

Bright Health Company of

South Carolina

HIOS ID: 16985

URRT Part II – Consumer Justification Narrative

## Scope and Range of the Rate Increase

To cover cost increases and regulatory impacts in 2022, Bright Health Company of South Carolina is requesting a rate increase for individuals enrolled on its ACA-qualified plans. The actual increase experienced by an individual will vary depending on factors such as their age, geographic location, and the plan they are enrolled in. While premium tax credits offset some, if not all, of the impact for many consumers, a consumer not eligible for subsidies will unfortunately feel the full impact of this rate increase.

The rate increases are driven primarily by increased medical costs, utilization and use of providers outside the contracted network. Bright Health is working hard to keep rates and healthcare as affordable as possible. We have partnered with specific health systems to keep care coordinated and connected, and therefore less costly. Increasing access to affordable care is at the core of Bright Health's mission.

As of May 2021, 92 members will be impacted by rate changes greater than 15%.

## Financial Experience of the Product

2020 was the first service year for Bright Health Company of South Carolina in the ACA market, and thus we had only one full year of data to forecast 2021 medical costs and claims expenses. Because we do not have multiple years of data on which to base our Florida market rate increase, we ensure this forecast is accurate by leveraging our current data in other markets as well as actuarially validated sources in accordance with industry best practices.

Following is our reported 2020 experience from our filed schedule. Values are shown in millions.

Year	Premium	Incurred Claims	Gross Margin
2020	\$18.3	\$8.5	\$3.2

## Changes in Medical Service Costs

Although we partner with specific health system to keep care coordinated and connected, increases in medical and drug costs are components driving rate increases.

Additionally, out of network utilization at non-contracted facilities is a primary focus for the company, and we fully expect to see a reduction in care being delivered outside of our network. Bright has managed to implement a robust out-of-network solution for the entire state and has broadened its network to include providers that were seeing high out-of-network utilization.

## Changes in Benefits

Bright Health has made some changes to our benefit plans for 2022 to keep plans as affordable as possible in this regulatory climate, and to maintain our compliance with Federal and State regulations. These changes have allowed us to keep our rate increase from being higher. Bright is also offering additional plan options to give existing and new Bright members more choice.

## Administrative Costs and Anticipated Margins

Federal law states that we must spend at least 80% of all premium dollars collected on health care for our member, or on programs that improve their health.

## Plan Level Rate Increases Above 15%

Catastrophic 8700 (\$0 Primary Care)
16985SC0010009
HMO
1/1/2022
28.46%