

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only		
Product Name:	Rates - CAIC Small Group PPOG		
Project Name/Number:	/		

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Additional Information Needed	Jim Lavery	07/13/2016	07/13/2016
Data Request Sent	Jim Lavery	06/16/2016	06/16/2016

Response Letters

Responded By	Created On	Date Submitted
Pam Day	07/21/2016	07/21/2016
Pam Day	06/29/2016	06/29/2016

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Transmittal Letter (A&H)	Pam Day	07/21/2016	07/21/2016
Supporting Document	Q&A Exhibits	Pam Day	07/21/2016	07/21/2016

State: Pennsylvania **Filing Company:** Capital Advantage Insurance Company
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only
Product Name: Rates - CAIC Small Group PPOG
Project Name/Number: /

Objection Letter

Objection Letter Status	Additional Information Needed
Objection Letter Date	07/13/2016
Submitted Date	07/13/2016
Respond By Date	

Dear Stephanie Gray,

Introduction:

July 13, 2016

Stephanie Gray
Capital Advantage Insurance Company
2500 Elmerton Avenue
Harrisburg, PA 17110

RE: Proposed aggregate 8.0% increase (ranges from 4.5% to 5.8%) on 46 covered lives on CAIC's small group ACA-compliant PPO product;

Pennsylvania Insurance Department ID #: CABC-130539615

Dear Ms. Gray:

Please respond to the attached question concerning actuarial value and induced utilization for the small group CAIC plans that will be sold in 2017. Please respond to this question by close of business on Tuesday July 19th.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117.

Sincerely,

James Laverty, ASA, MAAA
Actuary
Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Jim Laverty

1. Induced Utilization

- a. Please complete the table below for all plans, and confirm that the ratio in column (8) represents the AV and Cost Sharing for each plan in your filing¹

Plan ID (1)	Metal Level (2)	Projected Membership (3)	Projected Allowed Claims (4)	Projected Paid Claims (5)	Company Determined AV Factor (6)	Induced Utilization ² (7)	AV & Cost Sharing (6)*(7) (8)
xxxxxx							
xxxxxx							
xxxxxx							
Total							

- b. Please show quantitatively, including an Excel spreadsheet with formulas, the derivation of each, the AV and the cost sharing factors for each plan. Also, provide narrative that explains the derivation.
- c. Please provide justification for relative induced utilization assumptions in the Company's pricing that exceed the federal factors used in the risk adjustment model proving that morbidity is not reflected.³
- d. Please confirm that each plan's induced utilization factor was normalized by an aggregate factor, and that the resulting sumproduct (against projected membership) produces a factor of 1.000. Please show the steps that demonstrate this.
2. Please show quantitatively that plan premiums are in proportion to the plan AV Pricing Values.

¹ If a tobacco factor is used in the AV and Cost Sharing please add a column for that amount and modify the formula.

² The Induced Demand is the amount used by the company to reflect increased demand. This may be called by another name in the filing

³ The federal factors relative to the Bronze factors are Silver 1.03, Gold 1.08 and Platinum 1.15.

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Objection Letter

Objection Letter Status	Data Request Sent
Objection Letter Date	06/16/2016
Submitted Date	06/16/2016
Respond By Date	

Dear Stephanie Gray,

Introduction:

June 16, 2016

Stephanie Gray
Capital Advantage Insurance Company
2500 Elmerton Avenue
Harrisburg, PA 17110

RE: Proposed aggregate 8.0% increase (ranges from 4.5% to 5.8%) on 46 covered lives on CAIC's small group ACA-compliant PPO product;

Pennsylvania Insurance Department ID #: CABC-130539615

Dear Ms. Gray:

The captioned filing has been reviewed by the Pennsylvania Insurance Department and it has been found that it fails to meet the requirements of our Insurance Company Laws and is therefore disapproved pursuant to the authority granted under Section 4(A) of Act 134, the Accident and Health Filing Reform Act. After you review the letter and if you do not understand the content of it or the disapproval reasons, please contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If you choose to resubmit the filing within that time, the filing will become effective for use 30 days after receipt by the Department as provided by Section 4(C) of Act 134, unless the filing is disapproved before the 30 day period expires.

If the Department does not hear from you within 120 days, the Department will close its files on the above captioned filing. After 120 days, the Department will reopen its files and continue its review of the forms if you respond within one year of the date of this letter and furnish duplicate copies of the previously filed forms and all correspondence between you and the Department. If the filing is resubmitted after 120 days, the Department will review it as if it were a new submission under Section 4(A) of Act 134.

The Pennsylvania Insurance Department has received and conducted a review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided within 7 days of the date of this letter. If you have any questions or difficulties in providing the information within this time frame, please call.

Please furnish the following information.

1. Regarding broker commissions: (a) Under what circumstances and in what geographic locations will commissions be paid?, (b) Are commissions paid for SEP?, (c) Provide a copy of the broker agreement - current and 2017, (d) Show the calculation of the average commission - current and 2017.

When responding to this data call, you may provide a redacted version of this response as it contains proprietary information. Please place the redacted and non-redacted responses in separate sections of the Supporting Documentation tab in SERFF.

2. Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge

State: Pennsylvania **Filing Company:** Capital Advantage Insurance Company
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only
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your understanding and certify that you are in compliance.

3. Does this filing propose Service Area changes relative to the last approved filing? If so, please discuss.

4. Please show quantitatively the derivation of the trend assumptions for each benefit category as shown in Table 3. Please include the sources and source claims data.

5. In SERFF under the Supporting Documentation tab there is a section labeled "Rate Table (A&H)". In this section there is a set of supplementary rate development tables provided in pdf format. Please provide an Excel version of these tables along with the pdf version.

Please be advised that there may be additional questions based on the responses to the above.

Response to this request should be provided via SERFF in Microsoft Excel spreadsheets (version 2013 or less). Please retain all formulas.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117.

Sincerely,

James Laverty, ASA, MAAA
Actuary
Bureau of Accident & Health Insurance

Conclusion:

*Sincerely,
Jim Laverty*

State: Pennsylvania **Filing Company:** Capital Advantage Insurance Company
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only
Product Name: Rates - CAIC Small Group PPOG
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/21/2016
Submitted Date	07/21/2016

Dear Jim Lavery,

Introduction:

Response 1

Comments:

Updated response and Q&A exhibits.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Pam Day

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only		
Product Name:	Rates - CAIC Small Group PPOG		
Project Name/Number:	/		

Amendment Letter

Submitted Date: 07/21/2016

Comments:

Updated response and Q&A exhibits.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_RateCvLtr_Supporting_20160509.pdf SG_16-44_Initial_CAIC_PPO_Q&AResponse201607_Supporting_20160721.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Transmittal Letter (A&H)</i>
Comments:	
Attachment(s):	<i>SG_16-44_Initial_CAIC_PPO_RateCvLtr_Supporting_20160509.pdf</i>

Satisfied - Item:	Q&A Exhibits
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_Q&AExhibits201607_Supporting_20160721.pdf SG_16-44_Initial_CAIC_PPO_Q&AExhibits201607_Supporting_20160721.xlsm
<i>Previous Version</i>	
Satisfied - Item:	<i>Q&A Exhibits</i>
Comments:	
Attachment(s):	<i>SG_16-44_Initial_CAIC_PPO_Q&AExhibits_Supporting_CONF_20160629.pdf SG_16-44_Initial_CAIC_PPO_Q&AExhibits_Supporting_CONF_20160629.xlsm</i>

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates and PA Plan Design		New		SG_16-44_Initial_CAIC_PPO_PIDRates_RateRule_20160509.pdf, SG_16-44_Initial_CAIC_PPO_PIDRates_RateRule_20160509.xlsx,

SERFF Tracking #:	CABC-130539615	State Tracking #:	CABC-130539615	Company Tracking #:	16-44
State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company		
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only				
Product Name:	Rates - CAIC Small Group PPOG				
Project Name/Number:	/				

Attachment SG_16-44_Initial_CAIC_PPO_PIDRates_RateRule_20160509.xlsx is not a PDF document and cannot be reproduced here.

**Capital Advantage Insurance Company
Small Group
Plan Design Summary**

HIOS Plan ID	On/Off Exchange	Product	Metal	Plan Design Marketing Name	Network	Rating Area	Counties Excluded
82795PA0110006	Off	PPO	Gold	Gold CareConnect PinnacleHealth 1000/0/10 CareConnect Rx	PPO	9	Franklin, Fulton, Juniata, Lebanon
82795PA0110007	Off	PPO	Silver	Silver CareConnect PinnacleHealth 3000/0/35 CareConnect Rx	PPO	9	Franklin, Fulton, Juniata, Lebanon

Company Name: Capital Advantage Insurance Company
Market: Small Group
Product: PPO

Effective Date of Rates: January 1, 2017 Ending date of Rates: March 31, 2017

HIOS Plan ID (On Exchange)=>	82795PA0110006	82795PA0110007		
HIOS Plan ID (Off Exchange)=>	82795PA0110006	82795PA0110007		
Form # =>	C17-CAIC-SPG	C17-CAIC-SPG		
Rating Area =>	9	9		
Counties Excluded in Rating Area =>	Franklin, Fulton, Juniata, Lebanon	Franklin, Fulton, Juniata, Lebanon		
Network =>	PPO	PPO		
Metal =>	Gold	Silver		
Plan Name =>	Gold CareConnect PinnacleHealth 1000/0/10 CareConnect Rx	Silver CareConnect PinnacleHealth 3000/0/35 CareConnect Rx		
Deductible =>	\$1000 /\$0 Med/Rx	\$3000 /\$0 Med/Rx		
Coinsurance =>	0%	0%		
Copays =>	\$10/\$30/\$200 PCP/SPC/ER	\$35/\$65/\$300 PCP/SPC/ER		
OOP Maximum =>	\$6350 Med/Rx Combined	\$6550 Med/Rx Combined		
Pediatric Dental (Yes/No) =>	Yes	Yes		
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0	0 - 20	\$227.09	\$227.09	\$191.83
21	21	\$357.62	\$357.62	\$302.09
22	22	\$357.62	\$357.62	\$302.09
23	23	\$357.62	\$357.62	\$302.09
24	24	\$357.62	\$357.62	\$302.09
25	25	\$359.05	\$359.05	\$303.30
26	26	\$366.20	\$366.20	\$309.34
27	27	\$374.79	\$374.79	\$316.59
28	28	\$388.73	\$388.73	\$328.37
29	29	\$400.18	\$400.18	\$338.04
30	30	\$405.90	\$405.90	\$342.87
31	31	\$414.48	\$414.48	\$350.12
32	32	\$423.06	\$423.06	\$357.37
33	33	\$428.43	\$428.43	\$361.90
34	34	\$434.15	\$434.15	\$366.74
35	35	\$437.01	\$437.01	\$369.15
36	36	\$439.87	\$439.87	\$371.57
37	37	\$442.73	\$442.73	\$373.99
38	38	\$445.59	\$445.59	\$376.40
39	39	\$451.32	\$451.32	\$381.24
40	40	\$457.04	\$457.04	\$386.07
41	41	\$465.62	\$465.62	\$393.32
42	42	\$473.85	\$473.85	\$400.27
43	43	\$485.29	\$485.29	\$409.94
44	44	\$499.60	\$499.60	\$422.02
45	45	\$516.40	\$516.40	\$436.22
46	46	\$536.43	\$536.43	\$453.14
47	47	\$558.96	\$558.96	\$472.17
48	48	\$584.71	\$584.71	\$493.92
49	49	\$610.10	\$610.10	\$515.37
50	50	\$638.71	\$638.71	\$539.53
51	51	\$666.96	\$666.96	\$563.40
52	52	\$698.07	\$698.07	\$589.68
53	53	\$729.54	\$729.54	\$616.26
54	54	\$763.52	\$763.52	\$644.96
55	55	\$797.49	\$797.49	\$673.66
56	56	\$834.33	\$834.33	\$704.78
57	57	\$871.52	\$871.52	\$736.19
58	58	\$911.22	\$911.22	\$769.73
59	59	\$930.88	\$930.88	\$786.34
60	60	\$970.58	\$970.58	\$819.87
61	61	\$1,004.91	\$1,004.91	\$848.87
62	62	\$1,027.44	\$1,027.44	\$867.90
63	63	\$1,055.69	\$1,055.69	\$891.77
64+	64+	\$1,072.85	\$1,072.85	\$906.26

Company Name: Capital Advantage Insurance Company
Market: Small Group
Product: PPO

Effective Date of Rates: April 1, 2017 Ending date of Rates: June 30, 2017

HIOS Plan ID (On Exchange)=>	82795PA0110006		82795PA0110007					
HIOS Plan ID (Off Exchange)=>	82795PA0110006		82795PA0110007					
Form # =>	C17-CAIC-SPG		C17-CAIC-SPG					
Rating Area =>	9		9					
Counties Excluded in Rating Area =>	Franklin, Fulton, Juniata, Lebanon		Franklin, Fulton, Juniata, Lebanon					
Network =>	PPO		PPO					
Metal =>	Gold		Silver					
Plan Name =>	Gold CareConnect PinnacleHealth 1000/0/10 CareConnect Rx		Silver CareConnect PinnacleHealth 3000/0/35 CareConnect Rx					
Deductible =>	\$1000 /\$0 Med/Rx		\$3000 /\$0 Med/Rx					
Coinsurance =>	0%		0%					
Copays =>	\$10/\$30/\$200 PCP/SPC/ER		\$35/\$65/\$300 PCP/SPC/ER					
OOP Maximum =>	\$6350 Med/Rx Combined		\$6550 Med/Rx Combined					
Pediatric Dental (Yes/No) =>	Yes		Yes					
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco				
0	0 - 20	\$231.62	\$231.62	\$195.66	\$195.66			
21	21	\$364.76	\$364.76	\$308.12	\$308.12			
22	22	\$364.76	\$364.76	\$308.12	\$308.12			
23	23	\$364.76	\$364.76	\$308.12	\$308.12			
24	24	\$364.76	\$364.76	\$308.12	\$308.12			
25	25	\$366.22	\$366.22	\$309.35	\$309.35			
26	26	\$373.51	\$373.51	\$315.51	\$315.51			
27	27	\$382.27	\$382.27	\$322.91	\$322.91			
28	28	\$396.49	\$396.49	\$334.93	\$334.93			
29	29	\$408.17	\$408.17	\$344.79	\$344.79			
30	30	\$414.00	\$414.00	\$349.72	\$349.72			
31	31	\$422.76	\$422.76	\$357.11	\$357.11			
32	32	\$431.51	\$431.51	\$364.51	\$364.51			
33	33	\$436.98	\$436.98	\$369.13	\$369.13			
34	34	\$442.82	\$442.82	\$374.06	\$374.06			
35	35	\$445.74	\$445.74	\$376.52	\$376.52			
36	36	\$448.65	\$448.65	\$378.99	\$378.99			
37	37	\$451.57	\$451.57	\$381.45	\$381.45			
38	38	\$454.49	\$454.49	\$383.92	\$383.92			
39	39	\$460.33	\$460.33	\$388.85	\$388.85			
40	40	\$466.16	\$466.16	\$393.78	\$393.78			
41	41	\$474.92	\$474.92	\$401.17	\$401.17			
42	42	\$483.31	\$483.31	\$408.26	\$408.26			
43	43	\$494.98	\$494.98	\$418.12	\$418.12			
44	44	\$509.57	\$509.57	\$430.44	\$430.44			
45	45	\$526.71	\$526.71	\$444.93	\$444.93			
46	46	\$547.14	\$547.14	\$462.18	\$462.18			
47	47	\$570.12	\$570.12	\$481.59	\$481.59			
48	48	\$596.38	\$596.38	\$503.78	\$503.78			
49	49	\$622.28	\$622.28	\$525.65	\$525.65			
50	50	\$651.46	\$651.46	\$550.30	\$550.30			
51	51	\$680.28	\$680.28	\$574.64	\$574.64			
52	52	\$712.01	\$712.01	\$601.45	\$601.45			
53	53	\$744.11	\$744.11	\$628.56	\$628.56			
54	54	\$778.76	\$778.76	\$657.84	\$657.84			
55	55	\$813.41	\$813.41	\$687.11	\$687.11			
56	56	\$850.99	\$850.99	\$718.84	\$718.84			
57	57	\$888.92	\$888.92	\$750.89	\$750.89			
58	58	\$929.41	\$929.41	\$785.09	\$785.09			
59	59	\$949.47	\$949.47	\$802.04	\$802.04			
60	60	\$989.96	\$989.96	\$836.24	\$836.24			
61	61	\$1,024.98	\$1,024.98	\$865.82	\$865.82			
62	62	\$1,047.96	\$1,047.96	\$885.23	\$885.23			
63	63	\$1,076.77	\$1,076.77	\$909.57	\$909.57			
64+	64+	\$1,094.27	\$1,094.27	\$924.35	\$924.35			

Company Name: Capital Advantage Insurance Company
Market: Small Group
Product: PPO
Effective Date of Rates: July 1, 2017

Ending date of Rates: September 30, 2017

HIOS Plan ID (On Exchange)=>	82795PA0110006	82795PA0110007		
HIOS Plan ID (Off Exchange)=>	82795PA0110006	82795PA0110007		
Form # =>	C17-CAIC-SPG	C17-CAIC-SPG		
Rating Area =>	9	9		
Counties Excluded in Rating Area =>	Franklin, Fulton, Juniata, Lebanon	Franklin, Fulton, Juniata, Lebanon		
Network =>	PPO	PPO		
Metal =>	Gold	Silver		
Plan Name =>	Gold CareConnect PinnacleHealth 1000/0/10 CareConnect Rx	Silver CareConnect PinnacleHealth 3000/0/35 CareConnect Rx		
Deductible =>	\$1000 /\$0 Med/Rx	\$3000 /\$0 Med/Rx		
Coinsurance =>	0%	0%		
Copays =>	\$10/\$30/\$200 PCP/SPC/ER	\$35/\$65/\$300 PCP/SPC/ER		
OOP Maximum =>	\$6350 Med/Rx Combined	\$6550 Med/Rx Combined		
Pediatric Dental (Yes/No) =>	Yes	Yes		
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0	0 - 20	\$236.25	\$236.25	\$199.56
21	21	\$372.05	\$372.05	\$314.27
22	22	\$372.05	\$372.05	\$314.27
23	23	\$372.05	\$372.05	\$314.27
24	24	\$372.05	\$372.05	\$314.27
25	25	\$373.54	\$373.54	\$315.53
26	26	\$380.98	\$380.98	\$321.81
27	27	\$389.91	\$389.91	\$329.35
28	28	\$404.42	\$404.42	\$341.61
29	29	\$416.32	\$416.32	\$351.67
30	30	\$422.28	\$422.28	\$356.70
31	31	\$431.21	\$431.21	\$364.24
32	32	\$440.14	\$440.14	\$371.78
33	33	\$445.72	\$445.72	\$376.50
34	34	\$451.67	\$451.67	\$381.52
35	35	\$454.65	\$454.65	\$384.04
36	36	\$457.62	\$457.62	\$386.55
37	37	\$460.60	\$460.60	\$389.07
38	38	\$463.57	\$463.57	\$391.58
39	39	\$469.53	\$469.53	\$396.61
40	40	\$475.48	\$475.48	\$401.64
41	41	\$484.41	\$484.41	\$409.18
42	42	\$492.97	\$492.97	\$416.41
43	43	\$504.87	\$504.87	\$426.46
44	44	\$519.75	\$519.75	\$439.04
45	45	\$537.24	\$537.24	\$453.81
46	46	\$558.08	\$558.08	\$471.40
47	47	\$581.51	\$581.51	\$491.20
48	48	\$608.30	\$608.30	\$513.83
49	49	\$634.72	\$634.72	\$536.14
50	50	\$664.48	\$664.48	\$561.29
51	51	\$693.87	\$693.87	\$586.11
52	52	\$726.24	\$726.24	\$613.46
53	53	\$758.98	\$758.98	\$641.11
54	54	\$794.33	\$794.33	\$670.97
55	55	\$829.67	\$829.67	\$700.82
56	56	\$867.99	\$867.99	\$733.19
57	57	\$906.69	\$906.69	\$765.88
58	58	\$947.98	\$947.98	\$800.76
59	59	\$968.45	\$968.45	\$818.04
60	60	\$1,009.74	\$1,009.74	\$852.93
61	61	\$1,045.46	\$1,045.46	\$883.10
62	62	\$1,068.90	\$1,068.90	\$902.90
63	63	\$1,098.29	\$1,098.29	\$927.73
64+	64+	\$1,116.14	\$1,116.14	\$942.80

Company Name: Capital Advantage Insurance Company
Market: Small Group
Product: PPO
Effective Date of Rates:

October 1, 2017

Ending date of Rates:

December 31, 2017

HIOS Plan ID (On Exchange)=>		82795PA0110006		82795PA0110007					
HIOS Plan ID (Off Exchange)=>		82795PA0110006		82795PA0110007					
Form # =>		C17-CAIC-SPG		C17-CAIC-SPG					
Rating Area =>		9		9					
Counties Excluded in Rating Area =>		Franklin, Fulton, Juniata, Lebanon		Franklin, Fulton, Juniata, Lebanon					
Network =>		PPO		PPO					
Metal =>		Gold		Silver					
Plan Name =>		Gold CareConnect PinnacleHealth 1000/0/10 CareConnect Rx		Silver CareConnect PinnacleHealth 3000/0/35 CareConnect Rx					
Deductible =>		\$1000 /\$0 Med/Rx		\$3000 /\$0 Med/Rx					
Coinsurance =>		0%		0%					
Copays =>		\$10/\$30/\$200 PCP/SPC/ER		\$35/\$65/\$300 PCP/SPC/ER					
OOP Maximum =>		\$6350 Med/Rx Combined		\$6550 Med/Rx Combined					
Pediatric Dental (Yes/No) =>		Yes		Yes					
Age Band		Non-Tobacco		Tobacco		Non-Tobacco		Tobacco	
0	0 - 20		\$240.97	\$240.97	\$203.54	\$203.54			
21	21		\$379.48	\$379.48	\$320.54	\$320.54			
22	22		\$379.48	\$379.48	\$320.54	\$320.54			
23	23		\$379.48	\$379.48	\$320.54	\$320.54			
24	24		\$379.48	\$379.48	\$320.54	\$320.54			
25	25		\$381.00	\$381.00	\$321.82	\$321.82			
26	26		\$388.59	\$388.59	\$328.23	\$328.23			
27	27		\$397.70	\$397.70	\$335.93	\$335.93			
28	28		\$412.49	\$412.49	\$348.43	\$348.43			
29	29		\$424.64	\$424.64	\$358.68	\$358.68			
30	30		\$430.71	\$430.71	\$363.81	\$363.81			
31	31		\$439.82	\$439.82	\$371.51	\$371.51			
32	32		\$448.92	\$448.92	\$379.20	\$379.20			
33	33		\$454.62	\$454.62	\$384.01	\$384.01			
34	34		\$460.69	\$460.69	\$389.14	\$389.14			
35	35		\$463.72	\$463.72	\$391.70	\$391.70			
36	36		\$466.76	\$466.76	\$394.26	\$394.26			
37	37		\$469.80	\$469.80	\$396.83	\$396.83			
38	38		\$472.83	\$472.83	\$399.39	\$399.39			
39	39		\$478.90	\$478.90	\$404.52	\$404.52			
40	40		\$484.98	\$484.98	\$409.65	\$409.65			
41	41		\$494.08	\$494.08	\$417.34	\$417.34			
42	42		\$502.81	\$502.81	\$424.72	\$424.72			
43	43		\$514.95	\$514.95	\$434.97	\$434.97			
44	44		\$530.13	\$530.13	\$447.79	\$447.79			
45	45		\$547.97	\$547.97	\$462.86	\$462.86			
46	46		\$569.22	\$569.22	\$480.81	\$480.81			
47	47		\$593.13	\$593.13	\$501.00	\$501.00			
48	48		\$620.45	\$620.45	\$524.08	\$524.08			
49	49		\$647.39	\$647.39	\$546.84	\$546.84			
50	50		\$677.75	\$677.75	\$572.48	\$572.48			
51	51		\$707.73	\$707.73	\$597.81	\$597.81			
52	52		\$740.74	\$740.74	\$625.69	\$625.69			
53	53		\$774.14	\$774.14	\$653.90	\$653.90			
54	54		\$810.19	\$810.19	\$684.35	\$684.35			
55	55		\$846.24	\$846.24	\$714.80	\$714.80			
56	56		\$885.33	\$885.33	\$747.82	\$747.82			
57	57		\$924.79	\$924.79	\$781.16	\$781.16			
58	58		\$966.92	\$966.92	\$816.74	\$816.74			
59	59		\$987.79	\$987.79	\$834.37	\$834.37			
60	60		\$1,029.91	\$1,029.91	\$869.95	\$869.95			
61	61		\$1,066.34	\$1,066.34	\$900.72	\$900.72			
62	62		\$1,090.25	\$1,090.25	\$920.91	\$920.91			
63	63		\$1,120.22	\$1,120.22	\$946.23	\$946.23			
64+	64+		\$1,138.43	\$1,138.43	\$961.61	\$961.61			

Silver Plan Rates for Age 21 Non-Smoker, by Geographic Area and Exchange Status

[illegible]

Silver Plan Rates for Age 21 Non-Smoker, by Geographic Area and Exchange Status

[illegible]

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only		
Product Name:	Rates - CAIC Small Group PPOG		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	CFJ
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_CFJ_Supporting_20160509.pdf
Item Status:	
Status Date:	

Satisfied - Item:	PA Bulletin
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_PABulletin_Supporting_20160509.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Change Summary
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_RateChangeSummary_Supporting_20160509.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Exhibits
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_PIDRateExhibits_Supporting_20160509.pdf SG_16-44_Initial_CAIC_PPO_PIDRateExhibits_Supporting_20160509.xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Redacted Actuarial Memos
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_FedActMemoRedacted_Supporting_20160607.pdf SG_16-44_Initial_CAIC_PPO_PIDActMemoRedacted_Supporting_20160607.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Federal Rates Template pdf
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_FedRatesTemplate_RateRule_20160615.pdf

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only		
Product Name:	Rates - CAIC Small Group PPOG		
Project Name/Number:	/		

Item Status:	
Status Date:	
Satisfied - Item:	URRT pdf
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_URRT_Supporting_20160615.pdf
Item Status:	
Status Date:	
Satisfied - Item:	PPO Agent Agreement Redacted
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_AgentAgreementRedacted_Supporting_20160629.pdf
Item Status:	
Status Date:	
Satisfied - Item:	PPO PPMA Redacted
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_PPMARedacted_Supporting_20160629.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Q&A Exhibits Redacted
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_Q&AExhibitsRedacted_Supporting_20160629.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Q&A Response Redacted
Comments:	
Attachment(s):	SG_16-44_Initial_CAIC_PPO_Q&AResponseRedacted_Supporting_20160629.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	CABC-130539615	State Tracking #:	CABC-130539615	Company Tracking #:	16-44
<hr/>					
State:	Pennsylvania		Filing Company:	Capital Advantage Insurance Company	
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only				
Product Name:	Rates - CAIC Small Group PPOG				
Project Name/Number:	/				

Attachment SG_16-44_Initial_CAIC_PPO_PIDRateExhibits_Supporting_20160509.xlsx is not a PDF document and cannot be reproduced here.



