

## United HealthCare of Kentucky~ Small Group

This filing for UHC of KY is a small group non-grandfathered single risk pool block of business that is effective 1/1/2021. The Company is filing off-exchange products only. The loss ratio for the Company is about 82.2% for 12 months ending December 2019.

The requested annualized rate increases effective 1/1/2021 is an average of 12.3%. The minimum annualized plan increase is -3.9% and the maximum annualized plan increase is 25.3%. There are 10,175 members (1,263 group policyholders) impacted by this rate filing. The annualized pricing trend effective 1/1/2021 is 8.9%. The projected members months in 2021 is 147,240.

The filing includes the following changes, these changes will be effective 1/1/2021:

- Introduction of new 2021 ACA Portfolio: The Company will introduce 26 new plans, carry over 42 plans from the 2019 AVA portfolio. This set of plans will be called 2021 ACA plan portfolio.
- Base Rate Increase: the base rate will increase by 2%.
- Revenue Neutrality Adjustment: A new 2021 AVA portfolio is being introduced. The pricing of prior is also being repriced to be consistent with the most recent pricing model. A revenue neutrality adjustment of -9.3% will be applied to the Base Rate to keep revenue neutral in aggregate.
- Annual Pricing Trend: The annual pricing trend will change from 9.7% to 8.9%.
- Area Factors: New area factor in Area 2, 4, 5, 6 and 8 will be implemented. The overall impact of these changes is revenue neutral.

The 2021 projected loss ratio is 78.6%. The estimated Federal medical loss ratio for year 2021 is 82.4%.

This filing was reviewed by an actuary and additional information was requested. UHC of KY's actuary responded with answers and spreadsheet exhibits. The Company provided supporting documentation for its assumptions, although given the wide range of possible scenarios, magnitude and uncertainty of actual market purchaser characteristics, it is not unlikely that results will vary from the company's assumptions.

The filing has been analyzed with respect to the items required pursuant to 806 KAR 17:150. Therefore after review the filing was approved with a 12.3% average increase.