

## UnitedHealthcare Insurance CO (UHIC)- Small Group

This filing is for UHIC's 2022 small group non-grandfathered ACA block of business. This filing is for the company's POS business. The filed average rate increase is for 15.7% with only one renewing plan. UHIC is projecting 3,029 member months in 2022 for the entity.

The anticipated claims, net of risk adjustment divided by expected earned premium produces a pricing loss ratio is 76.0% for 2022. This is equivalent to an 83.1% ACA-defined MLR for rebate calculation purposes.

UHIC is applying two years of annual trend to the 2020 experience to project it to the 2022 rating period. The trend is 5.8% in 2021 and 7.8% in 2022. The trend is composed of utilization and unit cost components. The trend factors are based on recent and emerging claims experience that are reviewed at the market level by service category.

COVID-19- an additional adjustment of 7.1% is applied to the experience period claims due to the impact of the COVID-19 pandemic. This adjustment is applied to reflect the net impact of lower utilization during the pandemic and removal of costs associated with COVID-19 testing and treatment during the experience period. The company provided additional support for this adjustment in the response to the inquiries and is considered well-supported and reasonable.

Other adjustments made to the experience claims include Catastrophic Claims Adjustment, trend adjustment to the mid-point of the quarter, and composite rating adjustment.

The filing was submitted, and additional information was requested. UHIC provided with both narrative answers and spreadsheet exhibits in response to these questions. Satisfactory supporting documentation for its assumptions was provided. Given the wide range of possible scenarios and 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. Based on the review the final approved average rate increase 15.7%.