

Rate Change Justification for 2019

Carrier: Health Plan of Nevada

Average Change: 0.0% Min: -3.2% Max: 3.1%

HMO Plans offered by County and Metallic Level on January 1, 2018 and proposed for 2019:

	Catastrophic		Bronze		Silver		Gold		Platinum	
	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex	On Ex	Off Ex
Clark & Nye Counties in 2018	1	0	3	5	5	7	1	1	0	0
Clark & Nye Counties in 2019	1	0	3	3	4	2	1	1	0	0
Washoe County in 2018	1	0	3	5	5	7	1	1	0	0
Washoe County in 2019	1	0	3	5	5	7	1	1	0	0
Lyon, Carson, Storey, & Douglas Co. in 2018	0	0	0	0	0	0	0	0	0	0
Lyon, Carson, Storey, & Douglas Co. in 2019	0	0	0	0	0	0	0	0	0	0
All other Counties in 2018	0	0	0	0	0	0	0	0	0	0
All other Counties in 2019	0	0	0	0	0	0	0	0	0	0

Explanation of the Rate: The average rate increase from January 1, 2018 to January 1, 2019 is 0% with a minimum increase of -3.2% and a maximum increase of 3.1%. The increase would impact approximately 56,000 Nevadans.

The primary drivers of the rate changes are the following:

- Changes in medical service costs
 - Increasing Costs of Medical Services – Annual increases in reimbursement rates to health care providers, such as hospital, doctors and pharmaceutical companies.
 - Increasing Utilization – The number of office visits and other services continues to grow. In addition, total health care spending will vary by the intensity of care and/or use of different types of health services. Patients who are sicker generally have a higher intensity of health care utilization. The price of care can be affected by the use of expensive procedures such as surgery vs. simple monitoring or providing medication.
 - Higher Costs from Deductible Leveraging – Health care costs continue to rise every year. If deductibles and copayments remain the same, a greater percentage of health care costs need to be covered by health insurance premiums each year.
 - Impact of New Technology – Improvements to medical technology and clinical practice often result in the use of more expensive services, leading to increased health care spending and utilization.
- Administrative costs and anticipated profit
 - Health Plan of Nevada (HPN) works to directly control administrative expenses by adopting better processes and technology and through the development of programs and innovations that make health care more affordable. We have lead the marketplace by introducing key innovations that make health care services more accessible and affordable for customers, improve the quality and coordination of health care services, and help individuals and their physicians make more informed health care decisions.
 - Additionally, HPN indirectly controls medical costs payments by using appropriate payment structures with providers and facilities. HPN’s goal is to control costs, maximize efficiency, and work closely with physicians and providers to obtain the best value and coverage.
 - State and/or Federal government imposed taxation and fees are additional significant factors that impact health care spending. These fees include ACA taxes and state premium tax which have increased health insurance costs and need to be reflected in premium. In 2019, a moratorium was given to health insurers on the insurer tax.
- Changes that vary by plan
 - All plan relativity factors have been updated to reflected HPN’s most recent pricing model.