

CareSource Consumer Justification Narrative

CareSource began offering health exchange coverage in 2014 to Ohio residents in 30 counties and in 2019 will have plans available in 60 counties. CareSource continuously reviews our plan offerings based on a combination of member feedback and plan performance. Our goal for our product portfolio in 2019 is to continue to provide consumers choice in plan offerings while also maintaining benefit structure. CareSource will continue to offer the majority of our 2018 plans for 2019 and has modified the plans to focus on health outcomes, improve consumer experience and meet the required metal actuarial value levels.

CareSource's 2019 premiums are based on the 2017 plan year experience. The amount of premium collected in 2017 was not sufficient to cover all of CareSource's claims and administrative expenses incurred by members in the plan during that time period. This imbalance in revenue versus expense to the plan makes up a portion of the 16.8% premium increase requested from 2018 to 2019. Medical and prescription drug inflation make up approximately 5% of the increase as the cost per service and the number of services sought continue to increase. Additionally, the removal of the individual mandate will increase the overall health risk of the Ohio marketplace due to plan selection bias. Since consumers with the greatest need for health insurance will tend to maintain coverage while healthier consumers may forgo coverage, CareSource will require an increase in premiums in order cover the expected increase in claims costs.

Our mission in each market in which we operate is to support those most in need of healthcare services. Even with an increase to our premiums we believe that CareSource's product offering in Ohio will remain competitive amongst the options that will be available to consumers in 2019.