**CAPITAL ADVANTAGE INSURANCE COMPANY, INC.
RFJ Part II – Consumer Friendly Justification**

1. Company Name & NAIC #: Capital Advantage Insurance Company (CAIC), NAIC #41203
2. Market: Small Group
3. Product: PPO
4. Average Rate Change (% and \$) and Range: 4.5%/\$291.86 PMPY, 4.4% to 5.8%
5. Current Covered Lives and Policyholders: 46/44
6. Financial Information:

Jan. 2015-Dec. 2015 financial experience	
Premiums	\$1,677,126
Claims	\$848,725
Administrative expenses	\$263,353
<hr/>	
Company made (before taxes)	\$565,049

7. Rate Increase Considerations: Changes being requested are based upon consideration of the factors that influence future period cost structures. The primary drivers of change in future costs are:
 - Anticipated increase in facility and physician unit costs
 - Anticipated changes in prescription drug unit costs
 - Continuing change in utilization such as
 - Intensity of medical services rendered
 - Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - Further migration from brand prescription drugs to generic prescription drugs
 - Favorable impacts of value based benefits designs
 - Prescription drug patent expirations and new to market brand drugs
 - Leveraging associated with unchanged cost share components such as deductible and copays
 - Inflation adjustment to administrative expenses



Capital BlueCross

May 11, 2016

**CAPITAL ADVANTAGE INSURANCE COMPANY, INC.
Pennsylvania Bulletin Information**

The following is a summary prepared for the Pennsylvania Bulletin:

1. Company Name & NAIC #: Capital Advantage Insurance Company (CAIC), NAIC #41203
2. Market: Small Group
3. Product: PPO
4. Average Rate Change (% and \$) and Range: 4.5%/\$291.86 PMPY, 4.4% to 5.8%
5. Current Covered Lives and Policyholders: 46/44
6. Experience Period Revenue: \$1.4M
7. Additional Revenue from Rate Increase: \$13,426

Capital Advantage Insurance Company (CAIC) – Small Group Plans

Rate request filing ID # CABC-130539615- This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Requested average rate change:	4.5%
Range of requested rate change:	4.4% to 5.8%
Effective date:	1/1/2017
People impacted:	46
Available in:	Rating Area 9

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$1,677,126
Claims	\$848,725
Administrative expenses	\$263,353
Company made (before taxes)	\$565,049

The company expects its annual medical costs to increase **8.3%**.

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2017:

Claims:	81.9%
Administrative:	11.5%
Taxes & fees:	4.6%
Profit:	2.0%

Explanation of requested rate change

Changes being requested are based upon consideration of the factors that influence future period cost structures. The primary drivers of change in future costs are:

- Anticipated increase in facility and physician unit costs
- Anticipated changes in prescription drug unit costs
- Continuing change in utilization such as
 - o Intensity of medical services rendered
 - o Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - o Further migration from brand prescription drugs to generic prescription drugs
 - o Favorable impacts of value based benefits designs
- Prescription drug patent expirations and new to market brand drugs
- Leveraging associated with unchanged cost share components such as deductible and copays
- Inflation adjustment to administrative expenses

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 1. Number of Members

	Member-months		Member months
	Experience Period	Current Period (as of Feb. 1, 2016)	Projected Rating Period
Total	4,018	42	46
<18	652	-	-
18-24	401	3	2
25-29	490	12	13
30-34	244	3	3
35-39	186	7	8
40-44	269	-	-
45-49	147	3	3
50-54	424	4	5
55-59	594	6	6
60-63	259	3	3
64+	181	-	-

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EB portion of Allowed Claims	Total Prescription Drug Rebates*	Total DRB Capitation	Total Non-EB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 1,394,933.20	\$ 675,776.73	\$ 696,142.67	4,018	\$ 208,993.10	\$ 965,135.77	\$ -	\$ (5,352.04)	\$ -	\$ -	\$ 89,322.66	\$ -
2015 Total Allowed EBH Claims + EBH Capitation PMPM (net of prescription drug rebates)											\$ 238.87
Loss Ratio											46.54%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	6.00%	1.90%	7.00%	18.62%
Outpatient Hospital	5.00%	1.90%	7.00%	31.96%
Professional	5.00%	1.90%	7.00%	21.15%
Other Medical	5.00%	1.90%	7.00%	2.48%
Capitation	-	-	1.00%	0.13%
Prescription Drugs	13.50%	0.05%	13.50%	19.67%
Total Annual Trend	-	-	8.29%	100.00%

* Year Trend Projection Factor

* Express Cost, Utilization, and Weight as percentages

< - Annualized Trend Factors on UHRT

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM	
Jan-11	\$ 20,491,404.29	1,000	\$ 20,491,439.32	54,235	377.83	\$ 143,709.96	\$ 205,544.28	\$ 23,057,794.47	\$ 436.21		
Feb-11	\$ 15,707,474.35	1,000	\$ 15,707,515.64	50,076	313.67	\$ 158,859.86	\$ 17,653,460.00	\$ 18,081,939.81	\$ 361.09		
Mar-11	\$ 16,482,141.27	1,000	\$ 16,482,192.11	45,511	340.10	\$ 134,888.24	\$ 17,653,460.00	\$ 18,081,939.81	\$ 361.09		
Apr-11	\$ 13,670,285.63	1,000	\$ 13,670,336.78	41,000	333.42	\$ 123,393.96	\$ 17,653,460.00	\$ 18,081,939.81	\$ 361.72		
May-11	\$ 13,871,600.07	1,000	\$ 13,871,651.17	35,059	361.26	\$ 94,393.96	\$ 17,653,460.00	\$ 18,081,939.81	\$ 371.19		
Jun-11	\$ 11,021,802.84	1,000	\$ 11,021,838.46	29,491	373.74	\$ 77,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 381.72		
Jul-11	\$ 9,013,680.43	1,000	\$ 9,013,711.18	23,742	379.33	\$ 63,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 391.79		
Aug-11	\$ 7,345,725.14	1,000	\$ 7,345,758.18	20,090	365.84	\$ 52,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 401.86		
Sep-11	\$ 5,224,507.80	1,000	\$ 5,224,526.62	14,255	366.50	\$ 37,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 411.93		
Oct-11	\$ 3,081,208.30	1,000	\$ 3,081,218.17	6,444	479.15	\$ 21,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 421.99		
Nov-11	\$ 1,371,047.67	1,000	\$ 1,371,090.60	4,028	340.39	\$ 9,393.96	\$ 17,653,460.00	\$ 18,201,391.02	\$ 432.06		
Dec-11	\$ 121,402,440.85	1,000	\$ 122,470,488.91	901	202.41	\$ 17,248,371.86	\$ 17,653,460.00	\$ 18,201,391.02	\$ 442.13		
Jan-12		1,000	\$ 191,078.99	1,000	\$ 191,088.33	749	257.79	\$ 213,531.50	\$ 231,581.50	\$ 452.20	
Feb-12		1,000	\$ 113,603.16	1,000	\$ 113,609.69	703	183.52	\$ 191,519.19	\$ 211,519.19	\$ 462.27	
Mar-12		1,000	\$ 145,911.64	1,000	\$ 145,917.32	601	219.86	\$ 213,617.57	\$ 233,617.57	\$ 472.34	
Apr-12		1,000	\$ 131,245.86	1,000	\$ 131,250.64	631	208.04	\$ 213,617.57	\$ 233,617.57	\$ 482.41	
May-12		1,000	\$ 144,098.16	1,000	\$ 144,102.70	517	279.78	\$ 213,617.57	\$ 233,617.57	\$ 492.48	
Jun-12		1,000	\$ 118,087.29	1,000	\$ 118,092.00	408	252.40	\$ 213,617.57	\$ 233,617.57	\$ 502.55	
Jul-12		1,000	\$ 134,911.37	1,000	\$ 134,915.69	472	243.95	\$ 213,617.57	\$ 233,617.57	\$ 512.62	
Aug-12		1,000	\$ 149,559.46	1,000	\$ 149,564.83	532	281.29	\$ 213,617.57	\$ 233,617.57	\$ 522.69	
Sep-12		1,000	\$ 135,519.59	1,000	\$ 135,519.59	537	252.15	\$ 213,617.57	\$ 233,617.57	\$ 532.76	
Oct-12		1,000	\$ 104,295.67	1,000	\$ 104,295.67	601	323.57	\$ 213,617.57	\$ 233,617.57	\$ 542.83	
Nov-12		1,000	\$ 98,210.85	1,000	\$ 98,210.85	508	165.52	\$ 213,617.57	\$ 233,617.57	\$ 552.90	
Dec-12	\$ 2,215,330.11	1,000	\$ 2,215,330.11	608	117.08	\$ 297,221.22	\$ 17,653,460.00	\$ 18,201,391.02	\$ 442.13		
Jan-13		1,000	\$ 39,982.95	1,000	\$ 39,982.95	371	107.42	\$ 213,617.57	\$ 233,617.57	\$ 562.97	
Feb-13		1,000	\$ 50,258.41	1,000	\$ 50,268.07	371	148.64	\$ 213,617.57	\$ 233,617.57	\$ 573.04	
Mar-13		1,000	\$ 34,661.50	1,000	\$ 34,661.50	368	94.55	\$ 213,617.57	\$ 233,617.57	\$ 583.11	
Apr-13		1,000	\$ 72,610.70	1,000	\$ 72,610.70	339	147.77	\$ 213,617.57	\$ 233,617.57	\$ 593.18	
May-13		1,000	\$ 59,622.95	1,000	\$ 59,622.95	364	167.84	\$ 213,617.57	\$ 233,617.57	\$ 603.25	
Jun-13		1,000	\$ 47,561.52	1,000	\$ 47,561.52	361	132.06	\$ 213,617.57	\$ 233,617.57	\$ 613.32	
Jul-13		1,000	\$ 70,240.00	1,000	\$ 70,240.00	362	218.36	\$ 213,617.57	\$ 233,617.57	\$ 623.39	
Aug-13		1,000	\$ 91,871.49	1,000	\$ 91,871.49	357	264.84	\$ 213,617.57	\$ 233,617.57	\$ 633.46	
Sep-13		1,000	\$ 40,108.13	1,000	\$ 40,108.13	369	117.07	\$ 213,617.57	\$ 233,617.57	\$ 643.53	
Oct-13		1,000	\$ 33,240.43	1,000	\$ 33,240.43	314	108.23	\$ 213,617.57	\$ 233,617.57	\$ 653.60	
Nov-13		1,000	\$ 105,665.21	1,000	\$ 105,665.21	369	261.38	\$ 213,617.57	\$ 233,617.57	\$ 663.67	
Dec-13	\$ 1,394,933.20	1,000	\$ 25,454.21	1,000	\$ 25,454.21	128	207.11	\$ 213,617.57	\$ 233,617.57	\$ 673.74	

* Express Completion Factor as a percentage

** Express Prescription Drug Rebates as a negative number

Table 2b. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
#####	#####	#####	552,687	\$ 39,173,571.74	#####	\$ -	#####	\$279,945.74	\$ -	\$ 290,412.39	\$ -
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 449.13
Loss Ratio											76.91%

*Express Prescription Drug Rebates as a negative number

Table 2c. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
#####	#####	#####	552,687	#####	#####	\$ -	#####	\$ 279,945.74	\$ -	\$ 290,412.39	\$ -
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 449.13
Loss Ratio											76.91%

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.00%	1.90%	7.00%	18.62%
Outpatient Hospital	5.00%	1.90%	7.00%	33.96%
Professional	5.00%	1.90%	7.00%	25.15%
Other Medical	5.00%	1.90%	7.00%	2.48%
Capitation			3.00%	0.11%
Prescription Drugs	13.50%	0.05%	13.56%	19.67%
Total Annual Trend			8.29%	100.00%
2 Year Trend Projection			1.173	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

Table 4b. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-13		#####	1.0000	\$ 25,694,935.99	69,258	\$ 371.00		#####	#####	\$ 434.42
Feb-13		#####	1.0000	\$ 22,429,297.05	69,077	\$ 324.70		#####	#####	\$ 378.11
Mar-13		#####	1.0000	\$ 22,058,947.02	68,833	\$ 320.47		#####	#####	\$ 375.93
Apr-13		#####	1.0000	\$ 22,934,264.92	68,110	\$ 336.72		#####	#####	\$ 393.76
May-13		#####	1.0000	\$ 23,964,539.35	67,301	\$ 356.08		#####	#####	\$ 411.82
Jun-13		#####	1.0000	\$ 22,219,690.69	66,138	\$ 335.96		#####	#####	\$ 389.24
Jul-13		#####	1.0000	\$ 24,011,020.33	64,855	\$ 370.23		#####	#####	\$ 424.56
Aug-13		#####	1.0000	\$ 22,054,406.01	64,454	\$ 342.17		#####	#####	\$ 394.94
Sep-13		#####	1.0000	\$ 20,664,164.05	63,687	\$ 324.46		#####	#####	\$ 376.07
Oct-13		#####	1.0000	\$ 24,556,788.18	63,296	\$ 387.97		#####	#####	\$ 447.61
Nov-13		#####	1.0000	\$ 20,788,930.94	62,892	\$ 330.55		#####	#####	\$ 382.68
Dec-13	#####	#####	1.0000	\$ 22,224,577.46	64,213	\$ 346.11	#####	#####	#####	\$ 396.75
Jan-14		#####	1.0000	\$ 23,889,643.62	63,050	\$ 378.90		#####	#####	\$ 447.17
Feb-14		#####	0.9920	\$ 22,893,928.36	63,082	\$ 362.92		#####	#####	\$ 422.03
Mar-14		#####	0.9999	\$ 23,326,046.76	62,087	\$ 375.70		#####	#####	\$ 440.58
Apr-14		#####	0.9998	\$ 22,775,399.46	60,691	\$ 375.27		#####	#####	\$ 434.17
May-14		#####	0.9998	\$ 22,652,333.84	58,941	\$ 384.32		#####	#####	\$ 439.71
Jun-14		#####	0.9997	\$ 21,093,055.65	57,458	\$ 367.10		#####	#####	\$ 419.56
Jul-14		#####	0.9996	\$ 21,889,366.76	55,931	\$ 391.36		#####	#####	\$ 444.75
Aug-14		#####	0.9995	\$ 19,822,915.11	55,060	\$ 360.02		#####	#####	\$ 409.92
Sep-14		#####	0.9993	\$ 21,040,805.21	53,815	\$ 390.98		#####	#####	\$ 440.93
Oct-14		#####	0.9992	\$ 22,996,620.84	51,949	\$ 442.68		#####	#####	\$ 497.23
Nov-14		#####	0.9990	\$ 21,444,873.81	51,119	\$ 419.51		#####	#####	\$ 464.30
Dec-14	#####	#####	0.9987	\$ 18,190,125.06	47,229	\$ 385.15	#####	#####	#####	\$ 445.29
Jan-15		#####	0.9982	\$ 16,352,523.34	47,310	\$ 345.65		#####	#####	\$ 419.07
Feb-15		#####	0.9263	\$ 17,370,874.33	46,776	\$ 371.36		#####	#####	\$ 440.52
Mar-15		#####	0.9968	\$ 19,327,943.58	46,184	\$ 418.50		#####	#####	\$ 483.68
Apr-15		#####	0.9959	\$ 19,102,689.34	45,944	\$ 415.78		#####	#####	\$ 477.62
May-15		#####	0.9806	\$ 17,338,563.82	45,538	\$ 380.75		#####	#####	\$ 436.82
Jun-15		#####	0.9936	\$ 17,784,054.66	44,988	\$ 395.31		#####	#####	\$ 453.52
Jul-15		#####	0.9917	\$ 17,743,115.12	44,561	\$ 398.18		#####	#####	\$ 459.00
Aug-15		#####	0.9898	\$ 17,633,140.16	44,111	\$ 399.74		#####	#####	\$ 458.60
Sep-15		#####	0.9865	\$ 17,671,216.80	43,905	\$ 402.49		#####	#####	\$ 459.71
Oct-15		#####	0.9817	\$ 18,504,411.13	44,876	\$ 412.35		#####	#####	\$ 480.53
Nov-15		#####	0.9666	\$ 18,157,797.67	45,528	\$ 398.83		#####	#####	\$ 458.48
Dec-15	#####	#####	0.9612	\$ 20,119,244.17	52,966	\$ 379.85	#####	#####	#####	\$ 458.58

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

PA Rate Template Part II
Rate Development and Change

Table 5. Development of the Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims

2015 Total Allowed EHB Claims PMPM + EHB Capitation PMPM (net of prescription drug rebates)	\$449.13	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.173	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 526.64	
Single Risk Pool Adjustment Factors		<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Morbidity	1.000	
Change in Other	0.928	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Demographics	1.000	
Change in Network	0.910	
Change in Benefits	1.015	
Change in Other	1.005	
Adjusted Projected Allowed EHB Claims PMPM	\$ 488.70	<- Index Rate for Projection Period on URRT - Individual (Small Group 1st Qtr)
Adjusted Projected Allowed EHB Claims PMPM [will only populate for small group filings]	\$ 509.51	<- Index Rate for Projection Period on URRT - Small Group
Projected Paid to Allowed Ratio	0.86871634	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	442.6195548	
Market-wide Adjustments		
Projected Paid Net Risk Adjustment PMPM	\$ 0.13	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 442.75	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 509.66	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 442.75	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 509.66	

Table 6. Retention

Retention Items - Express in percentages		
Administrative Expenses	12%	
General and Claims	7.47%	
Agent/Broker Fees and Commissions	3.73%	
Quality Improvement Initiatives	0.29%	
Taxes and Fees	4.62%	
PCORI Fees (Enter \$ amount here: \$_____)	0.03%	
Pa Premium Tax (if applicable)		
Federal Income Tax	0.70%	
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	1.88%	
Profit/Contingency	2%	
Total Retention	18%	
Projected Required Revenue PMPM	\$ 540.73	<- Single Pool Gross Premium Avg. Rate, PMPM on URRT

Table 8. Components of Rate Change

Rate Components	2016	2017	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	348.276175	363.8823425	\$15.61	4.5%
B. Base period allowed claims before normalization	\$ 437.83	\$ 449.13	\$11.30	3%
C. Normalization factor component of change	\$ (109.01)	-122.6792462	-\$13.67	-\$0.04
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 328.82	\$ 326.45	\$ (2.37)	-1%
D2. URRT Trend	\$ 54.17	\$ 56.33	\$ 2.17	1%
D3. URRT Morbidity	\$ 10.64	\$ -	\$ (10.64)	-3%
D4. URRT Other	\$ (28.34)	\$ (27.57)	\$ 0.77	0%
D5. Normalized URRT RA/RI on an allowed basis	\$ 2.41	\$ 0.11	\$ (2.30)	-1%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0%
D7. Subtotal - Sum(D1:D6)	\$ 367.70	\$ 355.32	\$ (12.38)	-4%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (33.09)	-24.87272288	\$ 8.22	2%
E2. Pricing AV	\$ (75.29)	\$ (44.57)	\$ 30.72	9%
E3. Benefit Richness	\$ -	\$ -	\$ -	0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (108.38)	\$ (69.44)	\$ 38.94	11%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 41.10	\$ 41.84	\$ 0.74	0%
F2. Taxes and Fees	\$ 20.08	\$ 9.52	\$ (10.56)	-3%
F3. Profit and/or Contingency	\$ 6.97	\$ 7.28	\$ 0.31	0%
F4. Subtotal - Sum(F1:F3)	\$ 68.14	\$ 58.63	\$ (9.51)	-3%
G. Change in Miscellaneous Items	\$ -	\$ -	\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 327.46	\$ 344.52	\$ 17.06	5%

Table 5A. Small Group Projected Index Rate with Quarterly Trend

	January	April	July	October	Total Single Risk Pool
# of Member Months Renewing in Quarter	145,949	53,966	87,531	401,210	688,656.00
Percent of Members Months Renewing in Quarter	21%	8%	13%	58%	100%
Base Allowed Claims	\$ 488.70	\$ 488.70	\$ 488.70	\$ 488.70	\$ 488.70
Months of Trend	-	3	6	9	6
Annual Trend	8.29%	8.29%	8.29%	8.29%	8.29%
Single Risk Pool Projected Allowed Claims	\$ 488.70	\$ 498.53	\$ 508.55	\$ 518.77	\$ 509.51

