

This filing is for UnitedHealthcare Insurance Co (UHIC's) small group ACA-compliant block of business in Kentucky effective 1/1/2025. The Company is filing off-exchange products only. The risk-adjusted loss ratio for the Company is 70.5% for 12 months ending in March 2024 (It is 90.8% for UHIC/UHC of OH/UHC of KY combined). The Company currently offers 3 plans and will renew all of the plans in 2025. There are no new plans in 2025.

The requested annualized rate increases effective 1/1/2025 for the renewing plans is 14.8%. The following is a breakdown of the key drivers of the rate increase for the renewing plans:

Metric	Impact
Trend	9.4%
Market Morbidity	6.0%
Other	-1.0%
Rate Change for Renewing Plans	14.8%

The minimum annualized plan increase is 12.8% and the maximum annualized plan increase is 15.6%. There are 43 groups and 246 members impacted by this rate filing as of the end of March 2024. The annualized pricing trend effective 1/1/2025 is 9.4%. The projected average members per month in 2025 is 172.

The filing includes the following changes:

- Base Rate Increase: Effective 1/1/2025, the Base Rate has been adjusted for trend and includes a revenue neutrality adjustment due to the impact of changes in plan relativities and area factors. The company is also proposing an additional 4% increase to the Base Rate.
- Annual Pricing Trend: Effective 1/1/2025, the annual pricing trend will change from 11.1% to 9.4%.
- Area Factors: The Company is proposing changes to its area factors (-0.9% in rating area 4).
- The company indicated all Essential Health Benefits and all benefits mandated for group health insurance products for the small business market are included in the proposed rates and the benefits that are in excess of EHBs are estimated to be a de minimis amount.
- The 2025 projected loss ratio is 81.5%. The estimated Federal medical loss ratio for 2025 is 88.4%. The Company did not pay MLR rebates over the past three years due to the business not being credible. The Company does not anticipate paying MLR rebates in 2023, 2024, or 2025.

DESCRIPTION OF FILING REVIEW PROCESS WITH INSURER

The filing was reviewed requests sent for additional information to the actuary. The actuary provided me with answers and spreadsheet exhibits in response to my questions.

The Company provided satisfactory 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.

Based on the review of the material contained in this rate filing, with specific comments for each area of compliance to be found in the body of this report, we find that any outstanding requirements are not, individually or in combination, substantial in effect in failing to meet the provisions of 806 KAR 17:150. Therefore, this rate filing was approved with an average rate increase of 14.8%.