

Health Care Premium Rates and Prescription Drug Costs

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Large Group Aggregate Premium Rates

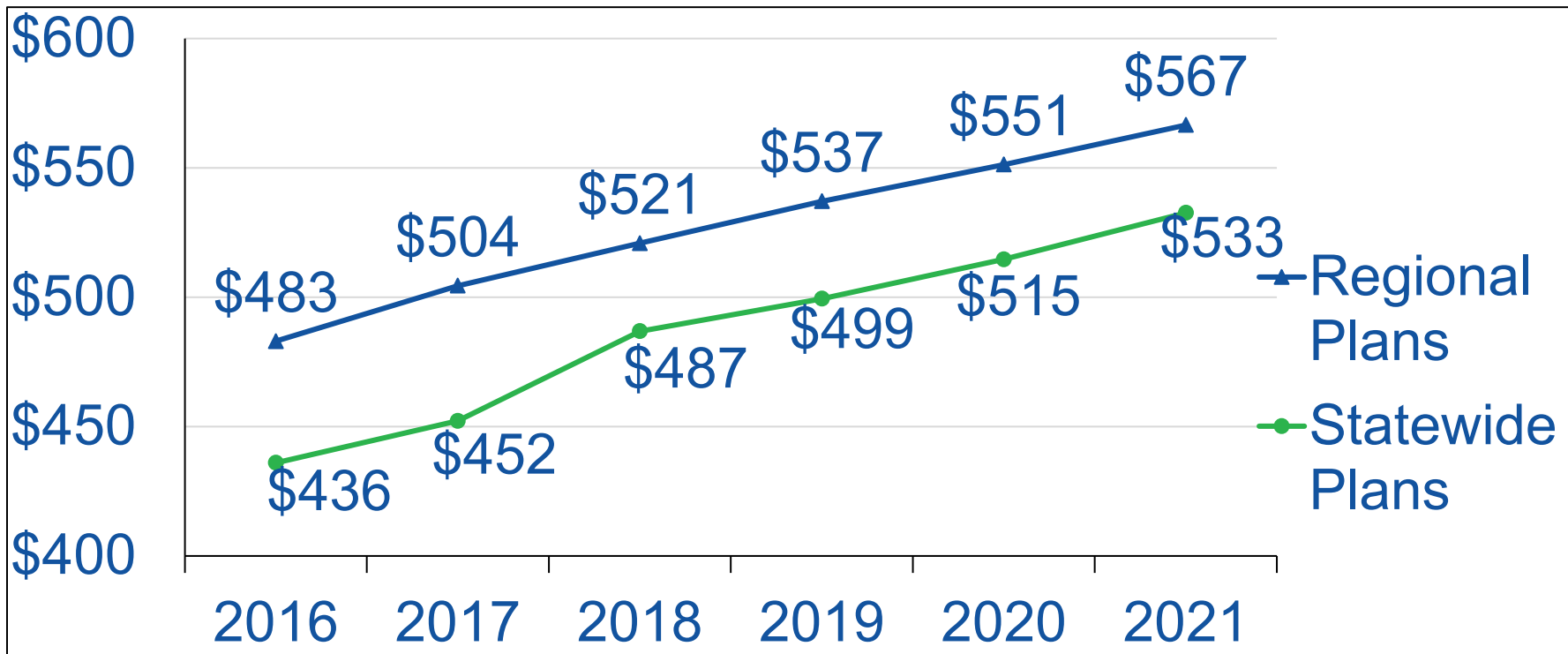
Summary of 2021 Filing

- 23 Health Care Service Plans were required to file:
 - Eight statewide plans
 - Ten regional plans
 - Five In-Home Supportive Services (IHSS) Plans
- Almost 7.8 million enrollees (out of 7.9 million enrollees total) in roughly 14,350 renewing groups are affected by rate changes.
- All analysis excludes data for IHSS Plans.