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2016	2017
Average Age Factor	1.463	1.479
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.000	1.000
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	0.910	0.930
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 493.04	\$ 509.66
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 370.29	\$ 370.45

Table 9. Year-over-Year Data to Support Table 8

	2016	2017
Paid-to-Allowed	0.747349467	0.86871634
URRT Trend (2-Year Trend Factor)	1.164730222	1.17
URRT Morbidity	1.027777778	1.000
URRT "Other"	0.928	0.928
Risk Adjustment	\$ 0.15	\$ 0.13
Reinsurance	\$ 2.25	\$ -
Exchange User Fee	\$ -	\$ -
Capitation	\$ 0.60	\$ 0.54
Network	0.910	0.93
Pricing AV	0.775	0.865134735
Benefit Richness	1.000	1
Catastrophic Eligibility	1.000	1
Administrative Expenses	11.80%	11.50%
Taxes and Fees	5.77%	2.62%
Profit and/or Contingency	2.00%	2.00%

PA Rate Template Part III
Table 10. Plan Rates

Carrier Name:	Capital Advantage Assurance Company
Plan Type(s):	PPO
Market Segment:	Small Group
Rate Effective Date:	1/1/2017
Market Adjusted Index Rate	\$ 509.66

Calibration	
Age Calibration Factor	1.47934739
Geographic Calibration Factor	1.000
Aggregate Calibration Factor	1.479

[illegible]

Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User

These cells auto-fill using the data entered in Table 9.						
Plan 1	\$2795PA01.10006	CareConnect 1000.0 PD	M	0	Gold	OFF
Plan 2	\$2795PA01.10007	CareConnect 3000.0 PD	M	0	Silver	OFF
Plan 3	0	0	0	0		0
Plan 4	0	0	0	0		0
Plan 5	0	0	0	0		0
Plan 6	0	0	0	0		0
Plan 7	0	0	0	0		0
Plan 8	0	0	0	0		0
Plan 9	0	0	0	0		0
Plan 10	0	0	0	0		0
Plan 11	0	0	0	0		0
Plan 12	0	0	0	0		0
Plan 13	0	0	0	0		0
Plan 14	0	0	0	0		0
Plan 15	0	0	0	0		0
Plan 16	0	0	0	0		0
Plan 17	0	0	0	0		0
Plan 18	0	0	0	0		0
Plan 19	0	0	0	0		0
Plan 20	0	0	0	0		0
Plan 21	0	0	0	0		0
Plan 22	0	0	0	0		0
Plan 23	0	0	0	0		0
Plan 24	0	0	0	0		0
Plan 25	0	0	0	0		0
Plan 26	0	0	0	0		0
Plan 27	0	0	0	0		0
Plan 28	0	0	0	0		0
Plan 29	0	0	0	0		0
Plan 30	0	0	0	0		0
Plan 31	0	0	0	0		0
Plan 32	0	0	0	0		0
Plan 33	0	0	0	0		0
Plan 34	0	0	0	0		0
Plan 35	0	0	0	0		0
Plan 36	0	0	0	0		0
Plan 37	0	0	0	0		0
Plan 38	0	0	0	0		0
Plan 39	0	0	0	0		0
Plan 40	0	0	0	0		0
Plan 41	0	0	0	0		0
Plan 42	0	0	0	0		0
Plan 43	0	0	0	0		0
Plan 44	0	0	0	0		0
Plan 45	0	0	0	0		0
Plan 46	0	0	0	0		0
Plan 47	0	0	0	0		0
Plan 48	0	0	0	0		0
Plan 49	0	0	0	0		0
Plan 50	0	0	0	0		0
Plan 51	0	0	0	0		0
Plan 52	0	0	0	0		0
Plan 53	0	0	0	0		0
Plan 54	0	0	0	0		0
Plan 55	0	0	0	0		0
Plan 56	0	0	0	0		0
Plan 57	0	0	0	0		0
Plan 58	0	0	0	0		0
Plan 59	0	0	0	0		0
Plan 60	0	0	0	0		0
Plan 61	0	0	0	0		0
Plan 62	0	0	0	0		0
Plan 63	0	0	0	0		0
Plan 64	0	0	0	0		0
Plan 65	0	0	0	0		0
Plan 66	0	0	0	0		0
Plan 67	0	0	0	0		0
Plan 68	0	0	0	0		0
Plan 69	0	0	0	0		0
Plan 70	0	0	0	0		0
Plan 71	0	0	0	0		0
Plan 72	0	0	0	0		0
Plan 73	0	0	0	0		0
Plan 74	0	0	0	0		0
Plan 75	0	0	0	0		0
Plan 76	0	0	0	0		0
Plan 77	0	0	0	0		0
Plan 78	0	0	0	0		0
Plan 79	0	0	0	0		0
Plan 80	0	0	0	0		0
Plan 81	0	0	0	0		0
Plan 82	0	0	0	0		0
Plan 83	0	0	0	0		0
Plan 84	0	0	0	0		0
Plan 85	0	0	0	0		0
Plan 86	0	0	0	0		0
Plan 87	0	0	0	0		0
Plan 88	0	0	0	0		0
Plan 89	0	0	0	0		0
Plan 90	0	0	0	0		0
Plan 91	0	0	0	0		0
Plan 92	0	0	0	0		0
Plan 93	0	0	0	0		0
Plan 94	0	0	0	0		0
Plan 95	0	0	0	0		0
Plan 96	0	0	0	0		0
Plan 97	0	0	0	0		0
Plan 98	0	0	0	0		0
Plan 99	0	0	0	0		0
Plan 100	0	0	0	0		0

[illegible][illegible][illegible][illegible]

PA Rate Template Part V

Consumer Factors

Table 12. Age and Tobacco Factors

2017 Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-20	0.635			43	1.357	1
21	1.000	1		44	1.397	1
22	1.000	1		45	1.444	1
23	1.000	1		46	1.500	1
24	1.000	1		47	1.563	1
25	1.004	1		48	1.635	1
26	1.024	1		49	1.706	1
27	1.048	1		50	1.786	1
28	1.087	1		51	1.865	1
29	1.119	1		52	1.952	1
30	1.135	1		53	2.040	1
31	1.159	1		54	2.135	1
32	1.183	1		55	2.230	1
33	1.198	1		56	2.333	1
34	1.214	1		57	2.437	1
35	1.222	1		58	2.548	1
36	1.230	1		59	2.603	1
37	1.238	1		60	2.714	1
38	1.246	1		61	2.810	1
39	1.262	1		62	2.873	1
40	1.278	1		63	2.952	1
41	1.302	1		64+	3.000	1
42	1.325	1				

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1		1.000	1.000
Rating Area 2		1.000	1.000
Rating Area 3		1.000	1.000
Rating Area 4		1.000	1.000
Rating Area 5		1.000	1.000
Rating Area 6		1.000	1.000
Rating Area 7		1.000	1.000
Rating Area 8		1.000	1.000
Rating Area 9	Cumberland, Dauphin, Perry	1.000	1.000

Table 14. Network Factors

[illegible]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Small Group Rates Effective January 1, 2017

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Small Group
- Effective Date: 1/1/2017

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2017
- Average Rate Change: 4.5%
- Range of Requested Rate Change: 4.4% to 5.8%
- Product: PPO
- Rating Areas: 9
- Metal Levels: Gold, Silver
- Current Covered Lives and Policyholders: 46/44
- Number of Plans: 2
- Contract Form #: C17-CAIC-SPG
- Form Filing SERFF #: CABC-130534718
- Binder SERFF #: CABC-PA17-125060094
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-687332328753654816

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available to all small groups effective January 1, 2017. CAIC will only offer small group products off the federally-facilitated exchange.

CAIC is continuing to offer its CareConnect Gatekeeper PPO. CareConnect Gatekeeper PPO is a managed care arrangement product with the Pinnacle Health System. It is available to small groups located in Cumberland, Dauphin or Perry County.

A summary of proposed 2017 benefits is included in Exhibit A.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	CAIC	1/1/2014	CABC-129034005	0.00%
Small Group	CAIC	1/1/2015	CABC-129649362	0.00%
Small Group	CAIC	1/1/2016	CABC-130079821	-2.00%

Proposed Rate Increases

CAIC is proposing an aggregate annual increase of 4.5%. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part IV, Table 11, cell AZ13.

Rate Change Summary

The Rate Change Summary submitted with this filing contains 2015 small group (1-50 employees) financial information. Please note this exhibit does not match CAIC's Supplemental Health Care Exhibit (SHCE), as the SHCE submitted for 2015 applies to employer size of 1-100 employees.

Please note that prior to the enactment of the Protecting Affordable Coverage for Employees ("PACE") Act, H.R. 1624, which was signed into law on October 7, 2015, a small employer was defined using a "1-100 employees" test, with an available state election to use a "1-50 employees"

test for plan years beginning before January 1, 2016. PHSA §2791(e)(2)(4)(2014), ACA § 1304(b)(1)-(3) (2014).

Based on the absence of an explicit election on the part of the Commonwealth to use the “1-50 employees” test, as well as other factors, CBC received confirmation from the Pennsylvania Insurance Department that CBC and its subsidiaries could use the “1-100 employees” test until January 1, 2016. Accordingly, CBC and its subsidiaries used a small group size of “1-100 employees” for MLR and related financial reporting for years ending on or before December 31, 2015. Beginning with January 1, 2016, in accordance with the PACE Act, CBC and its subsidiaries began using the “1-50 employees” test for all purposes. For these reasons, certain information including the premiums, claims and administrative expense amounts used in this filing, and which appear in the Rate Change Request Summary (Attachment 1), do not match amounts shown in the Supplemental Health Care Reporting Exhibit included in the 2015 Annual Financial Statement for the market.

It is important to note, that to the best of our knowledge, the use of the “1-100 employees” test as opposed to the “1-50 employees” test did not affect the requirement that CAIC provide a rebate to customers based upon its MLR for the year 2015.

Membership

Membership is shown in PA Rate Template Part I, Table 1.

Benefit Changes 2016-2017

There are several benefit changes being implemented in 2017. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). A summary of proposed 2017 benefits is included in Exhibit A.

Benefit changes by plan are listed in Exhibit A1, highlight in yellow.

Experience Period Premium and Claims

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2015 and December 31, 2015.

Paid Through Date: Claims in the BEP are paid through March 31, 2016

Premiums (net of MLR Rebate) in Experience Period: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as CAIC does not expect to refund any MLR rebates.

Allowed and Incurred Claims during the Experience Period:

	Incurred	Allowed
Amount of claims processed through the issuer's claim system:	\$674,425	\$936,038
Amount of claims processed outside of the issuer's claim system:	0	0
Amount of claims that represent best estimate of incurred but not paid:	\$16,366	\$23,745

Allowed claims are developed by combining paid claims with member cost-sharing.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Benefit Categories

Claims in the benefit categories displayed in the URRT come directly from CBC's data warehouse. See Exhibit B for a description of benefits by benefit category.

Projection Factors

Changes in Morbidity of the Population Insured: CAIC expects changes in morbidity in its small group population from the experience period. This is a direct impact of the transitional policy. The transitional policy, which was first released in November 2013 and extended by a letter released in March 2014, allows small groups to keep their current coverage through 2016. For CAIC, this policy impacts groups renewing June through December, with December being CAIC's largest renewal month. The transitional policy will allow groups to select the lowest premium, with the lowest morbidity groups keeping their current coverage and the highest morbidity groups opting for ACA-compliant coverage. CAIC's transitional selection impact estimate is found in the URRT, Worksheet 1, "Pop'l Risk Morbidity".

Changes in Benefits:

1. Pediatric Dental and Pediatric Vision: The following PMPM allowed charges are added to the projection period allowed claims PMPM:
 - Pediatric dental coverage: 5.01
 - Pediatric vision coverage 0.46

These were added to the projected allowed claims in Exhibit B by applying a factor to the experience period, "Other Medical" claims. The development of pediatric dental and vision projected claims are described below.

See Exhibit C for the pediatric dental and vision rate development.

Changes in Demographics: CAIC does not expect changes in demographics in its small group population.

Other Adjustments: Found in URRT, Worksheet 1, "Other".

1. List-Billed Adjustment: CAIC is adjusting the claim experience for the impact of the list-billing rating methodology required under CFR Part 147.102. This section requires that family rates are calculated by summing the premiums for each individual family member, provided at most three child dependents under age 21 are taken into account. This rating rule requires an adjustment to premium.
2. Network Adjustment: CAIC is adjusting the claim experience for the impact of the CareConnect network. The CareConnect Gatekeeper PPO product is a managed care arrangement product with the Pinnacle Health System. The contracted rates with Pinnacle will produce a cost-savings over a standard PPO product.

Trend Factors: Trend levels reflect our best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CAIC uses a hospital and physician contracting model to determine future trends. This model contains all known contracted payment increases, as well as estimated increases in provider payments.
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
3. Intensity: Intensity is defined as the amount of inputs used to provide each unit of service. This can best be seen in an example:

Year 2012		
Type of Service	Units	Cost per Unit
X-Ray	1	\$200
MRI	1	\$5,000
Total	2	\$5,200

Year 2013		
Type of Service	Units	Cost per Unit
X-Ray	0	\$200
MRI	2	\$5,000
Total	2	\$10,000

Total Annual Trend	92%
--------------------	-----

2. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CAIC strives to mitigate the

underwriting cycle by keeping trends consistent through times of increasing and decreasing claim costs and utilization.

See Exhibit E for CAIC's pricing trend, as well as cost and utilization components of the pricing trend.

Credibility Manual Rate Development

Background: CAIC subsidiary, Capital Advantage Assurance Company (CAAC), is a new CBC company effective January 1, 2013. On that date, upon renewal, all small group PPO and Drug products were moved from CAIC to CAAC. And effective 7/1/2013, all Traditional and Comprehensive products (on renewal) were moved from CAIC to CAAC. Given the 2013 inception date of CAAC, CAIC has shrinking enrollment in 2013-2015. Effective 1/1/2015, CAIC began offering the CareConnect Pinnacle product. This product continues to have small, non-credible enrollment. Because of this, it is reasonable to use combined data from CAAC, Keystone Health Plan Central (KHPC), and CAIC in the experience period.

The Credibility Manual is developed in the same manner (using the same projection factors and trend) as the experience period data. Exhibit F shows the calculation of the credibility manual data entered into the URRT.

Credibility of Experience

Credibility Manual Rate Development: As seen in the URRT, the CAIC experience data and the credibility manual are very closely aligned. The credibility manual was given 100% credibility because it encompasses all small group membership.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claims rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. The URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

$$\begin{aligned} & \text{Projected Paid and Incurred Claims PMPM} \\ &= [Trended \text{ Claim PMPM}] \times [Benefit \text{ Adjustment}] \\ &\quad \times [Morbidity \text{ Adjustment}] \times [List - Billed \text{ Adjustment}] \end{aligned}$$

The *Benefit Adjustment*, *Morbidity Adjustment*, and *List-Billed Adjustment* are discussed in the Projections Factors section above.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The

average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\text{Benefit Level Adjustment} = \frac{\text{Average Manual Cost in Experience Period}}{\text{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\text{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\text{Benefit Relativity A} = \frac{\text{Manual Cost of Benefit A}}{\text{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} &\text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ &\times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2015. The *Total Projected Claims PMPM* :

$$\begin{aligned} &= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ &+ \text{Projected Claims PMPM Benefit B} \\ &\times \text{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*.

Risk Adjustment and Reinsurance

Projected Risk Adjustments PMPM:

Relevant to 2017 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2017. The 2017 pricing impact is:

$$\begin{aligned} & [\text{Net Projected Risk Adjustments PMPM}] \\ & = [\text{Projected CRA Transfer PMPM}] - [\text{Risk Adjustment Fee PMPM}] \end{aligned}$$

The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. The impact of transitional policies throughout the remainder of 2016 and 2017

Given the uncertainty of the five bullets above, it is difficult to determine whether the impact of 2017 earned CRA payment transfers will be positive or negative. Therefore, an appropriate estimate of [Projected CRA Transfer PMPM] is \$0.

To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.13 PMPM. The Risk Adjustment Fee PMPM is included in the URRT Worksheet 1, “Projected Risk Adjustments PMPM”.

$$[\text{Net Projected Risk Adjustments PMPM}] = 0 - 0.13 = -0.13 \text{ PMPM}$$

Projected ACA Reinsurance Recoveries:

$$\begin{aligned} & [\text{Net Projected ACA Reinsurance Recoveries PMPM}] \\ & = [\text{Projected ACA Reinsurance Recoveries PMPM}] \\ & - [\text{Reinsurance Contribution PMPM}] \end{aligned}$$

Reinsurance recoveries are equal to \$0 in the small group market, as shown in the URRT Worksheet 1, “Projected ACA reinsurance recoveries, net of rein prem, PMPM”.

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

1. **Administrative Expense:** Calculated using an allocation method from CAIC's finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask for the percentage of time spent on PPO versus HMO versus Drug versus Medicare. And separately will ask for the percentage of time spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC small group products. Administrative expenses are included in the URRT Worksheet 1, "Administrative Load".
2. **Broker Expense:** Calculated based on CAIC's explicit per contract broker fee. See Exhibit E for historical CBC broker PMPMs in the small group market. Broker Expense is included in the URRT Worksheet 1, "Administrative Load".
3. **Member Out-Of-Pocket (OOP) and Ways to Save:**
 - a. **Description:** These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC's small group plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively, the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.
 - b. **Costs:** The vendor of these products charge both per contract per year (PCPY) user fees as well as initial implementation fees and annual subscription fees. The PCPY user fees are \$0.115 and \$1.7955 for "Member Out of Pocket" and "Way to Save" respectively. The vendor also charges a 25% administrative load, annual subscription fee, and a \$100,000 implementation fee. The implementation fee is amortized over 5 years across several hundred thousand members. Using book of business member-to-contract ratios and converting to a per member per month (PMPM), in conjunction with the administrative load and implementation fee yields a PMPM charge of \$0.0128 and \$.20 for Member Out of Pocket and Ways to Save respectively. Annual subscription fees charged yields another \$0.04 PMPM. All of these items combined allow us to arrive at a requested \$0.25 PMPM. These programs are included in the URRT Worksheet 1, "Administrative Load".
4. **Value-Based Benefits (VBB):** Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral

changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:

- a. Complete CBC Personal Profile and receive a gift card reward.
 - b. Complete one online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees.
5. Identity Theft Coverage: Identity protection offering will include the following components:
- a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection

Profit (or Contribution to Surplus) & Risk Margin:

6. Contingency: Contingency is included in the URRT Worksheet 1, “Profit and Risk”.

Taxes and Fees:

7. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2013, and before October 1, 2014, the applicable dollar amount is \$2 per member per year (\$0.17 PMPM), trended annually. At an estimated trend of 4%, the 2017 projected fee is \$0.18 PMPM. PCORTF is included in the URRT Worksheet 1, “Taxes and Fees”.
8. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refer to HIF. The fee is a fixed-dollar amount distributed across health insurance providers: \$8 billion in 2014, \$11.3 billion in 2015-2016, suspended in 2017, and \$14.3 billion in 2018. After 2018, HIF rises according to an index based on net premium growth. In 2017, CBC subsidiaries will pay an estimated 1.9% of insured premium as a result of HIF. 1.9% is calculated by averaging enrollment and expected HIF by rating quarter. See Exhibit H. The HIF is included in the URRT Worksheet 1, “Taxes and Fees”.
9. Exchange Fee – CAIC is not offering any plans of the federally-facilitated exchange.
10. Premium Tax: Included in the URRT Worksheet 1, “Taxes and Fees”.
11. Federal Income Tax: Projected that Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”.

See Exhibit H for all CAIC small group retention values.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Single Risk Pool

The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the small group market segment. The single risk pool includes transitional products/plans for purposes of base rate experience. The projection period reflects experience of transitional policies to the extent that CAIC anticipates the members in those policies to be enrolled in fully ACA-complaint plans during the projection period. The impact of transitional policies is discussed in Projection Factors section above.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index. Only two EHB categories are not included in the experience period: pediatric dental and pediatric vision. Pediatric dental and pediatric vision claim PMPMs are added to the projected index rate as described in the Projection Factors section above.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of the URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for groups renewing January – March (Index 1).
3. Trend Index 1 quarterly for the remainder of 2017. This results in Index 2 (April – June), Index 3 (July – September), and Index 4 (October – December).
4. The final projected index rate is the member weighted average of Index 1, Index 2, Index 3, and Index 4. Member distribution is based on CAIC's current enrollment by renewal month.

See Exhibit J for the calculation of the Index Rate.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned}
& [\text{Market Adjusted Index Rate}] \\
&= [\text{Index Rate}] - [\text{Net Projected ACA Reinsurance Recoveries}] \\
&\quad - [\text{Net Projected Risk Adjustments PMPM}] + [\text{Exchange Fees PMPM}]
\end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Plan Adjusted Index Rate

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC's actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Provider Network: The Provider network is the same across all CareConnect Plans. This is the adjustment to reflect the Pinnacle managed care arrangement, as well as the referral requirements associated with a Gatekeeper PPO product.
3. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
4. Catastrophic Plans: Does not apply to the small group market.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: No tobacco factor is applied, so no adjustment is necessary.

The development of the Plan Adjusted Index rate is found in Exhibit L. The average projected 2017 Plan Adjusted Index Rate is found in Exhibit M.

Calibration

A calibration must be performed in order to apply the allowable rating factors (age and geography) to the Plan Adjusted Rate in order to calculate the Consumer Adjusted Premium Rates.

Age Curve Calibration: The projected average age factor is 1.48. This is calculated by taking the member-weighted average of current small group enrollment by age in CAIC, CAAC, and KHPC combined. Age factors are applied in accordance with CMS's Standard Age Curve.

Geographic Factor Calibration: CAIC CareConnect Gatekeeper PPO plan is only offered in region 9, therefore no regional rating factor is applied.

The calibration is:

$$[\text{Calibrated Plan Adjusted Index Rate}] = [\text{Plan Adjusted Index Rate}] \div ([\text{Age Curve Calibration}])$$

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. The calibration factors and development are found on Exhibit N and Exhibit O.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [\text{Member} - \text{Level Consumer Adjusted Premium Rate}] \\ = [\text{Calibrated Plan Adjusted Index Rate}] \times [\text{Age Factor}] \\ \times [\text{Geographic Factor}] \end{aligned}$$

2. $[\text{Family Consumer Adjusted Premium Rate}] = \sum [\text{Member} - \text{Level Consumer Adjusted Premium Rate}]$
With no more than three child dependents under age 21 taken into account

Small Group Plan Premium Rates: CAIC is filing quarterly small group rates with trend. Therefore, the Index Rate, Market Adjusted Index Rate, and Plan Adjusted Index Rate reflect the member-weighted average premium of the calendar year. The trend used to develop the quarterly rates is shown in Exhibit M.

Quarterly Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in Worksheet 2 of the URRT were entirely based on the federally issued AV Calculator.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment described in section Paid to Allowed above. Differences in health status are not included.

Membership Projection

The membership projections found in Worksheet 2 of the URRT were developed by assuming that membership in CAIC will stay equal to current. CAIC expects most membership to stay in CAAC PPO plans.

