

## **Molina Healthcare of Florida, Inc.**

### **Part II: Written Description Justifying the Rate Increase Effective January 1, 2018**

Molina Healthcare of Florida, Inc. is a managed care organization that provides healthcare services for over 699,000 individuals eligible for Medicaid, Medicare, and Marketplace throughout the state of Florida. Molina Healthcare, Inc.'s mission is to provide quality health services to financially vulnerable families and individuals covered by government programs.

Molina is requesting a 71.2% premium increase for its individual policies sold in the Florida Marketplace effective January 1, 2018. 336,515 Molina Marketplace members would receive premium increases ranging from 31.7% to 197.0% depending on their geographic location and metal tier. Some members will receive premium increases near the upper end of the range due to a federally prescribed change in the age rating factors for members under the age of 21.

Molina's premium increase is due mainly to the assumptions that federal cost share reduction subsidies will not be funded in 2018, more utilization of medical services than what was expected in previously filed premium rates which resulted in financial losses for Molina in benefit year 2016, the uncertainty of the enforcement of the individual mandate, the inclusion of the ACA Health Insurers Provider Fee, and medical and prescription drug cost inflation etc. contributed to the premium increase.

The proposed premium rates yield a medical loss ratio of 81.5%. The medical loss ratio represents the percentage of every premium dollar that Molina expects to spend on medical expenses and improving health care quality for our members. The projected medical loss ratio of 81.5% exceeds the Affordable Care Act minimum required loss ratio of 80%.