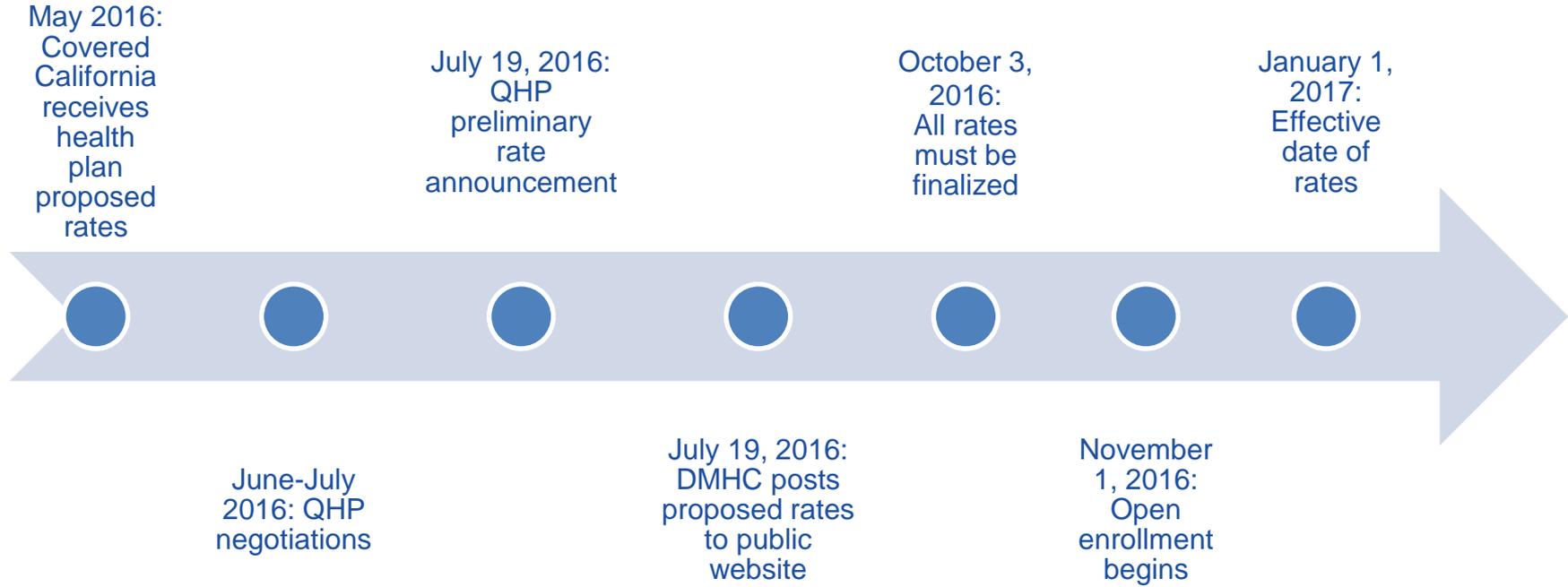


2017 Rates in the Individual Market

September 14, 2016

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Rate Setting Timeline



Rate Review Process

- The DMHC Actuaries review health plans' underlying medical costs and trends, as well as other factors, to determine whether the proposed rates are justified.
- The statewide weighted average increase across Covered California health plans is +13.2%, with a range of 0.8% to 19.2%

Factors that Impact Rates

- The rising cost of health care, especially specialty drugs
- Risk Adjustment, Risk Corridors, and Reinsurance
- Special enrollment rules
- Changes in past claim projections used to determine prior premiums
- Other factors include change in administrative costs, pent-up demand, provider networks and risk margins

Average Rate Increase Per Plan

Plan Name	Average increase per plan
Blue Shield of California	19.2%
Anthem Blue Cross of California	17.3%
Chinese Community Health Plan	16.6%
Oscar Health Plan of California	11.3%
Health Net	9.1%
Sharp Health Plan	7.8%
Western Health Advantage	7.7%
Kaiser Permanente	5.6%
Molina Healthcare	5.3%
L.A. Care Health Plan	3.8%
Valley Health Plan	0.8%

California Regions

Region	Region-Counties
Region 1	Alpine, Glenn, Nevada, Tehama, Amador, Humboldt, Plumas, Trinity, Butte, Lake, Shasta, Tuolumne, Calaveras, Lassen, Sierra, Yuba, Colusa, Mendocino, Siskiyou, Del Norte, Modoc and Sutter
Region 2	Napa, Sonoma, Solano, Marin
Region 3	Sacramento, Placer, El Dorado, Yolo
Region 4	San Francisco
Region 5	Contra Costa
Region 6	Alameda
Region 7	Santa Clara
Region 8	San Mateo
Region 9	Santa Cruz, Monterey, San Benito

Region	Region-Counties
Region 10	San Joaquin, Stanislaus, Merced, Mariposa, Tulare
Region 11	Madera, Fresno, Kings
Region 12	San Luis Obispo, Santa Barbara, Ventura
Region 13	Mono, Inyo, Imperial
Region 14	Kern
Region 15	Los Angeles (north) zip codes starting with 906, 907, 908, 909, 910, 911, 912, 915, 917, 918, 935
Region 16	Los Angeles (south), all other Los Angeles zip codes not in Region 15
Region 17	San Bernardino, Riverside
Region 18	Orange
Region 19	San Diego

Average Increase Per Region

Regions	Average increase
Region 1	12.1%
Region 2	12.5%
Region 3	13.4%
Region 4	14.8%
Region 5	13.6%
Region 6	12.3%
Region 7	9.2%
Region 8	11.7%
Region 9	28.6%
Region 10	8.4%

Regions	Average increase
Region 11	10.8%
Region 12	15.8%
Region 13	12.3%
Region 14	12.2%
Region 15	16.4%
Region 16	13.9%
Region 17	10.1%
Region 18	14.4%
Region 19	10.0%

Questions