

## **Part II – Written Description Justifying the Rate Increase**

Qualified Health Plan Issuers are requested to post a justification for a rate increase. Below is justification for the rate increase effective January 1, 2025 for Summa Insurance Company (SummaCare). The SummaCare products include Gold, Silver, Bronze, and Catastrophic plans. In total, SummaCare is filing seventeen plans on-Exchange and twenty plans off-Exchange. These plans will be offered in rating areas 12 and 15. Plan designs include 2025 state mandated benefits, as well as services which exceed the Essential Health Benefits for select plans. This filing includes HMO products.

The average rate change for individuals renewing in 2025 is 10.5%, with the minimum and maximum rate changes equal to 4.5% and 19.7%, respectively. The proposed rate changes vary by plan due to changes in the paid to allowed ratios, and the application of administrative costs on a fixed fee basis rather than a variable cost basis. The rate change is estimated to impact approximately 7,821 members.

The primary drivers of the rate change are summarized below:

- Medical and prescription drug trends
- Updated experience using calendar year 2023 allowed claims
- Updates to the projected risk transfer