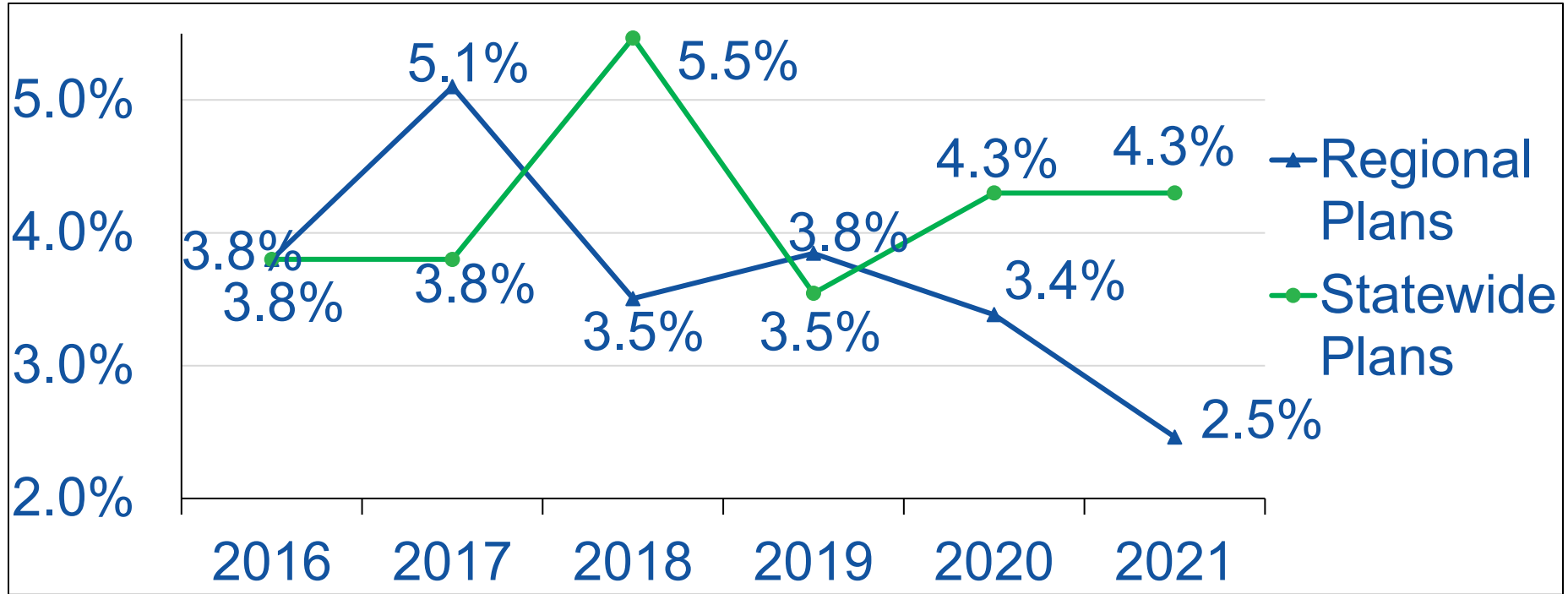
Rate Increases for Covered California, CalPERS and Large Group Statewide Plans

Year	Covered California	CalPERS	Large Group Plans
2017	13.2%	3.9%	3.9%
2018	21.1%	2.5%	5.4%
2019	8.7%	1.1%	3.6%
2020	0.8%	5.1%	4.3%
2021	0.5%	5.3%	4.2%
2022	1.8%	5.5%	Not Available

Average Large Group Monthly Premium 2016 – 2021



Weighted Average Rate Increase Trend 2016 – 2021



Average Rate Increase in 2021

	Average Rate Increase	Number of Enrollees	Average Premium PMPM
All Plans	4.2%	7,947,015	\$533.70
Kaiser	4.2%	5,232,593	\$522.10
All Plans Excluding Kaiser	4.3%	2,714,422	\$556.07

Average Rate Increase by Product Type

Product Type	Average Rate Increase	Minimum	Maximum	Average Premium PMPM
HMO	4.2%	0.0%	12.0%	\$527.69
PPO	4.1%	0.0%	9.6%	\$608.77
EPO	8.9%	0.0%	10.2%	\$565.56
POS	4.7%	-3.5%	8.7%	\$608.73
HDHP	4.6%	-0.8%	7.2%	\$503.60

