



Gavin Newsom, Governor  
State of California  
Health and Human Services Agency  
**DEPARTMENT OF MANAGED HEALTH CARE**  
980 9<sup>th</sup> Street, Suite 500  
Sacramento, CA 95814  
Phone: 916-324-8176 | Fax: 916-255-5241  
[www.HealthHelp.ca.gov](http://www.HealthHelp.ca.gov)

California Plain-Language  
Rate Filing Description  
[for Web site posting, Health & Safety  
Code 1385.07(d), Insurance Code 10181.7(d)]

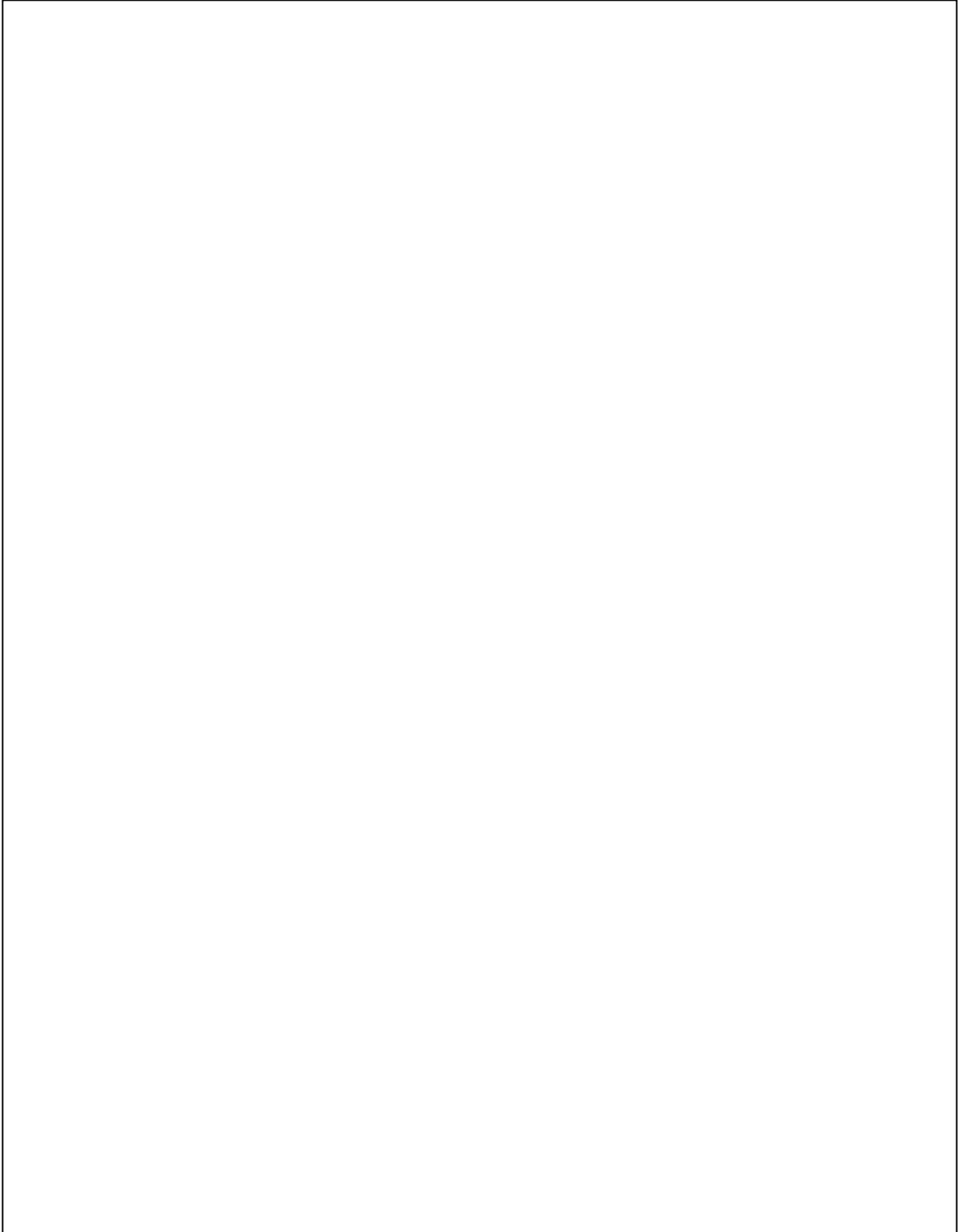
**Company Name:**

**SERFF Tracking Number:**

**Department File Number:** (will be completed by Department)

**1) Justification for any unreasonable rate increases.**

(Include all information as to why the rate increase is justified. Attach supporting documentation to this PDF file.)

