

Part II – Written Description Justifying the Rate Increase

Qualified Health Plan Issuers are requested to post a justification for a rate increase to its website. Below is justification for the rate increase effective January 1, 2023 for UnitedHealthcare Insurance Company. (UHC). Individual medical plans offered in Tennessee that are fully compliant with the Patient Protection and Affordable Care Act.

Rate Change: Overall average of 11.4%. The rate change by plan varies from 0.7% to 23.7%.

Number of Individuals Impacted: 12,203

Financial Experience of Product: The UHC IND EPO product was first offered in 2021, during which it incurred a Federal medical loss ratio in line with pricing expectations and is not impacting the rate increases. There is not yet adequate information to assess how the 2022 premium revenue, claims experience and profit will differ. The financial experience of the product is not impactful on the projected rate change.

Key Drivers of Change in Medical Service Costs:

- Updated reimbursement from hospitals and doctors due to expanded network
- Increase in our estimate of the value of deductibles, copays, coinsurance, and out-of-pocket maximums to maintain compliance with Silver and Gold metal tiers
- Increase in our estimate of the cost associated with cost-sharing-reduction subsidy members
- Increase in utilization of services

Changes in Benefits: There were no changes in benefits in our renewing plans besides those to comply with the new Federal requirements.

Administrative Costs and Anticipated Margins: Our administrative costs will be higher in 2023 relative to 2022 due to general inflation.