Number of Covered Lives by Actuarial Value

Product Type	0.9 – 1.00	0.8 – 0.89	0.7 – 0.79	0.6 – 0.69	< 0.60
HMO	5,754,094	804,379	152,905	36,103	104
PPO	229,215	301,299	67,887	10,625	3,997
HDHP	0	170,379	187,375	80,961	31,579
POS	81,729	548	14	1	0
EPO	13,791	24,778	6,717	1,242	522
Total	6,078,829	1,301,383	414,498	128,932	36,202

Large Group Contract Holder Review Request

- The contract holder has a combined total of more than 2,000 enrollees (employees plus dependents) enrolled in all health plans.
- Request the DMHC to review a rate change at <https://wpso.dmhc.ca.gov/LargeGroupRateReview/>

Small Group Market Aggregate Premium Rates

Summary of the Small Group Filings

- 15 Health Care Service Plans were required to file:
 - Seven statewide plans
 - Eight regional plans
- Almost 2.2 million enrollees in the small group market

Average Rate Increase – Small Group Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange	70,295	2.0%	\$496.06
Off-Exchange	1,985,964	1.7%	\$536.66
Grandfathered	167,535	3.7%	\$503.79
Total	2,223,795	1.8%	\$532.90

Enrollment by Metal Tier – Small Group Market (On-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	All
HMO	8,978	19,942	17,228	4,037	50,185
PPO	4,083	7,320	3,393	1,237	16,034
EPO	39	153	157	29	378
HDHP	-	-	1,705	1,994	3,699
Total	13,100	27,415	22,483	7,297	70,296
Total (%)	19%	39%	32%	10%	100%

Enrollment by Metal Tier – Small Group Market (Off-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	All
HMO	322,414	435,840	274,962	56,196	1,089,412
PPO	158,417	325,599	198,104	43,752	725,871
EPO	720	2,132	2,804	1,282	6,938
HDHP	-	2,118	64,329	97,296	163,743
Total	481,551	765,689	540,199	198,526	1,985,964
Total (%)	24%	39%	27%	10%	100%

Individual Market Aggregate Premium Rates

Summary of the Individual Market Filings

- 12 Health Care Service Plans were required to file:
 - Four statewide plans
 - Eight regional plans
- Almost 2.4 million enrollees in the individual market.

Average Rate Increase – Individual Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange	1,802,477	-0.5%	\$559.80
Off-Exchange	567,957	-0.7%	\$514.86
Grandfathered	55,373	3.0%	\$632.82
Total	2,425,807	-0.4%	\$550.95

Enrollment by Metal Tier – Individual Market (On-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	Catastrophic
HMO	77,039	118,688	716,313	261,050	22,525
PPO	7,824	32,285	191,447	70,504	591
EPO	2,178	13,269	99,296	67,331	6,461
HDHP	-	-	-	115,676	-
Total	87,041	164,242	1,007,057	514,561	29,577
Total (%)	5%	9%	55%	29%	2%

Enrollment by Metal Tier – Individual Market (Off-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	Catastrophic
HMO	35,899	32,412	97,193	46,160	4,330
PPO	16,048	42,272	149,042	31,988	1,800
EPO	769	2,050	21,141	16,104	2,316
HDHP	-	-	13,095	55,338	-
Total	52,716	76,734	280,471	149,590	8,446
Total (%)	9%	14%	50%	26%	1%

Summary of the Prescription Drug Cost Transparency Report for Measurement Year 2020

Key Findings

- Health plans paid more than \$10.1 billion for prescription drugs in 2020, an increase of almost \$500 million from 2019, and \$1.5 billion from 2017.
- Prescription drugs accounted for 12.7% of total health plan premiums in 2020, a slight decrease from 12.8% in 2019.
- Health plans' prescription drug costs increased by 5.0% in 2020, whereas medical expenses increased by 3.7%. Overall, total health plan premiums increased by 5.9% from 2019 to 2020.

Key Findings (continued)

- Manufacturer drug rebates totaled approximately \$1.4 billion, up from \$1.2 billion in 2019 and \$1.1 billion in 2018. This represents about 14.2% of the \$10.1 billion spent on prescription drugs in 2020.
- While specialty drugs accounted for only 1.6% of all prescription drugs dispensed, they accounted for 60.2% of total annual spending on prescription drugs.
- Generic drugs accounted for 89.1% of all prescribed drugs but only 18.1% of the total annual spending on prescription drugs.

Questions