Terminated Products

See Exhibit Q for a list of terminated products.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

Exhibit A – Benefit Summary
Exhibit A1 – Benefit Change Summary
Exhibit B – Benefit Categories
Exhibit C – Pediatric Dental and Vision Rate Development
Exhibit D – Benefit Mix Changes
Exhibit E – Trend
Exhibit F – Credibility Manual Development
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Terminated Products

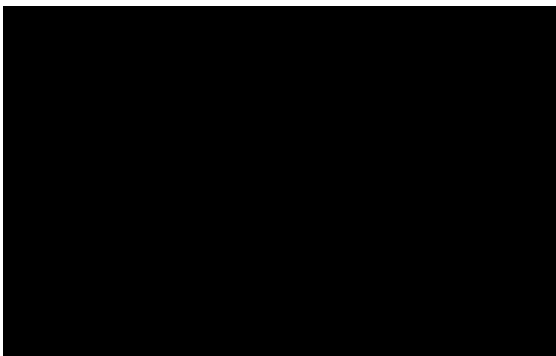
PA Rate Template Part I through Part V

Actuarial Statement

I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, "Health and Disability Claims"
 - b. Actuarial Standard of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans"
 - c. Actuarial Standard of Practice No. 12, "Risk Classification"
 - d. Actuarial Standard of Practice No. 23, "Data Quality"
 - e. Actuarial Standard of Practice No. 25, "Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage"
 - f. Actuarial Standard of Practice No. 26, "Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans"
 - g. Actuarial Standard of Practice No. 41, "Actuarial Communications".
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification.



CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Small Group Rates Effective January 1, 2017

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Small Group
- Effective Date: 1/1/2017

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2017
- Average Rate Change: 4.5%
- Range of Requested Rate Change: 4.4% to 5.8%
- Product: PPO
- Rating Areas: 9
- Metal Levels: Gold, Silver
- Current Covered Lives and Policyholders: 46/44
- Number of Plans: 2
- Contract Form #: C17-CAIC-SPG
- Form Filing SERFF #: CABC-130534718
- Binder SERFF #: CABC-PA17-125060094
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-687332328753654816

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available to all small groups effective January 1, 2017. CAIC will only offer small group products off the federally-facilitated exchange.

CAIC is continuing to offer its CareConnect Gatekeeper PPO. CareConnect Gatekeeper PPO is a managed care arrangement product with the Pinnacle Health System. It is available to small groups located in Cumberland, Dauphin or Perry County.

A summary of proposed 2017 benefits is included in Exhibit A.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	CAIC	1/1/2014	CABC-129034005	0.00%
Small Group	CAIC	1/1/2015	CABC-129649362	0.00%
Small Group	CAIC	1/1/2016	CABC-130079821	-2.00%

Proposed Rate Increases

CAIC is proposing an aggregate annual increase of 4.5%. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part IV, Table 11, cell AZ13.

Rate Change Summary

The Rate Change Summary submitted with this filing contains 2015 small group (1-50 employees) financial information. Please note this exhibit does not match CAIC's Supplemental Health Care Exhibit (SHCE), as the SHCE submitted for 2015 applies to employer size of 1-100 employees.

Please note that prior to the enactment of the Protecting Affordable Coverage for Employees ("PACE") Act, H.R. 1624, which was signed into law on October 7, 2015, a small employer was defined using a "1-100 employees" test, with an available state election to use a "1-50 employees"

test for plan years beginning before January 1, 2016. PHSA §2791(e)(2)(4)(2014), ACA § 1304(b)(1)-(3) (2014).

Based on the absence of an explicit election on the part of the Commonwealth to use the “1-50 employees” test, as well as other factors, CBC received confirmation from the Pennsylvania Insurance Department that CBC and its subsidiaries could use the “1-100 employees” test until January 1, 2016. Accordingly, CBC and its subsidiaries used a small group size of “1-100 employees” for MLR and related financial reporting for years ending on or before December 31, 2015. Beginning with January 1, 2016, in accordance with the PACE Act, CBC and its subsidiaries began using the “1-50 employees” test for all purposes. For these reasons, certain information including the premiums, claims and administrative expense amounts used in this filing, and which appear in the Rate Change Request Summary (Attachment 1), do not match amounts shown in the Supplemental Health Care Reporting Exhibit included in the 2015 Annual Financial Statement for the market.

It is important to note, that to the best of our knowledge, the use of the “1-100 employees” test as opposed to the “1-50 employees” test did not affect the requirement that CAIC provide a rebate to customers based upon its MLR for the year 2015.

Membership

Membership is shown in PA Rate Template Part I, Table 1.

Benefit Changes 2016-2017

There are several benefit changes being implemented in 2017. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). A summary of proposed 2017 benefits is included in Exhibit A.

Benefit changes by plan are listed in Exhibit A1, highlight in yellow.

Experience Period Premium and Claims

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2015 and December 31, 2015.

Paid Through Date: Claims in the BEP are paid through March 31, 2016

Premiums (net of MLR Rebate) in Experience Period: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as CAIC does not expect to refund any MLR rebates.

Allowed and Incurred Claims during the Experience Period:

	Incurred	Allowed
Amount of claims processed through the issuer's claim system:	\$674,425	\$936,038
Amount of claims processed outside of the issuer's claim system:	0	0
Amount of claims that represent best estimate of incurred but not paid:	\$16,366	\$23,745

Allowed claims are developed by combining paid claims with member cost-sharing.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Benefit Categories

Claims in the benefit categories displayed in the URRT come directly from CBC's data warehouse. See Exhibit B for a description of benefits by benefit category.

Projection Factors

Changes in Morbidity of the Population Insured: CAIC expects changes in morbidity in its small group population from the experience period. This is a direct impact of the transitional policy. The transitional policy, which was first released in November 2013 and extended by a letter released in March 2014, allows small groups to keep their current coverage through 2016. For CAIC, this policy impacts groups renewing June through December, with December being CAIC's largest renewal month. The transitional policy will allow groups to select the lowest premium, with the lowest morbidity groups keeping their current coverage and the highest morbidity groups opting for ACA-compliant coverage. CAIC's transitional selection impact estimate is found in the URRT, Worksheet 1, "Pop'l Risk Morbidity".

Changes in Benefits:

1. Pediatric Dental and Pediatric Vision: The following PMPM allowed charges are added to the projection period allowed claims PMPM:
 - Pediatric dental coverage: 5.01
 - Pediatric vision coverage 0.46

These were added to the projected allowed claims in Exhibit B by applying a factor to the experience period, "Other Medical" claims. The development of pediatric dental and vision projected claims are described below.

See Exhibit C for the pediatric dental and vision rate development.

Changes in Demographics: CAIC does not expect changes in demographics in its small group population.

Other Adjustments: Found in URRT, Worksheet 1, "Other".

1. List-Billed Adjustment: CAIC is adjusting the claim experience for the impact of the list-billing rating methodology required under CFR Part 147.102. This section requires that family rates are calculated by summing the premiums for each individual family member, provided at most three child dependents under age 21 are taken into account. This rating rule requires an adjustment to premium.
2. Network Adjustment: CAIC is adjusting the claim experience for the impact of the CareConnect network. The CareConnect Gatekeeper PPO product is a managed care arrangement product with the Pinnacle Health System. The contracted rates with Pinnacle will produce a cost-savings over a standard PPO product.

Trend Factors: Trend levels reflect our best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CAIC uses a hospital and physician contracting model to determine future trends. This model contains all known contracted payment increases, as well as estimated increases in provider payments.
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
3. Intensity: Intensity is defined as the amount of inputs used to provide each unit of service. This can best be seen in an example:

Year 2012		
Type of Service	Units	Cost per Unit
X-Ray	1	\$200
MRI	1	\$5,000
Total	2	\$5,200

Year 2013		
Type of Service	Units	Cost per Unit
X-Ray	0	\$200
MRI	2	\$5,000
Total	2	\$10,000

Total Annual Trend	92%
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2. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CAIC strives to mitigate the

underwriting cycle by keeping trends consistent through times of increasing and decreasing claim costs and utilization.

See Exhibit E for CAIC's pricing trend, as well as cost and utilization components of the pricing trend.

Credibility Manual Rate Development

Background: CAIC subsidiary, Capital Advantage Assurance Company (CAAC), is a new CBC company effective January 1, 2013. On that date, upon renewal, all small group PPO and Drug products were moved from CAIC to CAAC. And effective 7/1/2013, all Traditional and Comprehensive products (on renewal) were moved from CAIC to CAAC. Given the 2013 inception date of CAAC, CAIC has shrinking enrollment in 2013-2015. Effective 1/1/2015, CAIC began offering the CareConnect Pinnacle product. This product continues to have small, non-credible enrollment. Because of this, it is reasonable to use combined data from CAAC, Keystone Health Plan Central (KHPC), and CAIC in the experience period.

The Credibility Manual is developed in the same manner (using the same projection factors and trend) as the experience period data. Exhibit F shows the calculation of the credibility manual data entered into the URRT.

Credibility of Experience

Credibility Manual Rate Development: As seen in the URRT, the CAIC experience data and the credibility manual are very closely aligned. The credibility manual was given 100% credibility because it encompasses all small group membership.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claims rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. The URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

$$\begin{aligned} & \text{Projected Paid and Incurred Claims PMPM} \\ &= [Trended \text{ Claim PMPM}] \times [Benefit \text{ Adjustment}] \\ &\times [Morbidity \text{ Adjustment}] \times [List - Billed \text{ Adjustment}] \end{aligned}$$

The *Benefit Adjustment*, *Morbidity Adjustment*, and *List-Billed Adjustment* are discussed in the Projections Factors section above.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The

average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\text{Benefit Level Adjustment} = \frac{\text{Average Manual Cost in Experience Period}}{\text{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\text{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\text{Benefit Relativity A} = \frac{\text{Manual Cost of Benefit A}}{\text{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} &\text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ &\times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2015. The *Total Projected Claims PMPM* :

$$\begin{aligned} &= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ &+ \text{Projected Claims PMPM Benefit B} \\ &\times \text{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*.

Risk Adjustment and Reinsurance

Projected Risk Adjustments PMPM:

Relevant to 2017 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2017. The 2017 pricing impact is:

$$\begin{aligned} & [\text{Net Projected Risk Adjustments PMPM}] \\ & = [\text{Projected CRA Transfer PMPM}] - [\text{Risk Adjustment Fee PMPM}] \end{aligned}$$

The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. The impact of transitional policies throughout the remainder of 2016 and 2017

Given the uncertainty of the five bullets above, it is difficult to determine whether the impact of 2017 earned CRA payment transfers will be positive or negative. Therefore, an appropriate estimate of [Projected CRA Transfer PMPM] is \$0.

To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.13 PMPM. The Risk Adjustment Fee PMPM is included in the URRT Worksheet 1, “Projected Risk Adjustments PMPM”.

$$[\text{Net Projected Risk Adjustments PMPM}] = 0 - 0.13 = -0.13 \text{ PMPM}$$

Projected ACA Reinsurance Recoveries:

$$\begin{aligned} & [\text{Net Projected ACA Reinsurance Recoveries PMPM}] \\ & = [\text{Projected ACA Reinsurance Recoveries PMPM}] \\ & - [\text{Reinsurance Contribution PMPM}] \end{aligned}$$

Reinsurance recoveries are equal to \$0 in the small group market, as shown in the URRT Worksheet 1, “Projected ACA reinsurance recoveries, net of rein prem, PMPM”.

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

1. **Administrative Expense:** Calculated using an allocation method from CAIC's finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask for the percentage of time spent on PPO versus HMO versus Drug versus Medicare. And separately will ask for the percentage of time spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC small group products. Administrative expenses are included in the URRT Worksheet 1, "Administrative Load".
2. **Broker Expense:** Calculated based on CAIC's explicit per contract broker fee. See Exhibit E for historical CBC broker PMPMs in the small group market. Broker Expense is included in the URRT Worksheet 1, "Administrative Load".
3. **Member Out-Of-Pocket (OOP) and Ways to Save:**
 - a. **Description:** These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC's small group plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively, the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.
 - b. **Costs:** The vendor of these products charge both per contract per year (PCPY) user fees as well as initial implementation fees and annual subscription fees. The PCPY user fees are \$0.115 and \$1.7955 for "Member Out of Pocket" and "Way to Save" respectively. The vendor also charges a 25% administrative load, annual subscription fee, and a \$100,000 implementation fee. The implementation fee is amortized over 5 years across several hundred thousand members. Using book of business member-to-contract ratios and converting to a per member per month (PMPM), in conjunction with the administrative load and implementation fee yields a PMPM charge of \$0.0128 and \$.20 for Member Out of Pocket and Ways to Save respectively. Annual subscription fees charged yields another \$0.04 PMPM. All of these items combined allow us to arrive at a requested \$0.25 PMPM. These programs are included in the URRT Worksheet 1, "Administrative Load".
4. **Value-Based Benefits (VBB):** Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral

changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:

- a. Complete CBC Personal Profile and receive a gift card reward.
 - b. Complete one online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees.
5. Identity Theft Coverage: Identity protection offering will include the following components:
- a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection

Profit (or Contribution to Surplus) & Risk Margin:

6. Contingency: Contingency is included in the URRT Worksheet 1, “Profit and Risk”.

Taxes and Fees:

7. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2013, and before October 1, 2014, the applicable dollar amount is \$2 per member per year (\$0.17 PMPM), trended annually. At an estimated trend of 4%, the 2017 projected fee is \$0.18 PMPM. PCORTF is included in the URRT Worksheet 1, “Taxes and Fees”.
8. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refer to HIF. The fee is a fixed-dollar amount distributed across health insurance providers: \$8 billion in 2014, \$11.3 billion in 2015-2016, suspended in 2017, and \$14.3 billion in 2018. After 2018, HIF rises according to an index based on net premium growth. In 2017, CBC subsidiaries will pay an estimated 1.9% of insured premium as a result of HIF. 1.9% is calculated by averaging enrollment and expected HIF by rating quarter. See Exhibit H. The HIF is included in the URRT Worksheet 1, “Taxes and Fees”.
9. Exchange Fee – CAIC is not offering any plans of the federally-facilitated exchange.
10. Premium Tax: Included in the URRT Worksheet 1, “Taxes and Fees”.
11. Federal Income Tax: Projected that Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”.

See Exhibit H for all CAIC small group retention values.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Single Risk Pool

The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the small group market segment. The single risk pool includes transitional products/plans for purposes of base rate experience. The projection period reflects experience of transitional policies to the extent that CAIC anticipates the members in those policies to be enrolled in fully ACA-complaint plans during the projection period. The impact of transitional policies is discussed in Projection Factors section above.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index. Only two EHB categories are not included in the experience period: pediatric dental and pediatric vision. Pediatric dental and pediatric vision claim PMPMs are added to the projected index rate as described in the Projection Factors section above.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of the URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for groups renewing January – March (Index 1).
3. Trend Index 1 quarterly for the remainder of 2017. This results in Index 2 (April – June), Index 3 (July – September), and Index 4 (October – December).
4. The final projected index rate is the member weighted average of Index 1, Index 2, Index 3, and Index 4. Member distribution is based on CAIC's current enrollment by renewal month.

See Exhibit J for the calculation of the Index Rate.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned}
& [\text{Market Adjusted Index Rate}] \\
& = [\text{Index Rate}] - [\text{Net Projected ACA Reinsurance Recoveries}] \\
& \quad - [\text{Net Projected Risk Adjustments PMPM}] + [\text{Exchange Fees PMPM}]
\end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Plan Adjusted Index Rate

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC's actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Provider Network: The Provider network is the same across all CareConnect Plans. This is the adjustment to reflect the Pinnacle managed care arrangement, as well as the referral requirements associated with a Gatekeeper PPO product.
3. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
4. Catastrophic Plans: Does not apply to the small group market.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: No tobacco factor is applied, so no adjustment is necessary.

The development of the Plan Adjusted Index rate is found in Exhibit L. The average projected 2017 Plan Adjusted Index Rate is found in Exhibit M.

Calibration

A calibration must be performed in order to apply the allowable rating factors (age and geography) to the Plan Adjusted Rate in order to calculate the Consumer Adjusted Premium Rates.

Age Curve Calibration: The projected average age factor is 1.48. This is calculated by taking the member-weighted average of current small group enrollment by age in CAIC, CAAC, and KHPC combined. Age factors are applied in accordance with CMS's Standard Age Curve.

Geographic Factor Calibration: CAIC CareConnect Gatekeeper PPO plan is only offered in region 9, therefore no regional rating factor is applied.

The calibration is:

$$[\text{Calibrated Plan Adjusted Index Rate}] = [\text{Plan Adjusted Index Rate}] \div ([\text{Age Curve Calibration}])$$

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. The calibration factors and development are found on Exhibit N and Exhibit O.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [\text{Member} - \text{Level Consumer Adjusted Premium Rate}] \\ = [\text{Calibrated Plan Adjusted Index Rate}] \times [\text{Age Factor}] \\ \times [\text{Geographic Factor}] \end{aligned}$$

2. $[\text{Family Consumer Adjusted Premium Rate}] = \sum [\text{Member} - \text{Level Consumer Adjusted Premium Rate}]$
With no more than three child dependents under age 21 taken into account

Small Group Plan Premium Rates: CAIC is filing quarterly small group rates with trend. Therefore, the Index Rate, Market Adjusted Index Rate, and Plan Adjusted Index Rate reflect the member-weighted average premium of the calendar year. The trend used to develop the quarterly rates is shown in Exhibit M.

Quarterly Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in Worksheet 2 of the URRT were entirely based on the federally issued AV Calculator.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment described in section Paid to Allowed above. Differences in health status are not included.

Membership Projection

The membership projections found in Worksheet 2 of the URRT were developed by assuming that membership in CAIC will stay equal to current. CAIC expects most membership to stay in CAAC PPO plans.

Terminated Products

See Exhibit Q for a list of terminated products.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

Exhibit A – Benefit Summary
Exhibit A1 – Benefit Change Summary
Exhibit B – Benefit Categories
Exhibit C – Pediatric Dental and Vision Rate Development
Exhibit D – Benefit Mix Changes
Exhibit E – Trend
Exhibit F – Credibility Manual Development
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Terminated Products

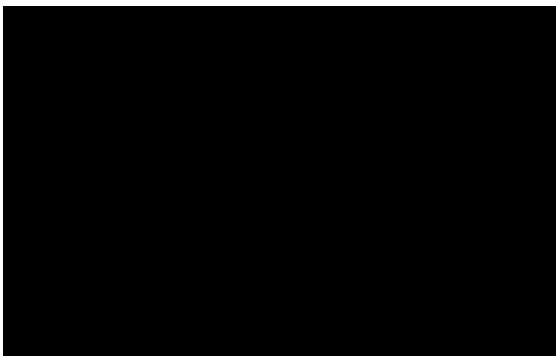
PA Rate Template Part I through Part V

Actuarial Statement

I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, "Health and Disability Claims"
 - b. Actuarial Standard of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans"
 - c. Actuarial Standard of Practice No. 12, "Risk Classification"
 - d. Actuarial Standard of Practice No. 23, "Data Quality"
 - e. Actuarial Standard of Practice No. 25, "Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage"
 - f. Actuarial Standard of Practice No. 26, "Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans"
 - g. Actuarial Standard of Practice No. 41, "Actuarial Communications".
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification.



2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795			
	23-2195219			
	1/1/2017			
	3/31/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	227.09
82795PA0110006	Rating Area 9	No Preference	21	357.62
82795PA0110006	Rating Area 9	No Preference	22	357.62
82795PA0110006	Rating Area 9	No Preference	23	357.62
82795PA0110006	Rating Area 9	No Preference	24	357.62
82795PA0110006	Rating Area 9	No Preference	25	359.05
82795PA0110006	Rating Area 9	No Preference	26	366.20
82795PA0110006	Rating Area 9	No Preference	27	374.79
82795PA0110006	Rating Area 9	No Preference	28	388.73
82795PA0110006	Rating Area 9	No Preference	29	400.18
82795PA0110006	Rating Area 9	No Preference	30	405.90
82795PA0110006	Rating Area 9	No Preference	31	414.48
82795PA0110006	Rating Area 9	No Preference	32	423.06
82795PA0110006	Rating Area 9	No Preference	33	428.43
82795PA0110006	Rating Area 9	No Preference	34	434.15
82795PA0110006	Rating Area 9	No Preference	35	437.01
82795PA0110006	Rating Area 9	No Preference	36	439.87
82795PA0110006	Rating Area 9	No Preference	37	442.73
82795PA0110006	Rating Area 9	No Preference	38	445.59
82795PA0110006	Rating Area 9	No Preference	39	451.32
82795PA0110006	Rating Area 9	No Preference	40	457.04
82795PA0110006	Rating Area 9	No Preference	41	465.62
82795PA0110006	Rating Area 9	No Preference	42	473.85
82795PA0110006	Rating Area 9	No Preference	43	485.29
82795PA0110006	Rating Area 9	No Preference	44	499.60
82795PA0110006	Rating Area 9	No Preference	45	516.40
82795PA0110006	Rating Area 9	No Preference	46	536.43
82795PA0110006	Rating Area 9	No Preference	47	558.96
82795PA0110006	Rating Area 9	No Preference	48	584.71
82795PA0110006	Rating Area 9	No Preference	49	610.10
82795PA0110006	Rating Area 9	No Preference	50	638.71
82795PA0110006	Rating Area 9	No Preference	51	666.96
82795PA0110006	Rating Area 9	No Preference	52	698.07
82795PA0110006	Rating Area 9	No Preference	53	729.54
82795PA0110006	Rating Area 9	No Preference	54	763.52
82795PA0110006	Rating Area 9	No Preference	55	797.49
82795PA0110006	Rating Area 9	No Preference	56	834.33

HIOS Issuer ID*	82795			
	Federal TIN*	23-2195219		
	Rate Effective Date*	1/1/2017		
	Rate Expiration Date*	3/31/2017		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	871.52
82795PA0110006	Rating Area 9	No Preference	58	911.22
82795PA0110006	Rating Area 9	No Preference	59	930.88
82795PA0110006	Rating Area 9	No Preference	60	970.58
82795PA0110006	Rating Area 9	No Preference	61	1004.91
82795PA0110006	Rating Area 9	No Preference	62	1027.44
82795PA0110006	Rating Area 9	No Preference	63	1055.69
82795PA0110006	Rating Area 9	No Preference	64	1072.85
82795PA0110006	Rating Area 9	No Preference	65 and over	1072.85
82795PA0110007	Rating Area 9	No Preference	0-20	191.83
82795PA0110007	Rating Area 9	No Preference	21	302.09
82795PA0110007	Rating Area 9	No Preference	22	302.09
82795PA0110007	Rating Area 9	No Preference	23	302.09
82795PA0110007	Rating Area 9	No Preference	24	302.09
82795PA0110007	Rating Area 9	No Preference	25	303.30
82795PA0110007	Rating Area 9	No Preference	26	309.34
82795PA0110007	Rating Area 9	No Preference	27	316.59
82795PA0110007	Rating Area 9	No Preference	28	328.37
82795PA0110007	Rating Area 9	No Preference	29	338.04
82795PA0110007	Rating Area 9	No Preference	30	342.87
82795PA0110007	Rating Area 9	No Preference	31	350.12
82795PA0110007	Rating Area 9	No Preference	32	357.37
82795PA0110007	Rating Area 9	No Preference	33	361.90
82795PA0110007	Rating Area 9	No Preference	34	366.74
82795PA0110007	Rating Area 9	No Preference	35	369.15
82795PA0110007	Rating Area 9	No Preference	36	371.57
82795PA0110007	Rating Area 9	No Preference	37	373.99
82795PA0110007	Rating Area 9	No Preference	38	376.40
82795PA0110007	Rating Area 9	No Preference	39	381.24
82795PA0110007	Rating Area 9	No Preference	40	386.07
82795PA0110007	Rating Area 9	No Preference	41	393.32
82795PA0110007	Rating Area 9	No Preference	42	400.27
82795PA0110007	Rating Area 9	No Preference	43	409.94
82795PA0110007	Rating Area 9	No Preference	44	422.02
82795PA0110007	Rating Area 9	No Preference	45	436.22
82795PA0110007	Rating Area 9	No Preference	46	453.14
82795PA0110007	Rating Area 9	No Preference	47	472.17
82795PA0110007	Rating Area 9	No Preference	48	493.92
82795PA0110007	Rating Area 9	No Preference	49	515.37
82795PA0110007	Rating Area 9	No Preference	50	539.53
82795PA0110007	Rating Area 9	No Preference	51	563.40
82795PA0110007	Rating Area 9	No Preference	52	589.68