A large, empty rectangular box with a thin black border, intended for the user to provide a justification for any unreasonable rate increases and to attach supporting documentation. The box is currently blank.

**2) Overall annual medical trend factor assumptions for all benefits**

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**3) Actual Costs by Aggregate Benefit Category**

Hospital Inpatient	Dollar Cost:
	Cost as Percentage of Medicare:
Hospital Outpatient (including ER)	Dollar Cost:
	Cost as Percentage of Medicare:
Physician/other professional services	Dollar Cost:
	Cost as Percentage of Medicare:
Prescription Drug	Dollar Cost:
	Cost as Percentage of Medicare:
Laboratory (other than inpatient)	Dollar Cost:
	Cost as Percentage of Medicare:

Radiology (other than inpatient)	Dollar Cost:
	Cost as Percentage of Medicare:
Capitation (professional)	Dollar Cost and Description:
Capitation (institutional)	Dollar Cost and Description:
Capitation (other)	Dollar Cost and Description:
Other (describe)	Dollar Cost and Description:

**4) Amount of Projected Trend, by Aggregate Benefit Category, Attributable to Use of Services, Price Inflation, Fees and Risk**

Hospital Inpatient	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Hospital Outpatient (including ER)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:

Physician/other professional services	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Prescription Drug	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Laboratory (other than inpatient)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Radiology (other than inpatient)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:

Capitation (professional)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Capitation (institutional)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Capitation (other)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:
Other (describe)	Trend attributable to use of services:
	Trend attributable to price inflation:
	Trend attributable to fees and risk:

**5) Other Information**

Complete and submit the CA Plain Language Spreadsheet.

## 1. Scope and Range of Rate Increase

The purpose of this document is to present rate change justification for Oscar Health Plan of California (Oscar's) individual Affordable Care Act (ACA) products, with an effective date of January 1, 2021, and to comply with the requirements of Section 2794 of the Public Health Service Act as added by Section 1003 of the Patient Protection and Affordable Care Act (ACA).

Using in-force business as of May 2020, the proposed average rate increase for renewing plans is 6.7%. The proposed average rate increase for our Oscar Minimum Coverage Select EPO (10544CA0080001) plan is 20.2%. Rate increases vary by plan due to a combination of factors including shifts in benefit leveraging, cost-sharing modifications, and geographic rating factors. This rate increase is absent of rate changes due to attained age.

This rate increase to the Oscar Minimum Coverage Select EPO plan impacts an estimated 6,025 members, which is a subset of 101,019 members.

## 2. Reason for Rate Increase(s)

The significant factors driving the proposed rate change include the following:

### *Medical and Prescription Drug Inflation and Utilization Trends*

The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

### *Administrative Expenses, Taxes and Fees, and Risk Margin*

Changes to the overall premium level are needed because of required changes in federal and state taxes and fees. In addition, there are anticipated changes in both administrative expenses and targeted risk margin.

### *Prospective Benefit Changes*

Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

### *Changes in Catastrophic Eligibility Adjustment factor*

This adjustment reflects that costs vary by age and the cost of the population expected to enroll in the catastrophic plan is anticipated to be lower than non-catastrophic plans.

### *Changes in Conversion Factor*

The distribution of contracts anticipated for 2021 plan year varies from those in 2020 premium rates.

### *Anticipated Changes in the Average Morbidity of the Covered Population*

Changes to the overall premium level are needed because of anticipated changes in the underlying morbidity of the projected marketplace.

*COVID-19 Pandemic*

Changes to the overall premium level are needed because of the expected costs introduced to the projected marketplace due to the ongoing COVID-19 pandemic.



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Jessica Saulo, ASA, MAAA  
July 31, 2020

