

HIOS Products subject to Rate Review: 20523CA003 (HMO), 20523CA004 (HMO CalChoice)

We had discussions with the California Department of Managed Health Care (DMHC) actuaries where we explained our assumptions and reasoning for our Q1 2015 Small Group HMO rate filing. We respectfully disagree with their conclusion that our rate increase is unreasonable. The projected Medical Loss Ratio (MLR) for our entire Small Group block, which consists of both DMHC-filed HMO products and CDI-filed PPO products (which are typically purchased with the HMO products), exceeds the federal requirement. In order to ensure long-term viability of our Small Group business in California, we believe it is both appropriate and necessary to coordinate the pricing of all products offered to small employers, and to evaluate the MLR in total. The rates we filed reflect what we believe is needed to cover the healthcare costs for the products our customers purchase, which is a combination of both HMO and PPO offerings.

More information can be found [here](#).