

**5/10/23**

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

**COMPANY: Highmark Western and Northeastern New York**

**NAIC #: 55204**

**SERFF Tracking #s: HLTH-133667407**

**EFFECTIVE JANUARY 1, 2024**

**THIS APPLICATION IS FOR SMALL GROUP 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 small group rates, in addition to regulatory mandates, taxes, and fees.

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 small group products. Over the past five years, the company has experienced over \$227 million in losses in small group 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 small businesses, including helping to minimize the proposed rate increases for 2024.

This rate change application affects only the members enrolled in community-rated products for small groups. Based on current membership numbers, we estimate that **(53,703)** members, totaling **(4,903)** small businesses 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 **22.0%** for its community-rated small group products to take effect on January 1, 2024. This increase is comprised of 3% for proposed regulations with the remainder due to cost and utilization increases.

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