HIOS Issuer ID*		82795			
Federal TIN*		23-2195219			
Rate Effective Date*		1/1/2017			
Rate Expiration Date*		3/31/2017			
Plan ID*		Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID		Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
	82795PA0110007	Rating Area 9	No Preference	53	616.26
	82795PA0110007	Rating Area 9	No Preference	54	644.96
	82795PA0110007	Rating Area 9	No Preference	55	673.66
	82795PA0110007	Rating Area 9	No Preference	56	704.78
	82795PA0110007	Rating Area 9	No Preference	57	736.19
	82795PA0110007	Rating Area 9	No Preference	58	769.73
	82795PA0110007	Rating Area 9	No Preference	59	786.34
	82795PA0110007	Rating Area 9	No Preference	60	819.87
	82795PA0110007	Rating Area 9	No Preference	61	848.87
	82795PA0110007	Rating Area 9	No Preference	62	867.90
	82795PA0110007	Rating Area 9	No Preference	63	891.77
	82795PA0110007	Rating Area 9	No Preference	64	906.26
	82795PA0110007	Rating Area 9	No Preference	65 and over	906.26
	82795PA0110007	Rating Area 9	No Preference		

2017 Rates Table Template v6.0	All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.													
	If you are a community rating state, select Family Option under Age and fill in all columns.													
	If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.													
	If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.													
	To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.													
HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795													
	23-2195219													
	4/1/2017													
	6/30/2017													
<table><tr><td>Plan ID*</td><td>Rating Area ID*</td><td>Tobacco*</td><td>Age*</td><td>Individual Rate*</td></tr><tr><td>Required: Enter the 14-character Plan ID</td><td>Required: Select the Rating Area ID</td><td>Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</td><td>Required: Select the age of a subscriber eligible for the rate</td><td>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</td></tr></table>					Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*										
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan										
82795PA0110006	Rating Area 9	No Preference	0-20	231.62										
82795PA0110006	Rating Area 9	No Preference	21	364.76										
82795PA0110006	Rating Area 9	No Preference	22	364.76										
82795PA0110006	Rating Area 9	No Preference	23	364.76										
82795PA0110006	Rating Area 9	No Preference	24	364.76										
82795PA0110006	Rating Area 9	No Preference	25	366.22										
82795PA0110006	Rating Area 9	No Preference	26	373.51										
82795PA0110006	Rating Area 9	No Preference	27	382.27										
82795PA0110006	Rating Area 9	No Preference	28	396.49										
82795PA0110006	Rating Area 9	No Preference	29	408.17										
82795PA0110006	Rating Area 9	No Preference	30	414.00										
82795PA0110006	Rating Area 9	No Preference	31	422.76										
82795PA0110006	Rating Area 9	No Preference	32	431.51										
82795PA0110006	Rating Area 9	No Preference	33	436.98										
82795PA0110006	Rating Area 9	No Preference	34	442.82										
82795PA0110006	Rating Area 9	No Preference	35	445.74										
82795PA0110006	Rating Area 9	No Preference	36	448.65										
82795PA0110006	Rating Area 9	No Preference	37	451.57										
82795PA0110006	Rating Area 9	No Preference	38	454.49										
82795PA0110006	Rating Area 9	No Preference	39	460.33										
82795PA0110006	Rating Area 9	No Preference	40	466.16										
82795PA0110006	Rating Area 9	No Preference	41	474.92										
82795PA0110006	Rating Area 9	No Preference	42	483.31										
82795PA0110006	Rating Area 9	No Preference	43	494.98										
82795PA0110006	Rating Area 9	No Preference	44	509.57										
82795PA0110006	Rating Area 9	No Preference	45	526.71										
82795PA0110006	Rating Area 9	No Preference	46	547.14										
82795PA0110006	Rating Area 9	No Preference	47	570.12										
82795PA0110006	Rating Area 9	No Preference	48	596.38										
82795PA0110006	Rating Area 9	No Preference	49	622.28										
82795PA0110006	Rating Area 9	No Preference	50	651.46										
82795PA0110006	Rating Area 9	No Preference	51	680.28										
82795PA0110006	Rating Area 9	No Preference	52	712.01										
82795PA0110006	Rating Area 9	No Preference	53	744.11										
82795PA0110006	Rating Area 9	No Preference	54	778.76										
82795PA0110006	Rating Area 9	No Preference	55	813.41										
82795PA0110006	Rating Area 9	No Preference	56	850.99										

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	4/1/2017			
Rate Expiration Date*	6/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	888.92
82795PA0110006	Rating Area 9	No Preference	58	929.41
82795PA0110006	Rating Area 9	No Preference	59	949.47
82795PA0110006	Rating Area 9	No Preference	60	989.96
82795PA0110006	Rating Area 9	No Preference	61	1024.98
82795PA0110006	Rating Area 9	No Preference	62	1047.96
82795PA0110006	Rating Area 9	No Preference	63	1076.77
82795PA0110006	Rating Area 9	No Preference	64	1094.27
82795PA0110006	Rating Area 9	No Preference	65 and over	1094.27
82795PA0110007	Rating Area 9	No Preference	0-20	195.66
82795PA0110007	Rating Area 9	No Preference	21	308.12
82795PA0110007	Rating Area 9	No Preference	22	308.12
82795PA0110007	Rating Area 9	No Preference	23	308.12
82795PA0110007	Rating Area 9	No Preference	24	308.12
82795PA0110007	Rating Area 9	No Preference	25	309.35
82795PA0110007	Rating Area 9	No Preference	26	315.51
82795PA0110007	Rating Area 9	No Preference	27	322.91
82795PA0110007	Rating Area 9	No Preference	28	334.93
82795PA0110007	Rating Area 9	No Preference	29	344.79
82795PA0110007	Rating Area 9	No Preference	30	349.72
82795PA0110007	Rating Area 9	No Preference	31	357.11
82795PA0110007	Rating Area 9	No Preference	32	364.51
82795PA0110007	Rating Area 9	No Preference	33	369.13
82795PA0110007	Rating Area 9	No Preference	34	374.06
82795PA0110007	Rating Area 9	No Preference	35	376.52
82795PA0110007	Rating Area 9	No Preference	36	378.99
82795PA0110007	Rating Area 9	No Preference	37	381.45
82795PA0110007	Rating Area 9	No Preference	38	383.92
82795PA0110007	Rating Area 9	No Preference	39	388.85
82795PA0110007	Rating Area 9	No Preference	40	393.78
82795PA0110007	Rating Area 9	No Preference	41	401.17
82795PA0110007	Rating Area 9	No Preference	42	408.26
82795PA0110007	Rating Area 9	No Preference	43	418.12
82795PA0110007	Rating Area 9	No Preference	44	430.44
82795PA0110007	Rating Area 9	No Preference	45	444.93
82795PA0110007	Rating Area 9	No Preference	46	462.18
82795PA0110007	Rating Area 9	No Preference	47	481.59
82795PA0110007	Rating Area 9	No Preference	48	503.78
82795PA0110007	Rating Area 9	No Preference	49	525.65
82795PA0110007	Rating Area 9	No Preference	50	550.30
82795PA0110007	Rating Area 9	No Preference	51	574.64
82795PA0110007	Rating Area 9	No Preference	52	601.45

HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795																																																																														
	23-2195219																																																																														
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<table border="1"> <thead> <tr> <th>Plan ID*</th> <th>Rating Area ID*</th> <th>Tobacco*</th> <th>Age*</th> <th>Individual Rate*</th> </tr> <tr> <td> Required: Enter the 14-character Plan ID </td> <td> Required: Select the Rating Area ID </td> <td> Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan </td> <td> Required: Select the age of a subscriber eligible for the rate </td> <td> Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan </td> </tr> </thead> <tbody> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>53</td><td>628.56</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>54</td><td>657.84</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>55</td><td>687.11</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>56</td><td>718.84</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>57</td><td>750.89</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>58</td><td>785.09</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>59</td><td>802.04</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>60</td><td>836.24</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>61</td><td>865.82</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>62</td><td>885.23</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>63</td><td>909.57</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>64</td><td>924.35</td></tr> <tr><td>82795PA0110007</td><td>Rating Area 9</td><td>No Preference</td><td>65 and over</td><td>924.35</td></tr> </tbody> </table>					Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	82795PA0110007	Rating Area 9	No Preference	53	628.56	82795PA0110007	Rating Area 9	No Preference	54	657.84	82795PA0110007	Rating Area 9	No Preference	55	687.11	82795PA0110007	Rating Area 9	No Preference	56	718.84	82795PA0110007	Rating Area 9	No Preference	57	750.89	82795PA0110007	Rating Area 9	No Preference	58	785.09	82795PA0110007	Rating Area 9	No Preference	59	802.04	82795PA0110007	Rating Area 9	No Preference	60	836.24	82795PA0110007	Rating Area 9	No Preference	61	865.82	82795PA0110007	Rating Area 9	No Preference	62	885.23	82795PA0110007	Rating Area 9	No Preference	63	909.57	82795PA0110007	Rating Area 9	No Preference	64	924.35	82795PA0110007	Rating Area 9	No Preference	65 and over	924.35
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*																																																																											
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan																																																																											
82795PA0110007	Rating Area 9	No Preference	53	628.56																																																																											
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82795PA0110007	Rating Area 9	No Preference	55	687.11																																																																											
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2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	7/1/2017			
Rate Expiration Date*	9/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	236.25
82795PA0110006	Rating Area 9	No Preference	21	372.05
82795PA0110006	Rating Area 9	No Preference	22	372.05
82795PA0110006	Rating Area 9	No Preference	23	372.05
82795PA0110006	Rating Area 9	No Preference	24	372.05
82795PA0110006	Rating Area 9	No Preference	25	373.54
82795PA0110006	Rating Area 9	No Preference	26	380.98
82795PA0110006	Rating Area 9	No Preference	27	389.91
82795PA0110006	Rating Area 9	No Preference	28	404.42
82795PA0110006	Rating Area 9	No Preference	29	416.32
82795PA0110006	Rating Area 9	No Preference	30	422.28
82795PA0110006	Rating Area 9	No Preference	31	431.21
82795PA0110006	Rating Area 9	No Preference	32	440.14
82795PA0110006	Rating Area 9	No Preference	33	445.72
82795PA0110006	Rating Area 9	No Preference	34	451.67
82795PA0110006	Rating Area 9	No Preference	35	454.65
82795PA0110006	Rating Area 9	No Preference	36	457.62
82795PA0110006	Rating Area 9	No Preference	37	460.60
82795PA0110006	Rating Area 9	No Preference	38	463.57
82795PA0110006	Rating Area 9	No Preference	39	469.53
82795PA0110006	Rating Area 9	No Preference	40	475.48
82795PA0110006	Rating Area 9	No Preference	41	484.41
82795PA0110006	Rating Area 9	No Preference	42	492.97
82795PA0110006	Rating Area 9	No Preference	43	504.87
82795PA0110006	Rating Area 9	No Preference	44	519.75
82795PA0110006	Rating Area 9	No Preference	45	537.24
82795PA0110006	Rating Area 9	No Preference	46	558.08
82795PA0110006	Rating Area 9	No Preference	47	581.51
82795PA0110006	Rating Area 9	No Preference	48	608.30
82795PA0110006	Rating Area 9	No Preference	49	634.72
82795PA0110006	Rating Area 9	No Preference	50	664.48
82795PA0110006	Rating Area 9	No Preference	51	693.87
82795PA0110006	Rating Area 9	No Preference	52	726.24
82795PA0110006	Rating Area 9	No Preference	53	758.98
82795PA0110006	Rating Area 9	No Preference	54	794.33
82795PA0110006	Rating Area 9	No Preference	55	829.67
82795PA0110006	Rating Area 9	No Preference	56	867.99

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	7/1/2017			
Rate Expiration Date*	9/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	906.69
82795PA0110006	Rating Area 9	No Preference	58	947.98
82795PA0110006	Rating Area 9	No Preference	59	968.45
82795PA0110006	Rating Area 9	No Preference	60	1009.74
82795PA0110006	Rating Area 9	No Preference	61	1045.46
82795PA0110006	Rating Area 9	No Preference	62	1068.90
82795PA0110006	Rating Area 9	No Preference	63	1098.29
82795PA0110006	Rating Area 9	No Preference	64	1116.14
82795PA0110006	Rating Area 9	No Preference	65 and over	1116.14
82795PA0110007	Rating Area 9	No Preference	0-20	199.56
82795PA0110007	Rating Area 9	No Preference	21	314.27
82795PA0110007	Rating Area 9	No Preference	22	314.27
82795PA0110007	Rating Area 9	No Preference	23	314.27
82795PA0110007	Rating Area 9	No Preference	24	314.27
82795PA0110007	Rating Area 9	No Preference	25	315.53
82795PA0110007	Rating Area 9	No Preference	26	321.81
82795PA0110007	Rating Area 9	No Preference	27	329.35
82795PA0110007	Rating Area 9	No Preference	28	341.61
82795PA0110007	Rating Area 9	No Preference	29	351.67
82795PA0110007	Rating Area 9	No Preference	30	356.70
82795PA0110007	Rating Area 9	No Preference	31	364.24
82795PA0110007	Rating Area 9	No Preference	32	371.78
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82795PA0110007	Rating Area 9	No Preference	34	381.52
82795PA0110007	Rating Area 9	No Preference	35	384.04
82795PA0110007	Rating Area 9	No Preference	36	386.55
82795PA0110007	Rating Area 9	No Preference	37	389.07
82795PA0110007	Rating Area 9	No Preference	38	391.58
82795PA0110007	Rating Area 9	No Preference	39	396.61
82795PA0110007	Rating Area 9	No Preference	40	401.64
82795PA0110007	Rating Area 9	No Preference	41	409.18
82795PA0110007	Rating Area 9	No Preference	42	416.41
82795PA0110007	Rating Area 9	No Preference	43	426.46
82795PA0110007	Rating Area 9	No Preference	44	439.04
82795PA0110007	Rating Area 9	No Preference	45	453.81
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82795PA0110007	Rating Area 9	No Preference	49	536.14
82795PA0110007	Rating Area 9	No Preference	50	561.29
82795PA0110007	Rating Area 9	No Preference	51	586.11
82795PA0110007	Rating Area 9	No Preference	52	613.46

HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795																																																																														
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		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795			
	23-2195219			
	10/1/2017			
	12/31/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	240.97
82795PA0110006	Rating Area 9	No Preference	21	379.48
82795PA0110006	Rating Area 9	No Preference	22	379.48
82795PA0110006	Rating Area 9	No Preference	23	379.48
82795PA0110006	Rating Area 9	No Preference	24	379.48
82795PA0110006	Rating Area 9	No Preference	25	381.00
82795PA0110006	Rating Area 9	No Preference	26	388.59
82795PA0110006	Rating Area 9	No Preference	27	397.70
82795PA0110006	Rating Area 9	No Preference	28	412.49
82795PA0110006	Rating Area 9	No Preference	29	424.64
82795PA0110006	Rating Area 9	No Preference	30	430.71
82795PA0110006	Rating Area 9	No Preference	31	439.82
82795PA0110006	Rating Area 9	No Preference	32	448.92
82795PA0110006	Rating Area 9	No Preference	33	454.62
82795PA0110006	Rating Area 9	No Preference	34	460.69
82795PA0110006	Rating Area 9	No Preference	35	463.72
82795PA0110006	Rating Area 9	No Preference	36	466.76
82795PA0110006	Rating Area 9	No Preference	37	469.80
82795PA0110006	Rating Area 9	No Preference	38	472.83
82795PA0110006	Rating Area 9	No Preference	39	478.90
82795PA0110006	Rating Area 9	No Preference	40	484.98
82795PA0110006	Rating Area 9	No Preference	41	494.08
82795PA0110006	Rating Area 9	No Preference	42	502.81
82795PA0110006	Rating Area 9	No Preference	43	514.95
82795PA0110006	Rating Area 9	No Preference	44	530.13
82795PA0110006	Rating Area 9	No Preference	45	547.97
82795PA0110006	Rating Area 9	No Preference	46	569.22
82795PA0110006	Rating Area 9	No Preference	47	593.13
82795PA0110006	Rating Area 9	No Preference	48	620.45
82795PA0110006	Rating Area 9	No Preference	49	647.39
82795PA0110006	Rating Area 9	No Preference	50	677.75
82795PA0110006	Rating Area 9	No Preference	51	707.73
82795PA0110006	Rating Area 9	No Preference	52	740.74
82795PA0110006	Rating Area 9	No Preference	53	774.14
82795PA0110006	Rating Area 9	No Preference	54	810.19
82795PA0110006	Rating Area 9	No Preference	55	846.24
82795PA0110006	Rating Area 9	No Preference	56	885.33

HIOS Issuer ID*	82795			
	Federal TIN*	23-2195219		
	Rate Effective Date*	10/1/2017		
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Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	924.79
82795PA0110006	Rating Area 9	No Preference	58	966.92
82795PA0110006	Rating Area 9	No Preference	59	987.79
82795PA0110006	Rating Area 9	No Preference	60	1029.91
82795PA0110006	Rating Area 9	No Preference	61	1066.34
82795PA0110006	Rating Area 9	No Preference	62	1090.25
82795PA0110006	Rating Area 9	No Preference	63	1120.22
82795PA0110006	Rating Area 9	No Preference	64	1138.43
82795PA0110006	Rating Area 9	No Preference	65 and over	1138.43
82795PA0110007	Rating Area 9	No Preference	0-20	203.54
82795PA0110007	Rating Area 9	No Preference	21	320.54
82795PA0110007	Rating Area 9	No Preference	22	320.54
82795PA0110007	Rating Area 9	No Preference	23	320.54
82795PA0110007	Rating Area 9	No Preference	24	320.54
82795PA0110007	Rating Area 9	No Preference	25	321.82
82795PA0110007	Rating Area 9	No Preference	26	328.23
82795PA0110007	Rating Area 9	No Preference	27	335.93
82795PA0110007	Rating Area 9	No Preference	28	348.43
82795PA0110007	Rating Area 9	No Preference	29	358.68
82795PA0110007	Rating Area 9	No Preference	30	363.81
82795PA0110007	Rating Area 9	No Preference	31	371.51
82795PA0110007	Rating Area 9	No Preference	32	379.20
82795PA0110007	Rating Area 9	No Preference	33	384.01
82795PA0110007	Rating Area 9	No Preference	34	389.14
82795PA0110007	Rating Area 9	No Preference	35	391.70
82795PA0110007	Rating Area 9	No Preference	36	394.26
82795PA0110007	Rating Area 9	No Preference	37	396.83
82795PA0110007	Rating Area 9	No Preference	38	399.39
82795PA0110007	Rating Area 9	No Preference	39	404.52
82795PA0110007	Rating Area 9	No Preference	40	409.65
82795PA0110007	Rating Area 9	No Preference	41	417.34
82795PA0110007	Rating Area 9	No Preference	42	424.72
82795PA0110007	Rating Area 9	No Preference	43	434.97
82795PA0110007	Rating Area 9	No Preference	44	447.79
82795PA0110007	Rating Area 9	No Preference	45	462.86
82795PA0110007	Rating Area 9	No Preference	46	480.81
82795PA0110007	Rating Area 9	No Preference	47	501.00
82795PA0110007	Rating Area 9	No Preference	48	524.08
82795PA0110007	Rating Area 9	No Preference	49	546.84
82795PA0110007	Rating Area 9	No Preference	50	572.48
82795PA0110007	Rating Area 9	No Preference	51	597.81
82795PA0110007	Rating Area 9	No Preference	52	625.69

HIOS Issuer ID*	82795			
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Rate Effective Date*	10/1/2017			
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Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
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82795PA0110007	Rating Area 9	No Preference	53	653.90
	Rating Area 9	No Preference	54	684.35
	Rating Area 9	No Preference	55	714.80
	Rating Area 9	No Preference	56	747.82
	Rating Area 9	No Preference	57	781.16
	Rating Area 9	No Preference	58	816.74
	Rating Area 9	No Preference	59	834.37
	Rating Area 9	No Preference	60	869.95
	Rating Area 9	No Preference	61	900.72
	Rating Area 9	No Preference	62	920.91
	Rating Area 9	No Preference	63	946.23
	Rating Area 9	No Preference	64	961.61
	Rating Area 9	No Preference	65 and over	961.61
	Rating Area 9	No Preference		

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HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795				
	23-2195219				
	1/1/2017				
	12/31/2017				
<div><div>Plan ID*</div><div>Required: Enter the 14-character Plan ID</div></div> <div><div>Rating Area ID*</div><div>Required: Select the Rating Area ID</div></div> <div><div>Tobacco*</div><div>Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</div></div> <div><div>Age*</div><div>Required: Select the age of a subscriber eligible for the rate</div></div> <div><div>Individual Rate*</div><div>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</div></div> <div><div>Individual Tobacco Rate*</div><div>Required: Enter the rate of an Individual tobacco enrollee on a plan</div></div>					
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	0-20	203.12	203.12
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	21	319.87	327.87
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	22	319.87	327.87
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	23	319.87	327.87
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	24	319.87	327.87
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	25	321.15	329.18
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	26	327.55	335.74
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	27	335.23	343.61
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	28	347.7	356.4
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	29	357.94	366.89
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	30	363.06	372.13
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	31	370.74	380
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	32	378.41	387.87
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	33	383.21	392.79
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	34	388.33	398.04
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	35	390.89	400.66
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	36	393.45	403.28
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	37	396.01	405.91
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	38	398.56	408.53
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	39	403.68	413.77
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	40	408.8	439.46
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	41	416.48	447.71
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	42	423.83	455.62
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	43	434.07	466.63
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	44	446.87	480.38
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	45	461.9	508.09
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	46	479.81	527.79
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	47	499.96	549.96
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	48	523	575.3
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	49	545.71	600.28
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	50	571.3	656.99
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	51	596.57	686.05
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	52	624.4	718.06
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	53	652.54	750.43
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	54	682.93	785.37

HIOS Issuer ID*	82795				
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Rate Effective Date*	1/1/2017				
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Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	55	713.32	855.99
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	56	746.27	895.52
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	57	779.54	935.44
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	58	815.04	978.05
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	59	832.63	999.16
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	60	868.14	1085.18
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	61	898.85	1123.56
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	62	919	1148.75
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	63	944.27	1180.34
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	64	959.61	1199.53
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	65 and over	959.61	1199.53

Product-Plan Data Collection

Company Legal Name:
HIOS Issuer ID:
Effective Date of Rate Change(s):

Capital Advantage Insurance Company
82795
1/1/2017

State:
Market:

PA
Small Group

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product		PPO	PPO CareConnect		erminated Products
Product ID:		82795PA006	82795PA011		82795PA999
Metal:		Gold	Gold	Silver	Not Applicable
AV Metal Value		0.800	0.817	0.719	0.000
AV Pricing Value		0.800	0.880	0.723	1.000
Plan Category		Terminated	Renewing	Renewing	Terminated
Plan Type:		PPO	PPO	PPO	PPO
Plan Name		Healthy Benefits PPO 1000 . 0 EX	PinnacleHealth 1000/0/10 CareConnect Rx	PinnacleHealth 3000/0/35 CareConnect Rx	2015 Experience
Plan ID (Standard Component ID):		82795PA0060002	82795PA0110006	82795PA0110007	82795PA9999999
Exchange Plan?		No	No	No	No
Historical Rate Increase - Calendar Year - 2		0.00%	0.00%		0.00%
Historical Rate Increase - Calendar Year - 1		0.00%	0.00%		0.00%
Historical Rate Increase - Calendar Year 0		0.00%	-0.20%		0.00%
Effective Date of Proposed Rates		1/1/2017	1/1/2017	1/1/2017	1/1/2017
Rate Change % (over prior filing)		8.00%	-0.69%	0.82%	0.00%
Cum'tive Rate Change % (over 12 mos prior)		8.00%	5.32%	6.91%	0.00%
Proj'd Per Rate Change % (over Exper. Period)		-100.00%	33.63%	48.65%	-100.00%
Product Rate Increase %		0.00%	5.48%		0.00%

