

Molina Healthcare of Utah, Inc.

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

Molina Healthcare of Utah, Inc. is a managed care organization that provides healthcare services for over 170,000 individuals eligible for Medicaid, Medicare, and Marketplace throughout the State of Utah. 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 35.0% premium increase for its individual policies sold off the Utah Marketplace exchange effective January 1, 2018. 335 Molina Marketplace members would receive premium increases ranging from 25.3% to 36.6% depending on their geographic location and metal tier.

Molina's premium increase is due to the State of Utah's directive to the uncertainty of the enforcement of the individual mandate, the expanding network of providers, the inclusion of the ACA Health Insurers Provider Fee, medical and prescription drug cost inflation, and incremental administrative costs to provide better service to our members contributed to the premium increase.

The proposed premium rates yield a medical loss ratio of 81.7%. 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 81.7% exceeds the Affordable Care Act minimum required loss ratio of 80.0%.