9
Total	\$1,193	(\$19)	\$0	\$1,174

Negative: Plan pays

Source: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RI-RA-Report-Draft-6-30-15.pdf>

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