

Molina Healthcare of Florida, Inc.

Part II: Written Description Justifying the Rate Increase Effective January 1, 2019

Molina Healthcare of Florida, Inc. is a managed care organization that provides healthcare services for over 403,000 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 premium decrease of -1.5% for its individual policies sold in the Molina Marketplace Individual HMO product effective January 1, 2019. 49,219 Molina Marketplace Individual HMO members would receive premium changes ranging from -10.8% decrease to 20.8% increase depending on their geographic location and metal tier.

Much of the premium increase is related to medical and prescription drug utilization and unit cost trend. The elimination of the enforcement of the Individual Mandate and non-ACA alternative plans availability, and incremental administrative costs to provide better service to our members also contributed to the premium increase.

The proposed premium rates yield a medical loss ratio of 83.2%. 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 83.2% exceeds the Affordable Care Act minimum required loss ratio of 80%.