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Plan ID (Standard Component ID):	Total	82795PA0060002	82795PA0110006	82795PA0110007	82795PA9999999
Inpatient	\$0.04	\$0.00	\$2.81	\$3.76	\$0.00
Outpatient	\$0.12	\$0.00	\$9.21	\$12.32	\$0.00
Professional	\$0.09	\$0.00	\$6.88	\$9.21	\$0.00
Prescription Drug	\$0.01	\$0.00	\$0.42	\$0.56	\$0.00
Other	\$0.01	\$0.00	\$0.39	\$0.52	\$0.00
Capitation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administration	\$0.05	\$0.00	\$4.00	\$4.00	\$0.00
Taxes & Fees	-\$0.14	\$0.00	-\$10.69	-\$9.27	\$0.00
Risk & Profit Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Rate Increase	\$0.18	\$0.00	\$13.02	\$21.09	\$0.00
Member Cost Share Increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Average Current Rate PMPM	\$516.41	\$0.00	\$527.69	\$439.06	\$0.00
Projected Member Months	660	0	576	84	0

tion III: Experience Period Information

Plan ID (Standard Component ID):	Total	82795PA0060002	82795PA0110006	82795PA0110007	82795PA9999999
Plan Adjusted Index Rate	\$347.18	\$579.48	\$404.63	\$309.55	\$340.20
Member Months	4,018	106	45	7	3,860
Total Premium (TP)	\$1,394,972	\$61,425	\$18,208	\$2,167	\$1,313,172
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$959,784	\$74,047	\$16,497	\$143	\$869,098
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation:	\$268,993	\$7,059	\$5,176	\$98	\$256,660
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		\$0	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.00%		0.00%	0.00%	0.00%
Total Incurred claims, payable with issuer funds	\$690,791	\$66,988	\$11,320	\$45	\$612,437
Net Amt of Rein	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Amt of Risk Adj	\$89,322.66	\$95,682.98	-\$4,639.84	-\$1,720.48	\$0.00

Incurred Claims PMPM	\$171.92	\$631.96	\$251.56	\$6.43	\$158.66
Allowed Claims PMPM	\$238.87	\$698.55	\$366.59	\$20.39	\$225.15
EHB portion of Allowed Claims, PMPM	\$238.87	\$698.55	\$366.59	\$20.39	\$225.15

tion IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	82795PA0060002	82795PA0110006	82795PA0110007	82795PA9999999
Plan Adjusted Index Rate	\$530.46	\$0.00	\$540.71	\$460.15	\$0.00
Member Months	660	-	576	84	-
Total Premium (TP)	\$350,103	\$0	\$311,450	\$38,653	\$0
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$322,544	\$0	\$281,493	\$41,051	\$0
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation	\$42,345	\$0	\$36,955	\$5,389	\$0
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		\$0	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.00%		0.00%	0.00%	#DIV/0!
Total Incurred claims, payable with issuer funds	\$280,199	\$0	\$244,538	\$35,662	\$0
Net Amt of Rein	\$0	\$0	\$0	\$0	\$0
Net Amt of Risk Adj	-\$86	\$0	-\$75	-\$11	\$0

Incurred Claims PMPM	\$424.54	#DIV/0!	\$424.54	\$424.54	#DIV/0!
Allowed Claims PMPM	\$488.70	#DIV/0!	\$488.70	\$488.70	#DIV/0!
EHB portion of Allowed Claims, PMPM	\$488.70	#DIV/0!	\$488.70	\$488.70	#DIV/0!

AGENT AGREEMENT

Under this Agreement (the "Agreement"), effective _____, 20__, and subject to all terms thereof, _____, (hereinafter referred to as "WBE"), a _____ corporation, with an office located at _____ is authorized to market and solicit insurance applications from members of the general public residing in twenty-one specific counties in the Commonwealth of Pennsylvania listed on Attachment A to this Agreement, for only those products specified herein written or sold by Capital BlueCross, a Pennsylvania non-profit hospital plan corporation, and its Affiliates and Subsidiaries listed on Attachment B to this Agreement, with an office located at 2500 Elmerton Avenue, Harrisburg, PA, 17111 (hereinafter collectively referred to as "Company").

To the extent any activities of WBE in any way relate to an affiliate of Company or a program of such affiliate –

- Each and every duty or obligation owed by WBE to Company under the Agreement shall be owed to such affiliate.
- Each and every duty or obligation owed to WBE by Company under the Agreement shall be owed by each affiliate; and
- Any right or claim accruing in favor of WBE under the Agreement shall be enforceable against the affiliates, jointly or severally.
- Company as used in this Agreement refers jointly and severally to Capital BlueCross and its affiliates and subsidiaries listed on Attachment B.

ARTICLE I - GENERAL PROVISIONS

- 1.1 Appointment. The Company hereby appoints WBE, including any applicable subagents, to conduct producer-related activities on its behalf. Company and WBE shall comply with all laws and regulations applicable to their businesses, their licenses and the transactions into which they enter in connection with this Agreement.
- 1.2 Assignment. This Agreement or the right to receive money under this Agreement may not be assigned by WBE without the prior written consent of Company provided that such consent shall not be unreasonably withheld. WBE may use properly licensed subagents in connection with this Agreement in accordance with Section 1.3 below.
- 1.3 Subagents. Subject to the following, WBE may use subagents in WBE's performance under this Agreement:
 - 1.3.1 WBE may utilize, at its sole discretion, the services of any person or entity (hereinafter "Representative") as a subagent.
 - 1.3.2 As necessary, WBE will ensure that any Representative used by WBE as a subagent in performance under this Agreement is properly licensed to act in such capacity. WBE shall, at WBE's sole cost and expense, file whatever documents with the respective Department of Insurance as are necessary for any Representative to

lawfully act in that capacity. WBE will promptly notify the Company of any termination, suspension, or expiration of WBE's license, or of any termination, suspension, or expiration of a Representative's license. WBE will promptly notify Capital in the event WBE, or any Representative, is charged with any wrongdoing for which the penalty of suspension or revocation is possible under Pennsylvania law. A designated licensee of WBE will complete and submit Form A Appointment Disclosure Form (Agency), as amended or supplemented from time to time by Company. Each Representative that will provide services under this Agreement will complete and submit Form B, Appointment Disclosure Form (Individual), as amended or supplemented from time to time by Company. Attachment F contains the current Form A and Form B.

- 1.3.3 If required by law, WBE shall submit to Company and Company shall promptly execute and file with the applicable state insurance regulatory authorities a Representative's application for appointment form. WBE shall be responsible for the accuracy and completeness of such application submitted and shall ensure that each person for whom such application is submitted shall have read and understood such application. Any costs associated with the appointment shall be directly paid to the applicable state insurance regulatory authorities by Company. **Redacted**

- 1.3.4 WBE shall be responsible for the payment of any and all compensation, of whatever kind, including, but not limited to, commissions, service fees or expense allowances due to or claimed by any Representative of WBE. WBE agrees to indemnify, defend and save Company harmless from and against any claim for reimbursement, compensation or other payment made by a Representative of WBE.

- 1.3.5 WBE shall be responsible for the appropriate training and guidance of its Representatives to the extent that Representatives are used in the marketing of Company products. WBE will be responsible to Company for the acts or omissions of Representatives.

- 1.3.6 WBE agrees that the same requirements under this Agreement for WBE to procure and maintain a certain level of Errors and Omissions Insurance in a form reasonably satisfactory to Company shall apply to Representatives. WBE shall ensure that each Representative used in the marketing of Company products procures and maintains any required Errors and Omissions Insurance, or WBE shall include each Representative as an additional named insured under WBE's coverage or otherwise ensure that this requirement is satisfied by each Representative used in the marketing of Company products.

- 1.3.7 WBE agrees that it shall require Representatives to be bound by the terms and conditions of this Agreement.

- 1.4 Notice. Any notice required from Company under this Agreement shall be deemed given on the day such notice is deposited in the United States mail first class postage pre-paid and addressed to:

[WBE Address]

Any notice required from WBE shall be deemed given on the day after such notice is deposited in the United States mail with first class postage pre-paid and addressed to:

Capital BlueCross Legal Department
2500 Elmerton Avenue
Harrisburg, PA, 17111
Attn: Vice President & General Counsel

- 1.5 Entire Agreement. This Agreement is the entire contract between the parties on this subject matter and supersedes any and all prior understandings or agreements between the parties whether oral or in writing on this subject matter. Subject to Company's right of modification set out in Section 6.3, no modification or amendment to this Agreement shall be effective unless it is in writing, attached to and made a part of this Agreement, and is executed by a duly authorized representative of WBE and by an officer of Company.
- 1.6 Terminology. In this Agreement the words "shall" and "will" are used in the mandatory sense. Unless the context otherwise clearly requires, any one gender includes all others, the singular includes the plural, and the plural includes the singular.
- 1.7 Waiver. No forbearance or neglect on the part of Company to insist upon compliance with the terms of this Agreement shall be construed as or constitute a waiver of any provision of this Agreement or a grant of authority under this Agreement.

ARTICLE II – OBLIGATIONS OF WBE

- 2.1 Solicitation. WBE shall use commercially reasonable efforts to solicit from members of the general public residing in the twenty-one Pennsylvania counties listed in Attachment A in which Company, as applicable, is authorized to transact insurance and in which Company has authorized WBE to solicit on Company's behalf applications for Company's individual and family health insurance products identified in the commission schedules attached hereto as Attachment C and made part of this Agreement. WBE is not authorized to solicit on behalf of Company, nor will WBE earn commissions for any other products that Company shall decline to offer through WBE. WBE shall generally perform under this Agreement as described in such administrative guidelines, bulletins, directives, manuals or the like as Company may publish for its agents and has delivered to WBE from time to time, which do not conflict with any term or provision of this Agreement.
- 2.2 Service. WBE will service Company members enrolled through applications submitted by WBE or assigned by Company. Such service will include the following:
- 2.2.1 Acting as liaison between the member and Company if requested by Company or the member.
- 2.2.2 Maintaining a working and current knowledge of Company products and the ability to explain benefits and/or coverage.

For any members assigned to WBE by Company, WBE shall receive compensation from Company in accordance with the provisions of this Agreement.

- 2.3 Licensure. WBE agrees to maintain such licenses as are necessary to transact business on

behalf of Company. WBE further agrees to notify Company immediately of any expiration, termination, suspension or other action of any Department of Insurance or insurance regulator, or any other government agency against or affecting said license in any of the states in which WBE is marketing Company products.

2.4 Applications. WBE agrees to comply with the reasonable rules of Company relating to the completion and submission of applications, and to make no representation with respect to the benefits of any product offered by Company not in conformity with the material prepared and furnished to WBE for that purpose by Company. WBE shall use commercially reasonable efforts to ensure that, prior to forwarding to Company for processing, each application is fully and truthfully completed by the applicant and the completed application fully and accurately reflects and discloses the circumstances of persons for whom coverage is sought in the application. Nonetheless, Company understands and acknowledges that WBE's business practice is to have applicants submit applications via the internet and therefore, WBE may not directly speak with any applicant to verify the veracity of the information.

2.5 Right to Reject Applications. WBE agrees that Company reserves the right to reject any and all applications submitted by WBE. Company will not treat applications from WBE differently from applications submitted by other agents.

2.6 Forms and Advertising.

2.6.1 WBE agrees to use only such material as provided by Company or approved in writing by Company before use (including billing forms, all advertising, promotional materials, reprints and enrollment forms). WBE shall not make use of any advertisement or any other material in which the name or logo of the Company, or any service mark of Company is used without the Company's prior written consent.

2.6.2 Company will have approval rights over any Internet marketing materials that use the name, logo or other identifier of Company ("Company Marks"). Company will approve any such material within ten (10) business days of receipt of a request for approval from WBE. Company approves use of the Company Marks on WBE's ecommerce website, www._____ and _____ (or any URLs that it uses to replace these sites (the "WBE Site"), provided that such use:

2.6.2.1 Is substantially similar to the example attached hereto as Attachment E; and

2.6.2.2 Is displayed only to users who are seeking information concerning health insurance available in the Company's Service Area; and


2.6.2.3 Clearly and prominently include a statement when Company Marks are used as follows: "Serving Central Pennsylvania and the Lehigh Valley," and

2.6.2.4 Except in the cases of Advertising Sponsorships, the Company Marks must be the same size as the marks of other insurers listed on the same webpage. WBE will provide the Company with copies of any internet pages using the company Marks within ten (10) business days after the Company Marks first appear. Company may also find examples of how information is presented by viewing the WBE Site. Company may have Company Logos removed from any specific landing page within the site by providing written notice to

WBE, who will remove it within a reasonable business time. Specific text related to Company or products offered by Company will require Company's prior written approval. Notwithstanding the foregoing, WBE may make changes to a previously approved internet site if such changes do not affect (i) the name, logo or other identifier of the Company, (ii) text related to Company products, or (iii) the relative size, placement or dominance of either (i) or (ii) above.

- 2.6.3 This agreement constitutes a contract between WBE and the Company. The Company is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, permitting Company to use the Blue Cross Mark in a portion of the Commonwealth of Pennsylvania. WBE acknowledges that it is not licensed the use the Blue Cross Service Mark and any reference or use of the Blue Cross Service Mark made by WBE in connection with the Company Marks (in a portion of the Commonwealth of Pennsylvania) in its own materials are subject to prior review and approval by Company.
- 2.7 Application Records. WBE agrees to maintain complete records (i) of all transactions pertaining to applications submitted to and accepted by Company, (ii) as may be required by any respective Department of Insurance or any other governmental entity, and (iii) in connection with WBE's relationship with Company. Any and all records described above or as may otherwise relate to WBE's activities in connection with Company business shall be accessible and available to representatives of Company who may audit them from time to time while this Agreement is in effect or within one (1) year after termination reasonably thereof. However, as to completed applications, which must be kept by WBE for six (6) years pursuant to Pennsylvania law, Company may have access to all such documents during the time WBE is required to keep the documents. WBE also agrees to keep any other applicable documents or records for the period required by applicable law, including, but not limited to, applicable Document Retention requirements issued by the Pennsylvania Insurance Department. Company shall notify WBE of its intention to conduct an audit no less than two weeks prior to the date of the audit. Any audit shall take place at WBE's office during normal business hours. Company or its agents shall have access to any records or staff necessary to complete its audit; however, Company may not copy or duplicate any records without the prior written consent of WBE.
- 2.8 Insurance. Within thirty (30) days of a request by Company, but not later than the effective date of this Agreement WBE agrees to obtain and maintain Errors and Omissions Insurance in force in the amount of \$1,000,000.00 for each occurrence and \$1,000,000.00 general aggregate. Once Company has requested that WBE obtain and maintain such insurance, the obtaining and maintenance of such insurance shall be a material requirement of this Agreement.
- 2.9 Benefit Changes. WBE agrees that Company has the right to reasonably discontinue, to modify, or exercise all lawful rights in connection with, any of its benefit contracts, or programs without liability to WBE by providing WBE prior written notice within the timeframe(s) required by applicable law. WBE may sell only those products specifically authorized by Company.
- 2.10 Compensation. WBE shall seek compensation for performing under this Agreement only from Company. WBE is an independent contractor and shall have no claim to

compensation except as provided in this Agreement and shall not be entitled to reimbursement from Company for any expenses incurred in performing this Agreement. WBE further agrees that to the extent of any indebtedness of WBE to Company, Company shall have a first lien against any commissions due WBE from Company, and such indebtedness may be deducted, at the Company's option, from commissions due to WBE.

- 2.11 Confidentiality. WBE agrees to maintain the confidentiality of any trade secret or proprietary information of Company. WBE may not divulge or use any confidential and/or proprietary information about Company's business, except as authorized by Company in writing. Confidential and proprietary information about the business of Company includes, but is not limited to, policies, procedures, underwriting guidelines, and/or group specific proposals of Company, in any form whatsoever, and the terms of this Agreement. WBE shall ensure that its Representatives abide by the terms and conditions of this confidentiality provision. WBE and its Representatives shall be jointly and severally responsible to Company for any acts or omissions by Representatives which result in the unauthorized disclosure or use of any confidential or proprietary information. WBE's obligations under this Section 2.11 shall survive termination of this Agreement.
- 2.12 Records Related to Agreement. WBE will keep regular and accurate records of all transactions related to this Agreement which records shall be reserved for the longer of three (3) years or any period required by applicable law, including, but not limited to, applicable document retention requirements issued by the Pennsylvania Insurance Department and, upon request, shall be open to examination by Company. Any manuals, applications, and all supplies furnished by Company shall remain the property of Company and at the request of Company, said property shall be immediately returned to Company or destroyed upon termination of this Agreement.
- 2.13 Business Associate Agreement. WBE shall comply with the terms of the HIPAA Business Associate Agreement attached hereto as Attachment D and incorporated herein by reference.
- 2.14 Fees. WBE will waive any start-up and/or maintenance fees for Company for the placement of Company products on the WBE website (www._____).
- 2.15 Customer Data. **Redacted**

- 2.16 Other Party Marketing Agreements. As part of WBE's activities to market and sell health insurance products, including Company's products, WBE may enter into marketing agreements with other parties (e.g., associations, employers and other "affinity groups"). Such agreements may include the placement or syndication of WBE's website within another party's site, or the placement of links from another party's site to WBE's website. Any such activities or agreements in any way related to or in connection with the Company, this Agreement, or WBE's performance hereof shall be in strict compliance with this Agreement; provided, however, that any such activity must receive prior written approval from the Company if such activity includes use of the name, logo or other identifier of the Company in any manner that has not been previously approved by Company.

2.17 Prohibited Acts. WBE will not perform any of the following acts:

- 2.17.1 Waive, modify, or change any terms, conditions, rates, proposals, or limitations of any benefit contract issued by Company.
- 2.17.2 Bind or commit Company in any manner.
- 2.17.3 Extend the time for any premium payment.
- 2.17.4 Reinstate any coverage terminated by Company.
- 2.17.5 As applicable, use any forms not authorized by Company.
- 2.17.6 Extend credit or incur any indebtedness, liability, or obligation on behalf of Company.
- 2.17.7 Sign an application on behalf of an applicant.
- 2.17.8 Enter into any legal proceeding pertaining to Company as a representative of Company, including the acceptance of legal process on behalf of Company.

2.18 Portable Document Format (.PDF) of Company's Health Insurance Application.

- 2.18.1 WBE shall enable an applicant to electronically sign the .PDF version of the Company's health insurance application in a manner consistent with the federal Electronic Signatures in Global and National Commerce Act and other applicable laws. WBE and the Company shall mutually agree on a commercially reasonable process to evidence an applicant's intent (i) to warrant that the information provided by the applicant is true, accurate and complete, (ii) to authorize the obtaining of or release of medical information, (iii) to agree to the terms and conditions within the insurance application, (iv) to authorize the initial premium payment by credit card (if permissible by the Company) or electronic funds transfer and subsequent premium payments by the method the applicant selects on the insurance application, and (v) to bind themselves to other terms and conditions required by the Company in its standard insurance application. WBE warrants that it submits, and shall allow applicants to submit, electronically signed applications to Company only when the above processes have been followed.
- 2.18.2 WBE shall use a methodology which will not permit an applicant who chooses to electronically sign his application to change any data entered by the applicant once the applicant takes the appropriate action to submit the data to WBE. Any subsequent changes to the data shall be completed in writing by the applicant on a paper medium. WBE shall enable the use of 128 bit Secure Sockets Layer (SSL) encryption technology or better to ensure data integrity and security during the electronic transmission of the data from the applicant to WBE. WBE shall archive the applicant's data and the HTML screens seen by the applicant when entering the data.
- 2.18.3 WBE shall not modify or in any way alter the data received from an applicant, although WBE personnel may review the applicant's data for completeness. WBE

shall promptly make available to Company, in a form and manner satisfactory to Company, the applicant's insurance application in .PDF format utilizing 128 bit Secure Sockets Layer (SSL) encryption technology or better to ensure data integrity and security.

- 2.18.3 WBE shall archive a copy of each Applicant's electronically signed .PDF version of the applicant's application for a period of no less than six (6) years from the date the application is submitted to the Company, or otherwise in accordance with the retention periods under applicable law. Such archived .PDF shall be accessible to the Company via Carrier Underwriting Extranet, if Company elects to use the Extranet, or via written request to WBE. WBE shall fulfill any request to receive an archived application within ten (10) business days. Prior to permanently removing an archived application from WBE's database, WBE shall offer a copy of the archived application and any associated records to the Company. All copies shall be offered to Company first in an electronic format readable to Company, and if no such format exists, then in paper copy.
- 2.18.4 WBE shall archive the code creating the HTML screens viewed by an applicant for a period of no less than six (6) years, or otherwise in accordance with the retention periods under applicable law. Each time an HTML screen is changed, WBE shall archive the version of the code prior to making any change. WBE shall provide an archived version of an HTML screen to the Company within thirty (30) days of receiving a written request from the Company. WBE shall offer a copy of an archived HTML screen and any associated records to the Company prior to permanently removing the archived code from WBE's database. All copies shall be offered to Company first in an electronic format readable to Company, and if no such format exists, then in paper copy.
- 2.23 Health Insurance Portability and Accountability Act of 1996 (HIPAA). Agent acknowledges that pursuant to HIPAA the United States Department of Health and Human Services has promulgated some, and is in the process of promulgating other, regulations, becoming effective in the future, relating to the privacy of individually identifiable health information and the security of such information when transmitted by electronic means and further that such regulations may require that contracts contemplating the collection of individually identifiable health information and/or the transmission of such information electronically include certain provisions. Therefore, WBE agrees that its activities shall comply with all such applicable regulations, when and as they become effective, and this compliance shall be interpreted as meeting at least the minimum requirements of such regulations when and as they become effective.
- 2.24 Web-broker.
 - 2.24.1 Under regulations and written guidance promulgated by the United States Department of Health and Human Services ("HHS") pursuant to the Patient Protection and Affordable Care Act (as amended, "PPACA" and the "Regulations"), WBE is a Web-broker, and the Company is certified as a Qualified Health Plan Issuer to offer Qualified Health Plans on the Health Insurance Marketplace ("Marketplace"). As a Web-broker, WBE acknowledges that it is solely responsible to comply with all applicable privacy and security standards imposed for Web-brokers as required under the Regulations.

2.24.2 WBE further agrees that all of the Company's Qualified Health Plans that are displayed on WBE's website, including all benefit and rate information, and any other information required by HHS to be displayed by Web-brokers, will (i) be displayed in the exact manner as WBE receives such Qualified Health Plan information from the Marketplace or the Company to the extent required by applicable standards under the Regulations; and (ii) comply with all other applicable standards under the Regulations. If WBE or the Company discovers any error in the Qualified Health Plan information displayed on WBE's website, WBE agrees to promptly correct such information and notify the Company regarding the same, but in no event later than a commercially reasonable time after the discovery of such error.

2.24.3 As a Delegated Entity, and in Company's authority and responsibility to oversee and monitor all delegated activities, WBE agrees to the requirements set forth in Attachment G (the "Marketplace Required Provisions"), which are hereby incorporated into the Agreement. The Marketplace Required Provisions will apply only to services provided to Company relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents, and will to the extent inconsistent with any other terms of the Agreement, supersede such inconsistent terms solely as they relate to services rendered to such Contract Holders. WBE shall comply with the Marketplace Required Provisions, as applicable.

ARTICLE III – OBLIGATIONS OF COMPANY

3.1 Applications and Rates. Company shall provide WBE with applications and basic rates for individual and family health insurance products; provided that WBE acknowledges that such basic rates are subject to change upon completion of the Company's processing of an application. Company shall provide WBE with such information in a mutually agreed upon electronic format.

