

## Consumer Justification Narrative

BlueCross BlueShield of South Carolina  
Rate Change (effective 1/1/2025) for Individual Health Plans

### **Scope and range of the rate increase:**

Depending on the plan selected, approximately 292,500 members currently enrolled in a BlueEssentials, BlueExtend Blue VirtuConnect, Blue Cooper, Blue Reedy, Blue Congaree, or Blue Pee Dee Individual health plan will see an adjustment to premiums effective January 1<sup>st</sup>, 2025.

### **Financial experience of the product:**

During 2023, premiums received have likely been sufficient to cover claims paid, administrative costs, commissions, taxes, and fees. The rate adjustment effective January 1, 2025 is intended to cover future changes in medical costs. If, in 2025, paid claims are significantly less than anticipated, rebates will be paid to Individual ACA members.

### **Changes in medical service costs:**

BlueCross BlueShield of South Carolina will likely pay more claims in 2025 for the following reasons:

- Hospitals and doctors charging more for services.
- More individuals seeking treatment.
- Higher drug costs.
- Future uncertainty in the insurance industry.

### **Changes in benefits:**

Changes to deductibles, copayments, and out-of-pocket maximums to some products were implemented to limit the amount of the necessary rate change without sacrificing coverage.

**Administrative costs and anticipated margins:**

Administrative costs were set based on internal corporate estimates of normal operating costs. Federally required fees also apply.

BlueCross BlueShield of South Carolina is working hard to find ways to lower these costs through intense review of current practices.