

4/28/23

APPLICATION TO THE NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES FOR A PREMIUM ADJUSTMENT

COMPANY: Highmark Western and Northeastern New York

NAIC #: 55204

Prefiling SERFF Tracking #: HLTH-133651811

EFFECTIVE JANUARY 1, 2024

THIS APPLICATION IS FOR INDIVIDUAL COMMUNITY-RATED
PRODUCTS

Health insurance premiums **must** correspond with the cost of our members' medical care, which continues to rise at an unparalleled rate year after year and is projected to increase significantly in 2024. Rising medical costs are the primary driver of our proposed individual rates and increase requested premiums by 19.1%. Additionally, regulatory mandates, taxes, and fees increase requested premiums by 3.5%.

With more than 90 cents of every dollar of revenue the company collects from premiums, which is well above to state-mandated medical loss ratio (MLR), going back out to pay for our members' medical care, it's becoming unsustainable to offer preferred individual products. Over the past five years, the company has experienced over \$35.9 million in losses in individual products, demonstrating the critical need for sufficient premium rates.

While health care costs continue to rise, our affiliation with Highmark Health provides ongoing strength and stability to our organization, as it allows access to shared innovation and strategic partnerships that help drive down costs for individuals, including helping to minimize the proposed rate increases for 2024.

This rate change application affects only the members enrolled in community-rated products for individuals. Based on current membership numbers, we estimate that 4,738 policyholders or 6,612 members will be affected by the rate change.

Based on the reasons explained above, we are requesting that the Department of Financial Services grant our submitted premium rate increase of 22.6% for its community-rated individual products to take effect on January 1, 2024.

Accompanying this narrative is the NYS Exhibit 13, which provides a numerical summary of selected information from this rate filing and prior rate filings.