3.2 Preliminary Approval. Company shall use the private extranet capability provided by WBE to review and offer preliminary approval for individual and family insurance applications not requiring additional information.

3.3 Minimum Service Levels. Redacted

3.4 Commission. Company will pay WBE first year and renewal commissions at the rates set out in Attachment C on premiums generated from applications obtained by WBE and accepted by Company for which WBE has been designated Agent of Record. Such products and associated commissions shall be set forth in the Products and Commission as Attachment C.

3.5 Renewal Commission Conditions. Renewal commissions, as set forth in Attachment C, for all products sold by WBE in connection with this Agreement shall be payable to WBE by Company as long as (i) the Company retains the enrollment produced by WBE for each policy of health insurance issued by the Company; and (ii) this Agreement is not terminated for

cause under Section 6.4 herein. If this Agreement is terminated for cause under Section 6.4, the Company shall have no obligation to remit any commission payments to WBE, and any rights by WBE to commission payments shall immediately cease.

3.6 Assignment Rights.

3.6.1 If all the following conditions are satisfied, WBE may assign any or all business written under this Agreement to an independent licensed agent or entity:

3.6.1.1 Redacted

Redacted

3.6.1.3 Redacted

3.6.1.3.1 Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

3.9 Compensation Payment. Company will pay to WBE compensation due within Redacted days following the end of each calendar month based on premium payments actually received and reconciled by Company, and either due or received and reconciled by Company, whichever is later, during the calendar month on WBE generated business, except Redacted

If a return of premium charge is due on WBE generated business by reason a cancelled policy of health insurance, Company will charge back to WBE the amount of commission previously paid to WBE on the amount of returned premium, which shall be offset on future premium payments due to WBE.

Compensation payments by Company will be accompanied by sufficient detail to permit WBE

to identify the name and address of each insured for which compensation is being paid, as well as the amount of premium paid by such insured on which the payment is based, the commission earned, the policy or certificate number, and other information as WBE may reasonably require. Such accompanying information shall be submitted to WBE in an electronic format mutually agreed to by the parties. Neither Company nor WBE shall dispute or otherwise request an adjustment in the compensation payments made to WBE after ninety (90) days from the date that such compensation was paid to WBE by Company unless a compensation payment was made, in whole or in part, based on fraud by WBE or a Company member.

3.10 Records. Company agrees to maintain complete records (i) of all transactions pertaining to applications submitted to and accepted by Company, (ii) as may be required by any respective Department of Insurance or any other governmental entity, and (iii) in connection with Company's relationship with WBE. Any and all records described above or as may otherwise relate to Company's activities in connection with WBE business shall be accessible and available to representatives of WBE who may audit them from time to time while this Agreement is in effect or within one (1) year after termination reasonably thereof. WBE shall notify Company of its intention to conduct an audit no less than two weeks prior to the date of the audit. Any audit shall take place at Company's office during normal business hours. WBE or its agents shall not copy or duplicate any records without the prior written consent of the Company. Any audit shall be conducted at WBE's sole expense unless the audit reveals an act of fraud by the Company.

3.11 Product Responsibilities. Except to the extent responsibility is expressly and explicitly delegated under this Agreement, Company shall be responsible for, and may exercise its discretion in connection with, all aspects of the underwriting and administration of any Company products including, but not limited to, the following:

Redacted

3.12 Electronic Marketing. Subject to the Company's prior written approval for each proposed use of the Company Marks not otherwise approved in this Agreement, WBE may use electronic means, such as but not limited to, the internet and email as well as traditional mediums such as, but not limited to, radio, television, telephone, direct mail and print mediums to market, sell and service Company's products.

3.13 Health Plan Information. For maintenance purposes, Company shall provide WBE with updated health plan information including, but not limited to, health plan applications, basic rates unrelated to medical underwriting, benefit summaries, exclusions and limitations information, provider directories and other content which WBE may require to comply with Company's general updates for all agents. Company, at Company's expense, shall provide WBE said information in an industry standard electronic format mutually agreed upon by

both parties. WBE recognizes that such health plan information may be preliminary and shall be subject to final approval by the relevant regulatory agencies in the states where the Company will offer updated health plan products. Such health plan information shall be provided to WBE no less than thirty (30) days prior to their effective date. Subject to the Company's prior written approval, Company shall permit WBE to link the WBE website to Company's web pages as necessary to provide potential applicants with health plan information.

3.13.1 Notwithstanding anything to the contrary within this Agreement, Company agrees to provide WBE and WBE agrees to make available on its website Summary of Benefits and Coverage (SBC) information that meets the minimum requirements under applicable law for all applicable Company health plans. The information provided by Company and presented by WBE on its website will be in a form mutually agreed to by the parties. Company will have no further obligation to provide WBE website users with any SBC information.

3.14 Company's Confidentiality Responsibilities. Company agrees to keep all trade secrets, proprietary information, agreements, financial arrangements, and technology activities of WBE strictly confidential. Company's obligations under this Section 3.14 shall survive termination of this Agreement.

3.15 HIPAA Cooperation. Company agrees to cooperate with WBE to implement the processes described in Sections 2.18 in a commercially reasonable time period.

ARTICLE IV – DISPUTE RESOLUTION

4.1 Dispute Resolution. Company and WBE agree to meet and confer in good faith on all matters affecting this Agreement. The parties agree that any unresolved dispute will be resolved by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association.

ARTICLE V – INDEMNITY

5.1 Third Party Liability. Neither Company nor WBE shall be liable to any third party for any act or failure to act of the other party to this Agreement.

5.2 WBE Indemnification. WBE agrees to indemnify and save Company, including directors, officers, corporate affiliates, shareholders and employees of Company, harmless from any and all liability, losses, damages, costs or expenses arising out of any and every claim, demand, lawsuit or cause of action asserted against Company by a third party, which claim, demand, lawsuit or cause of action results from or arises in connection with any negligence or otherwise intentional wrongful act or omission of WBE or of any director, officer, or employee of WBE, including any breach of this Agreement. Such indemnity shall include reasonable attorney fees.

5.3 Company Indemnification. Company agrees to indemnify and save WBE, including partners, directors, officers, corporate affiliates, shareholders and employees of WBE harmless from any and all liability, losses, damages, costs or expenses arising out of any and every claim, demand, lawsuit or cause of action asserted against WBE by a third party, which claim, demand, lawsuit or cause of action results from or arises in connection with any negligent or otherwise wrongful act or omission of Company or of any director, officer or employee of


Company, including any breach of this Agreement. Such indemnity shall include reasonable attorney fees.

- 5.4 Comparative Fault. Should Company and WBE each claim indemnity from the other under Sections 5.2 and 5.3 of this ARTICLE V and should it be determined that each is entitled to some indemnity from the other under the terms of said sections, then the amount of indemnity due from each to the other shall be determined according to comparative fault principles.
- 5.5 Indemnification Survival. The obligations of this ARTICLE V will survive termination of this Agreement as to acts or omissions committed during the term of this Agreement.

ARTICLE VI – TERM, TERMINATION & EXCLUSIVITY

- 6.1 Effective Date. This Agreement shall become effective following execution by duly authorized representatives of both parties.
- 6.2 Term. Subject to Section 6.4, this Agreement will remain in force for a period of one (1) year from the date signed on the contract marked by Company, and shall thereafter be automatically renewed for successive one (1) year periods unless either party gives written notice of nonrenewal at least ninety (90) days prior to the expiration of the then current term. Thereafter, either party may elect to terminate this Agreement, without cause, by giving the other party ninety (90) days written notice.
- 6.3 Modification. Modifications to this Agreement shall be in writing and agreed to by both parties, excluding such modifications that are identified in other sections of this agreement; provided, however, that the Agreement may be amended automatically, without the consent of WBE, in order to meet applicable local, state or federal statutory or regulatory requirements. Company shall provide WBE with written notice of such amendments for statutory or regulatory compliance. **Redacted**
- 6.4 For Cause Termination. A party to this Agreement may terminate this Agreement for the other party's material failure to comply with any provision of this Agreement (including any amendments) if the failing party does not cure the material failure upon ten (10) days prior receipt of written notice of a failure to comply. A party's failure to comply with any provision of this Agreement shall, unless otherwise specifically provided, be material if such failure affects the party's ability to perform under this Agreement or if the other party could reasonably be expected to be materially prejudiced or injured by the particular failure. A party may immediately, upon written notice to the other party, terminate this Agreement upon the other party's commission of any act of fraud or dishonesty, or breach of any fiduciary duty. The right to terminate this Agreement for cause shall not be exclusive, but shall be cumulative with all other remedies available by law or in equity. A failure to terminate this Agreement for cause shall not be a waiver of the right to do so with respect to any future defaults.

ARTICLE VII– MISCELLANEOUS

- 7.1 Severability. The invalidity of any one or more of the words, phrases, sentences, clauses, sections, or subsections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement.
- 7.2 No Third Party Beneficiaries. Except as expressly set forth in this Agreement, there are no third party beneficiaries of this Agreement.
- 7.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.
- 7.4 Compliance With Law. The parties shall comply with all relevant state, federal and local laws, rules, statutes, ordinances, orders and regulations that are relevant to the terms and conditions of this Agreement.
- 7.5 Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Agreement.
- 7.6 Exhibits Incorporated. All exhibits, attachments, tables or schedules referenced herein, attached or incorporated by reference are incorporated herein to the same extent as if set forth in full herein.
- 7.7 Counterparts. This Agreement may be executed in one or more counterparts, which when taken together shall constitute one agreement.
- 7.8 Redacted
- 
- 7.9 Complaints or Inquiries. WBE shall forward to Company immediately upon receipt any and all governmental or other communications, complaints, and/or inquiries, written or oral, regarding or pertaining to the subject matter of this Agreement or any Representative.
- 7.10 Discrimination. Company does not discriminate on the basis of race, color, national origin, disability, age, sex, gender identity, sexual orientation, or health status in the administration of the plan, including enrollment and benefit determinations.

[Signature page follows]

IN WITNESS WHEREOF, this Agent Agreement has been duly executed by the authorized representatives of the Company and WBE on this _____ day of _____, 20__.

Capital BlueCross:

[LEGAL NAME OF WBE:]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

List of Counties in Company's 21-County Service Area

Adams
Berk
Centre
Columbia
Cumberland
Dauphin
Franklin
Fulton
Juniata
Lancaster
Lebanon
Lehigh
Mifflin
Montour
Northampton
Northumberland
Perry
Schuylkill
Snyder
Union
York

AFFILIATES & SUBSIDIARIES

Capital BlueCross

Capital Advantage Insurance Company

Capital Advantage Assurance Company

Keystone Health Plan Central

Dominion Dental USA, Inc.

Dominion Dental Services, Inc.

Dominion Dental Services USA, Inc.

Dominion Dental Services of New Jersey, Inc.

PRODUCTS & COMMISSIONS

The commission rates set forth in this Attachment C (the “Commission Rates”) shall be effective as of the date set forth on the signature page of this Agreement (the “Agreement Effective Date”). Company shall pay to WBE the applicable commission payments and provide the related commission statements with respect to every sale of the Company products. For the avoidance of doubt, the Commission Rates shall be applicable only prospectively to New Business, so commissions with respect to Existing Business shall continue to be calculated and paid in accordance with the compensation schedule that was in effect as of the date WBE first became producer of record for the applicable policy. For purposes of this provision, “New Business” means any policy issued after the Agreement Effective Date, and “Existing Business” means any policy issued before the Agreement Effective Date. Subject to Section 3.7 of the Agreement, this provision shall survive expiration or termination of this Agreement.

Healthy Benefits PPO

For all contract types (Single Contract, Parent/Child Contract, Parent/Children Contract, Husband/Wife Contract, Family Contract), WBE will earn [REDACTED] of the monthly premium on Healthy Benefits PPO products.

Healthy Benefits HMO

For all contract types (Single Contract, Parent/Child Contract, Parent/Children Contract, Husband/Wife Contract, Family Contract), WBE will earn [REDACTED] of the monthly premium on Healthy Benefits HMO products, with the exception of the Catastrophic Plan. WBE will earn [REDACTED] of the monthly premium on the Catastrophic Plan.

Healthy Dental PPO

For all contract types (Single Contract, Parent/Child Contract, Parent/Children Contract, Husband/Wife Contract, Family Contract), WBE will earn [REDACTED] of the monthly premium on Healthy Dental PPO products.

Select Dental HMO

For all contract types (Single Contract, Parent/Child Contract, Parent/Children Contract, Husband/Wife Contract, Family Contract), WBE will earn [REDACTED] of the monthly premium on Healthy Dental HMO products.

Healthy Vision Plan 1

For all contract types (Single Contract, Parent/Child Contract, Parent/Children Contract, Husband/Wife Contract, Family Contract), WBE will earn [REDACTED] of the monthly premium on Healthy Vision Plan 1 products.

Attachment D

Business Associate Agreement

Sample Logos

Samples of how logos appear on WBE website

Attachment F

**Sample Form A, Appointment Disclosure Form (Agency) and
Form B, Appointment Disclosure Form (Individual)**

MARKETPLACE REQUIRED PROVISIONS

Definitions

For purposes of these Marketplace Required Provisions and Section 2.24.3, the following capitalized terms will have the meanings set forth below. All other capitalized terms will have the meaning set forth in the Agreement.

“Breach” has the meaning contained in the Office of Management and Budget (OMB) Memoranda M-07-16 (May 22, 2007), and means the compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, loss of control, or any similar term or phrase that refers to situations where persons other than authorized users or for an other than authorized purpose have access or potential access to Personally Identifiable information (PII), whether physical or electronic.

“Centers for Medicare and Medicaid Services (CMS) Data Services Hub Web Services (Hub Web Services)” means business and technical services made available by CMS to enable the determination of certain eligibility and enrollment or Federal financial payment data through the Federally-facilitated Exchange web site, including the collection of personal and financial information necessary for Consumer, applicant, Qualified Individual, Qualified Employer, Qualified Employee, or Enrollee account creations; Qualified Health Plan (QHP) application submissions; and Insurance Affordability Program eligibility determinations.

“Delegated Entity” has the meaning set forth in 45 C.F.R. §156.20.

“Downstream Entity” has the meaning set forth in 45 C.F.R. §156.20.

“Enrollee” has the meaning set forth in 45 C.F.R. §155.20

“Federally-facilitated Exchange” means an Exchange (or Marketplace) established by HHS and operated by the Centers for Medicare and Medicaid Services under §1321(c)(1) of PPACA for individual or small group market coverage, including the Federally-facilitated Small Business Health Options Program (FF-SHOP).

“Incident” means the act of violating an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, system hardware, firmware, or software characteristics without the owner’s knowledge, instruction, or consent.

“Qualified Employee” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Health Plan” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Health Plan Issuer” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Individual” has the meaning set forth in 45 CFR 155.20

Provisions

- 1.1 In the course of performing its duties and obligations set forth in the Agreement, WBE constitutes a Delegated Entity, and may contract with other individuals or entities that constitute Downstream Entities to assist in performing such duties and obligations. WBE is obligated to make all necessary reports to Company that (i) are specified in the Agreement; or (ii) required under applicable federal or state law.
- 1.2 If the Department of Health and Human Services (HHS) or Company determines that WBE, or any Downstream Entity that WBE contracts with as described herein, has not performed satisfactorily the duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as their dependents, Company may terminate the Agreement in accordance with the procedures for termination within the Agreement.
- 1.3 WBE must comply with all of the laws and regulations relating to the following standards, if applicable to WBE, in performing its duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents: (i) 45 C.F.R. Part 156, Subpart C with respect to each Qualified Health Plan on an ongoing basis; (ii) Marketplace processes, procedures and standards pertaining to Qualified Health Plan certification under 45 C.F.R. Part 155, Subparts H and K; (iii) 45 C.F.R. §155.220 with respect to assisting with enrollment in Qualified Health Plans; and (iv) 45 C.F.R. §156.705 and §156.715 for maintenance of records and compliance reviews for Company operating in a Federally-facilitated Exchange or FF-SHOP.
- 1.4 If WBE receives personally identifiable information (PII) directly from Exchange applicants or from Hub Web Services, WBE agrees to the following:
 - 1.4.1 WBE shall create, collect, disclose, access, maintain, use, or store PII that it receives directly from Exchange applicants or from Hub Web Services only in accordance with all laws as applicable, including HIPAA and Section 11411(g) of the Patient Protection and Affordable Care Act.
 - 1.4.2 WBE agrees to monitor, periodically assess, and update its security controls and related system risks to ensure the continued effectiveness of those controls in accordance with 45 C.F.R. 155.260(a)(5); and to inform Company of any material change in its administrative, technical, or operational environments, that would require an alteration of the privacy and security standards required by this Agreement or applicable law.
 - 1.4.3 WBE agrees to enter into written agreements with any downstream entity which receives PII directly from Exchange applicants or from Hub Web Services whereby the downstream entity agrees the requirements set forth in this section 1.4.
 - 1.4.4 WBE agrees to the following standards for communication with the Hub:
 - 1.4.4.1 WBE must complete and pass testing with CMS for each type of transaction that it will implement.

1.4.4.2 As applicable, all transactions must be formatted in accordance with the Accredited Standards Committee Implementation Guides.

1.4.4.3 WBE agrees to enter into written agreements with any entity for submitting or receiving FFE data, such entity must agree in writing to be bound by the terms set forth in this section 1.4, test software, and receive Company's approval of software as being the proper format and compatible with the FFE system.

1.4.4.4 WBE agrees to report any Incident or Breach of PII to Company within seventy-two (72) hours after discovery of the Incident or breach.

- 1.5 WBE must permit access by HHS and the Office of the Inspector General ("OIG"), or their designees, through audit, inspection, or other means as determined by HHS or the OIG, or their designees, to WBE's books, contracts, computers, or other electronic systems, including medical records and documentation, in connection with its duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents for the duration of the period in which the Agreement is effective, and until ten (10) years from the effective date that the Agreement expires or is terminated.
- 1.6 Compliance by Downstream Entities. WBE shall include in its contract(s) with any Downstream Entities, and require such Downstream Entities to include in their contract(s) with any Downstream Entities, language that is the same or substantially similar to that contained in these Marketplace Required Provisions, which expressly requires each Downstream Entity to: (i) comply with all applicable laws and regulations, including but not limited to the provisions in Section 1.3 above, to the extent relevant, in performing or assisting in the performance of the duties and obligations set forth in the contract(s) relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents, and (ii) grant access to its books, contracts, computers, or other electronic systems (including medical records and documentation), relating to such Downstream Entity's compliance with applicable provisions Section 1.3 above in connection with the duties and obligations set forth in the contract(s) relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents, to HHS and or the OIG, or their designees, for the duration of the period in which the contract(s) is effective, and for a minimum of ten (10) years from the date the contract(s) expires or is terminated.
- 1.7 No later than ten (10) days following any written request by Company, WBE shall provide Company with a copy of the pertinent contract language (including any amendments thereto) between WBE and any Downstream Entities, and among two or more Downstream Entities, as applicable, to demonstrate compliance with Section 1.6.
- 1.8 The provisions of these Marketplace Required Provisions shall in no way be interpreted as an assumption by Company of legal liability for the actions of WBE or any Downstream Entities, including but not limited to malpractice liability.

PREFERRED PRODUCER MASTER AGREEMENT (Group)

THIS PREFERRED PRODUCER MASTER AGREEMENT among _____ (the "Preferred Producer") and Capital BlueCross and its wholly-owned subsidiaries, Capital Advantage Insurance Company, Capital Advantage Assurance Company, and Keystone Health Plan Central (collectively "Capital") is effective as of _____.

Intending to be legally bound, the Preferred Producer and Capital agree as follows:

SECTION 1. DEFINITIONS

- 1.1 "Agreement" means this Preferred Producer Master Agreement.
- 1.2 "Capital" means Capital BlueCross and its wholly owned subsidiaries, Capital Advantage Insurance Company, Capital Advantage Assurance Company and Keystone Health Plan Central, and their respective directors, officers, and employees. Capital BlueCross, Capital Advantage Insurance Company, Capital Advantage Assurance Company and Keystone Health Plan Central are independent licensees of the Blue Cross and Blue Shield Association.
- 1.3 "Change in Control" means a transaction that results in either (i) holding Redacted or more of the outstanding voting securities of an entity; (ii) if an organized corporate entity, having the contractual power to designate a majority of the directors of the entity, or, if not an organized corporate entity, of individuals exercising similar functions; or (iii) in the case of an entity without outstanding voting securities, having the right to Redacted or more of the entity's assets, or the right, in the event of dissolution, to Redacted or more of the entity's assets.
- 1.4 "Group" means the entity entering into a contract with Capital for a Health Benefits Program. A group must have two or more eligible members. As used herein, "Group" does not include an entity that purchased Capital health benefits coverage through an association.
- 1.5 "Health Benefits Programs" means any one or a combination of the group health benefits plans insured or administered by Capital, as well as the prescription drug, dental, and vision group plans offered by or through Capital. "Health Benefits Programs" does not include Medicare Advantage products; SeniorBlue HMO and SeniorBlue PPO.
- 1.6 "Preferred Producer" means the entity (and its directors, officers, employees, and agents) entering into this Agreement with Capital.
- 1.7 "Producer of Record" means a Standard Producer or a Preferred Producer as designated by a Group, using the appropriate Producer of Record Letter.

- 1.8 “Producer of Record Letter” means the appropriate form letter attached hereto and marked as Schedule “C” which has been executed by a Group and which designates the Producer of Record.
- 1.9 “Replacement Preferred Producer” means the entity (and its directors, officers, employees and agents) which enters into a Preferred Producer Master Agreement with Capital and which enters into a contract with a Standard Producer if (i) the contract between Preferred Producer and the Standard Producer terminates, or (ii) the contract between Capital and Preferred Producer terminates pursuant to Section 21.2.
- 1.10 “Service Area” means the following twenty-one counties within the Commonwealth of Pennsylvania: Adams, Berks, Centre, Columbia, Cumberland, Dauphin, Franklin, Fulton, Juniata, Lancaster, Lebanon, Lehigh, Mifflin, Montour, Northampton, Northumberland, Perry, Schuylkill, Snyder, Union and York.
- 1.11 “Standard Producer” means any licensed agent, agency, or broker who has executed a Standard Producer Acknowledgment Form and entered into a contractual relationship with the Preferred Producer, as well as the individual licensed producers who have completed the Appointment Disclosure Form pursuant to Section 5.3.2 of the Standard Producer Acknowledgment Form.

SECTION 2. APPOINTMENT OF THE PREFERRED PRODUCER

- 2.1 Capital hereby appoints the Preferred Producer to represent it in accordance with this Agreement.

SECTION 3. RELATIONSHIP BETWEEN THE PREFERRED PRODUCER AND CAPITAL

- 3.1 The Preferred Producer’s relationship to Capital is that of an independent contractor, and nothing contained in this Agreement may be construed to make either the Preferred Producer or a Standard Producer employees of Capital. The Preferred Producer has no authority except that which is expressly set forth in this Agreement. No authority may be implied from the authority expressly granted.
- 3.2 The Preferred Producer shall not represent that it is an employee of Capital.
- 3.3 The Preferred Producer will not conduct itself in any manner that may adversely affect the business, good standing and reputation of Capital.
- 3.4 As a Delegated Entity, and in Capital’s authority and responsibility to oversee and monitor all delegated activities, Preferred Producer agrees to the requirements set forth in Schedule “H” (the “Marketplace Required Provisions”), which are hereby incorporated into the Agreement. The Marketplace Required Provisions will apply only to services provided to Capital relating to contract holders or prospective contract holders who are or who may be Enrollees, as well as any covered dependents, and will to the extent inconsistent with any other terms of the Agreement, supersede such inconsistent terms solely as they relate to services rendered to such contract holders. Preferred Producer shall comply with the Marketplace Required Provisions, as applicable.

