

Molina Healthcare of Wisconsin, Inc.

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

Molina Healthcare of Wisconsin, Inc. is a managed care organization that provides healthcare services for over 130,000 individuals eligible for Medicaid, Medicare, and Marketplace throughout the state of Wisconsin. 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 106.3% premium increase for its Bronze individual policies sold off-exchange effective January 1, 2018 in Shawano County.

Much of the premium increase is related to Molina's current 2017 rates being insufficient to cover the medical and administrative expenses. A significant portion of the premium increase is also due to higher unit costs associated with this indemnity plan. Additionally, the premium increase is due to the uncertainty of the enforcement of the Individual Mandate, 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.

The proposed premium rates yield a medical loss ratio of 82.7%. 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 82.7% exceeds the Affordable Care Act minimum required loss ratio of 80%.