SECTION 4. AUTHORIZATION OF PREFERRED PRODUCER AND STANDARD PRODUCER

- 4.1 Capital authorizes the Preferred Producer, along with those Standard Producers who are contracted with Preferred Producer, as applicable as determined by Capital, to do the following:
- 4.1.1 To represent Capital to Groups in the Service Area, provided that the appropriate Producer of Record Letter has been executed designating the Preferred Producer or the Standard Producer as Producer of Record.
 - 4.1.2 To obtain and present premium rate quotations for coverage under the Health Benefits Programs.
 - 4.1.3 To solicit applications, enrollment cards, and similar or related documents required by Capital (the "Application Materials") prior to effectuating coverage under contracts for Health Benefits Programs.
 - 4.1.4 Unless authorized in writing by the Group and by Capital to perform premium remittance duties as described more fully in Section 6, to collect only the initial premium (initial premium does not include reserves, fees, retention payments, payment from bank Letters of Credit) from Groups and to remit to Capital all initial premiums collected within a reasonable amount of time as determined by Capital.
 - 4.1.5 To be governed strictly by all Capital underwriting and participation rules, regulations, and instructions contained in manuals, proposals or otherwise in effect from time to time. In the event of any dispute between the parties as to the interpretation of underwriting rules, regulations and instructions of Capital, Capital shall make the final determination of all such disputes.
 - 4.1.6 To ensure that all underwriting, participation, and marketing guidelines of Capital applicable to the Health Benefits Programs are communicated to and adhered to by the Standard Producers.
 - 4.1.7 **Redacted**
 - 4.1.8 To observe and comply with all applicable insurance laws and Pennsylvania Insurance Department regulations, and any federal requirements, including those relating to employee benefit plans.
 - 4.1.9 To keep such records and forms as may be reasonably required by Capital and/or required under applicable laws and regulations. Such records together with all manuals and all supplies furnished to the Preferred Producer by Capital shall remain the property of Capital and shall be subject to examination by and/or surrender to Capital at any time.

SECTION 5. LIMITATIONS ON AUTHORITY OF PREFERRED AND STANDARD PRODUCERS

- 5.1 The Preferred Producer's authority does not permit the Preferred Producer, or any Standard Producer, to perform any of the following acts:
- 5.1.1 To waive, modify, or change any terms, conditions, rates, proposals, or limitations of any contract issued for Health Benefits Programs.
 - 5.1.2 To bind or commit Capital in any manner.

- 5.1.3 To receive any money for Capital, except the initial premium as specified in Section 4.1.4, unless authorized in writing by the Group and by Capital to perform the premium remittance duties described in Section 6.
- 5.1.4 To extend the time for any premium payment.
- 5.1.5 To reinstate any coverage terminated.
- 5.1.6 To adjust, settle, or admit liability on any claim.
- 5.1.7 To solicit applications or enrollment forms outside the Service Area.
- 5.1.8 To effect any verbal contracts for Health Benefits Programs.
- 5.1.9 To effect any contracts for Health Benefits Programs except by means of authorized forms duly executed by authorized Capital representatives.
- 5.1.10 To publish or cause to be published, circulate or cause to be circulated, or utilize in the marketing effort contemplated under this Agreement any advertising material other than that approved in writing by or furnished by Capital.

For purposes of this section “advertising material” includes, but is not limited to: (i) printed and published material, audiovisual material, or descriptive literature used in direct mail, newspaper, magazines, radio and television scripts, electronic commerce, billboards and similar displays; (ii) descriptive literature and sales aids of all kinds but not limited to circulars, leaflets, booklets, illustrations, computer proposals, and form letters; and (iii) all materials containing service marks owned by Capital, any Capital affiliate or the Blue Cross and Blue Shield Association.

- 5.1.11 To extend credit or incur any indebtedness, liability, or obligation on behalf of Capital.
- 5.1.12 To sign an application on behalf of an applicant.
- 5.1.13 To pay, allow, or offer to pay or allow as an inducement to any person or Group, any rebate of premium or other form of consideration.

5.1.14 Redacted



- 5.1.15 To enter into any legal proceeding pertaining to Capital as a representative of Capital, including the acceptance of legal process on behalf of Capital.

5.1.16 To act in a manner contrary to any laws, rules, or regulations of any governmental or other regulatory authority having jurisdiction over the subject matter of this Agreement.

5.1.17 Redacted

SECTION 6. PREMIUM REMITTANCE

- 6.1 All premium payments due and owing to Capital shall remain the property of Capital. If the Group and Capital authorize the Preferred Producer to serve as the premium billing and collection agent, all such payments shall be held in trust by the Preferred Producer. The Preferred Producer shall remit all premium payments immediately in full to Capital. Furthermore, the Preferred Producer has no interest in premium payments remitted by Groups and shall make no deductions from the premiums for any reason. Nothing contained herein shall be construed to give the Preferred Producer any interest, ownership, or proprietary control over any premiums received.
- 6.2 All premium payments, including the initial payment, must be made payable to Capital.
- 6.3 Demand is hereby made on the Preferred Producer for the payment of any and all premium payments received. Such demand is hereby accepted by the Preferred Producer in lieu of any further demand for such payment(s).

SECTION 7. ELIGIBLE GROUPS

- 7.1 In order to be eligible for the Health Benefits Programs offered by Capital, a Group must comply with current eligibility and underwriting standards/guidelines of Capital. These standards/guidelines are subject to change without notice.
- 7.2 All necessary enrollment materials and premium rate quotation requests must be received by Capital within any deadlines set by Capital before a Group will be considered for coverage.
- 7.3 A Group must execute the required documentation established by Capital from time to time and be formally accepted by Capital in order to be enrolled.

SECTION 8. RESERVATION OF RIGHTS

- 8.1 Capital reserves the right to reject any application for enrollment in Health Benefits Programs.
- 8.2 Capital reserves the right to discontinue or withdraw from sale any Health Benefits Programs, amendment, or endorsement.
- 8.3 Capital reserves the right to amend or cancel any Health Benefits Programs.
- 8.4 Capital reserves the right to determine all terms, conditions, and limitations on any Health Benefits Programs contracts.
- 8.5 Capital reserves the right to amend, delete, or add any Capital procedure.

8.6

Redacted

8.7 Capital reserves the right to audit Groups in accordance with the terms and conditions of the Health Benefits Programs. Capital may conduct such audits to determine, for example, whether the Groups are in compliance with the underwriting and enrollment guidelines and minimum participation requirements. Preferred Producer shall assist and cooperate with Capital as necessary in order for Capital to conduct such audits, including production of all Group documentation in Preferred Producer's possession.

8.8 If Capital does not extend coverage under a contract for Health Benefits Programs for one of the reasons listed above, no commission shall be paid.

SECTION 9. SERVICE MARKS

9.1 The Preferred Producer may not use in any form any registered or unregistered trademark, trade name, or service mark owned by Capital, any Capital affiliate or by the Blue Cross and Blue Shield Association, nor may the Preferred Producer place any advertisement pertaining to Capital in any medium, or issue or distribute any circular, letter, or publication referring to Capital without Capital's prior written approval. (See Section 5.1.10 for additional limitations on the Preferred Producer's authority to conduct marketing efforts under this Agreement.)

SECTION 10. COMMISSIONS AND ADMINISTRATIVE FEES

10.1 As a condition precedent to the receipt of commission payments, the Preferred Producer or Standard Producer, as applicable, must submit a Producer of Record Letter using the appropriate form set forth in Schedule "C" and executed by a Group.

10.2 Redacted

10.3 Capital shall pay commissions to Preferred Producer and Standard Producer, as applicable, according to the standard commission schedule in effect from time to time, which is attached hereto as Schedule "A-1". Capital may modify the standard commission schedule upon written notice to Preferred Producer. Preferred Producer will notify its affiliated Standard Producers in writing of such standard commission modifications, which must be approved by Capital.

10.4 The commission payment level to be used to determine the commission payment for the Preferred Producer will remain in effect until revised by the execution of a new Producer of Record Letter.

10.5 Redacted

Redacted

SECTION 11. COMMISSION PAYMENT RULES

11.1 Capital will remit commissions as set forth on Schedule "A" and Redacted

11.2 Capital will remit commissions to the Preferred Producer.

11.3 Redacted

11.4 If a Group's contract is terminated for any reason by Capital or the Group, all rights to commissions shall cease upon the effective date of the Group's contract termination, provided that all premiums have been paid.

11.5 Commissions shall be payable monthly Redacted Redacted

SECTION 12. COMMISSIONS AND THE STANDARD PRODUCER

12.1 Redacted

12.2 Redacted

12.3 Redacted

12.4 Redacted

12.5 Reserved.

12.6 Redacted

SECTION 13. BONUS AND INCENTIVE PROGRAMS

13.1 Redacted

SECTION 14. ACCOUNTING

- 14.1 Each month Capital shall provide to the Preferred Producer a written commission detail statement, showing all Group business activity represented by the Preferred Producer during the preceding month. Capital shall then credit all commissions and administrative fees earned to the Preferred Producer. Any commissions or administrative fees to be repaid by the Preferred Producer, and any debts or debts due or to become due Capital by the Preferred Producer including, but not limited to, obligations which arise under Section 17, shall be debited to the Preferred Producer's account as an offset against payable credits. The amount of any remaining credit shall be remitted to the Preferred Producer, with a copy of such accounting.
- 14.2 Upon receipt from Capital of any written commission detail statement, the Preferred Producer agrees to examine the same immediately and to notify Capital at once of any difference between said statement and the Preferred Producer's records. Failure of the Preferred Producer to notify Capital within sixty (60) days of any difference shall be an admission of the correctness of such statement. After the sixty-day period, the Preferred Producer shall not be permitted to present a claim for additional monies.

SECTION 15. RECORDS RETENTION

- 15.1 The Preferred Producer shall maintain complete records of all transactions pertaining to Groups and correspondence to and from Groups for the longer of (i) the current year plus the six preceding calendar years or (ii) any period required by applicable law.

SECTION 16. LICENSES AND COMPLIANCE WITH REGULATIONS

- 16.1 The Preferred Producer hereby represents and warrants that it is properly licensed to conduct all insurance business required pursuant to this Agreement.

16.2 Redacted

16.3 The Preferred Producer shall immediately notify Capital of any suspension, revocation or expiration of the Preferred Producer's license or of any termination, suspension, or expiration of a Standard Producer's license. The Preferred Producer shall immediately notify Capital in the event the Preferred Producer is alleged to have committed any action or omission for which the penalty of suspension, revocation or expiration is possible. Upon receiving such notice, Capital shall have the right, in its sole discretion, to terminate the Agreement. The failure on the part of Capital to elect to terminate this Agreement immediately shall not be construed as a waiver of the right to do so subsequently.

SECTION 17. PREFERRED PRODUCER RESPONSIBLE FOR ACTIONS OF STANDARD PRODUCERS; TRANSFER OF STANDARD PRODUCER

17.1 The Standard Producer shall be permitted to submit applications for enrollment only after:

17.1.1 The Standard Producer executes the Standard Producer Acknowledgment Form (a copy is attached as Schedule "E"), as amended or supplemented from time to time by Capital.

17.1.2 The Standard Producer executes the appropriate Producer/Applicant Disclosure Form (copies of Form C-7 and Form C-8 are attached as Schedule "F"), as amended or supplemented from time to time by Capital.

17.1.3 The Standard Producer has been appointed by Capital.

17.2 The Preferred Producer shall be responsible for the completion and submission to Capital of all forms required for appointing the Standard Producers. The responsibilities of the Preferred Producer are not satisfied or dismissed by the Standard Producer completing the Standard Producer Acknowledgment Form.

17.3 Redacted

17.4 The Standard Producer shall not misrepresent itself in any way, as determined by Capital, including, but not limited to, that it is an employee of Capital.

17.5 Redacted

17.6 Redacted

17.6.1 Redacted

intention to contract with a Replacement Preferred Producer at the conclusion of the 180-day period; provided, however, that in the event of extenuating circumstances (as determined by Capital), Capital may consent to a transfer before the 180-day period ends upon receipt of a written request by the Standard Producer.

SECTION 18. CONFIDENTIALITY

18.1 During the term of this Agreement and any extension thereof, or at any time after termination of the Agreement, the Preferred Producer shall not divulge or use any confidential and/or proprietary information about the business of Capital, except as authorized by Capital in writing. Confidential and proprietary information about the business of Capital includes, but is not limited to, policies, procedures, underwriting guidelines, and/or group specific proposals of Capital, in any form whatsoever, which the Preferred Producer obtained by reason of this Agreement.

18.2 Redacted

18.3 Redacted

SECTION 19. INDEMNIFICATION

19.1 Indemnification by the Preferred Producer. The Preferred Producer agrees to indemnify and save Capital, its affiliates and subsidiaries and its officers, directors, and employees harmless from any damage and against any liability for loss, cost, expenses, fines, penalties, including punitive or exemplary damages and all costs of defense; (i) resulting from any act, error or omission, whether intentional or unintentional, by the Preferred Producer and its officers, directors, employees and its Standard Producers, related to or which arise out of the business covered by this Agreement, or (ii) resulting from any obligation, act or transaction created or performed by the Preferred Producer in violation of, in excess of, or in contravention of the power and authority of the Preferred Producer set forth in this Agreement.

19.1.1 In cases in which the Preferred Producer's errors and omissions liability insurer does not tender a defense for a lawsuit hereunder, (i) Capital shall select its own defense counsel, (ii) the Preferred Producer shall pay all expenses incurred by Capital relating to its defense, and (iii) Capital shall decide in its sole opinion whether claims or suits may be settled.

19.1.2 In cases in which the Preferred Producer's errors and omissions liability insurer tenders a defense for a lawsuit hereunder, (i) the Preferred Producer shall submit a written request to its errors and omissions liability insurer to retain counsel recommended by Capital, and (ii) the Preferred Producer shall obtain the consent of Capital before agreeing to any settlement, which consent shall not be unreasonably withheld.

19.1.3 The Preferred Producer expressly authorizes Capital, without precluding Capital from exercising any other remedy it may have, to charge against all compensation due or to become due to the Preferred Producer under this Agreement any monies paid or liabilities incurred by Capital by reason of any occurrence described herein.

- 19.2 Indemnification by Capital. Capital agrees to indemnify and save the Preferred Producer and the Standard Producer, their respective officers, directors, partners, and employees harmless from any damage and against any liability for loss, cost, expenses, fines, penalties, including punitive or exemplary damages and all costs of defense resulting from any act, error or omission, whether intentional or unintentional, by Capital and its officers, directors, and employees related to or which arise out of the business covered by this Agreement.

SECTION 20. ERRORS AND OMISSIONS INSURANCE

- 20.1 During the entire term of this Agreement, the Preferred Producer and the Standard Producer are required to maintain errors and omissions insurance coverage with an insurance company have an A.M. Best rating of "A" or higher. Preferred Producer shall maintain coverage with an aggregate limit of liability of at least Three Million (\$3,000,000) Dollars. Standard Producer shall maintain coverage with an aggregate limit of liability of at least One Million (\$1,000,000) Dollars.
- 20.2 The Preferred Producer is further required to provide Capital, at its request, with a copy of such errors and omissions insurance policy.
- 20.3 The Preferred Producer shall notify Capital within five (5) days if the Preferred Producer receives notice that the errors and omissions insurance carrier intends to terminate, cancel, non-renew, or rescind the errors and omissions insurance coverage.

SECTION 21. TERM AND TERMINATION

- 21.1 This Agreement shall be effective from the date first above written and shall continue in full force and effect for twelve (12) consecutive months, at which time, unless terminated as set forth below, this Agreement shall automatically renew for a further period of twelve (12) consecutive months and thereafter from year to year.
- 21.2 This Agreement may be terminated at any time by any party hereto upon thirty (30) days written notice to the other parties.
- 21.3 The Agreement may be terminated immediately upon the occurrence of any of the following:
- 21.3.1 Such termination is required by state or federal law or regulation, or by an order of any state or federal agency or court with authority to issue such an order.
 - 21.3.2 Enforcement of any disciplinary regulatory action against, or suspension or termination of the Preferred Producer's license.
 - 21.3.3 The Preferred Producer withholds, converts for its own use, or otherwise misappropriates funds of Capital or a Group.
 - 21.3.4 The Preferred Producer commits any illegal act or fraud in the performance of its duties under this Agreement.
 - 21.3.5 The Preferred Producer fails to maintain errors and omissions coverage as set forth in Section 20 above.

- 21.3.6 Upon the Preferred Producer's death or dissolution, bankruptcy or insolvency.
- 21.3.7 Upon the assignment of the Agreement by the Preferred Producer for the benefit of creditors.
- 21.3.8 Upon the Preferred Producer's breach of any of the terms of this Agreement or of Capital underwriting rules, regulations and instructions.
- 21.3.9 Upon the Preferred Producer's conviction, entry of a plea of *nolo contendere*, or the imposition of probation without verdict for any felony, or a misdemeanor related to the business of insurance, including but not limited to fraud, theft, embezzlement, or any other offense related to the misuse or taking of funds.
- 21.3.10 Upon the Preferred Producer's breach of any provision of the HIPAA Business Associate Addendum to which Section 30 refers.

21.4

Redacted

21.5

Redacted

SECTION 22. EFFECT OF TERMINATION UPON COMMISSIONS AND ADMINISTRATIVE FEES

22.1 Upon termination of this Agreement by the Preferred Producer, without cause, pursuant to Section 21.2, the Preferred Producer shall have no right to receive the commissions and administrative fees described in Schedule "A".

22.2 Upon termination of the Agreement by Capital, without cause, pursuant to Section 21.2,

Section 21.4:

22.2.1 Redacted

22.2.2 Redacted

Redacted

22.3. Reserved.

22.4 Upon termination of this Agreement for any one of the reasons enumerated at Section 21.3 ("the Terminating Event"), the Preferred Producer shall have no right to receive commissions or administrative fees. Commission and administrative fee payment shall cease as of the last day of the month in which the Terminating Event occurred.

22.5 This Section 22 shall survive any termination of this Agreement.

SECTION 23. JOINT AND SEVERAL LIABILITY

23.1 In the event of a transfer of ownership of the Preferred Producer's business, the Preferred Producer shall remain jointly and severally liable with the purchaser/transferee for all premium remittances received and all debts and obligations incurred under this Agreement, unless otherwise agreed to in writing by Capital.

SECTION 24. ASSIGNMENT OF COMMISSIONS

24.1 Any assignment of commissions payable under this Agreement shall be valid only with Capital's prior written approval, which approval will not be unreasonably withheld. Any assignment will be subject also to the terms of Section 10.5 above.

SECTION 25. ASSIGNMENT OF THE AGREEMENT

25.1 This Agreement shall not be sold, pledged, or assigned by the Preferred Producer without Capital's prior written approval.

SECTION 26. NON-SOLICITATION OF EMPLOYEES

26.1 Redacted

SECTION 27. NOTICES

27.1 All notices required or permitted to be given hereunder shall be in writing and shall be delivered (i) by prepaid certified or registered mail or a nationally recognized overnight courier or (ii) by any electronic method for which receipt is documented, addressed to the party to whom it is directed at its address set forth below, or to such other address as may

from time to time be specified by one party to the other. All notices shall be effective upon the earlier of (i) receipt, or (ii) with respect to notices that are sent by certified or registered mail, three (3) business days after mailing, and with respect to notices sent by overnight courier one (1) business day after sending.

TO: CAPITAL TO: PREFERRED PRODUCER

Senior Director, Producer Relations
Capital BlueCross
2500 Elmerton Avenue
Harrisburg, PA 17110

Any party may at any time change or amend its address for notification purposes, by mailing a notice as required hereinabove, stating the change and setting forth the new address. The new address shall be effective on the date specified in such notice, or if no date is specified, on the tenth (10th) day following the date such notice is received.

SECTION 28. AMENDMENT OR MODIFICATION

- 28.1 The terms of this Agreement, including but not limited to Schedule "A-1" and Schedule "A-2", may be waived, amended, modified or supplemented in writing as agreed to by the parties; provided, however that the Agreement may be amended automatically, without the consent of Preferred Producer, in order to meet applicable local, state or federal statutory or regulatory requirements. Capital shall provide Preferred Producer with written notice of such amendments for statutory or regulatory compliance. **Redacted**

[Redacted]

- 28.2 **Redacted**

[Redacted]

SECTION 29. NOTIFICATION OF COMPLAINTS OR INQUIRIES

- 29.1 The Preferred Producer shall forward to Capital immediately upon receipt any and all governmental or other communications, complaints, and/or inquiries, written or oral, regarding or pertaining to the subject matter of this Agreement.

SECTION 30. HIPAA COMPLIANCE

- 30.1 The Preferred Producer shall comply with the terms of the HIPAA Business Associate Addendum attached hereto, marked as Schedule "G," and incorporated herein by reference.

SECTION 31. WAIVER

- 31.1 No forbearance or neglect on the part of Capital to insist upon compliance with the terms of this Agreement shall be construed as or constitute a waiver of any provision of this Agreement or a grant of authority under this Agreement.

SECTION 32. SEVERABILITY

- 32.1 The invalidity of any one or more of the words, phrases, sentences, clauses, sections, or subsections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement.
- 32.2 The parties agree that their reciprocal rights and obligations under this Agreement constitute good and valuable consideration for the several obligations imposed upon each party hereunder. To the extent required by law, each individual provision in this Agreement shall be deemed adequately supported by separate and independent consideration.

SECTION 33. SECTION HEADINGS

- 33.1 The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Agreement.

SECTION 34. GOVERNING LAW

- 34.1 This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.
- 34.2 If the parties are unable to informally resolve any controversy or claim arising out of or relating to this Agreement, or the breach thereof as alleged by Standard Producer, such claim or breach shall be settled by binding arbitration administered by the American Arbitration Association ("AAA") and conducted by a panel of three (3) Arbitrators, one selected by Capital, one selected by the Preferred Producer, and the third selected by the other two (2) Arbitrators (collectively, the "Arbitrators") in accordance with the AAA's Commercial Arbitration Rules ("Rules"). The Arbitrators' decision shall be in satisfaction of all claims by all parties. Arbitrators' fees and expenses shall be borne equally by the parties unless otherwise awarded by the Arbitrators. Each party shall bear all other fees and expenses it incurs, including all filing, witness, expert witness, transcript, and attorneys' fees. . Such arbitration proceeding shall take place in Dauphin County, Pennsylvania.
- 34.3 Notwithstanding the provisions of Section 34.2 above, nothing shall preclude Capital from seeking relief against the Preferred Producer in a Court of Law or in Equity under appropriate circumstances, including but not limited to, a request for injunctive relief. The Preferred Producer acknowledges that its obligations under this Agreement are unique and that monetary redress may be inadequate to compensate Capital for the breach thereof. The parties hereby agree that the venue for any such equity proceedings shall be the Court of Common Pleas of Dauphin County. The Preferred Producer, wherever it may be located, hereby consents to personal jurisdiction and venue before the Court of Common Pleas of Dauphin County.

SECTION 35. EXHIBITS INCORPORATED

- 35.1 All exhibits, attachments, tables or schedules referenced herein, attached or incorporated by reference are incorporated herein to the same extent as if set forth in full herein.

SECTION 36. ENTIRE AGREEMENT

- 36.1 This Agreement, together with the Schedules attached hereto, constitutes the entire agreement between the parties with respect to the matters contained herein. This

Agreement supersedes all prior agreements, understandings, negotiations, and discussions among the parties pertaining to the Preferred Producer program.

SECTION 37. DISCRIMINATION

37.1 Capital does not discriminate on the basis of race, color, national origin, disability, age, sex, gender identity, sexual orientation, or health status in the administration of Health Benefit Programs, including enrollment and benefit determinations.

The parties hereto, each acting under due and proper authority and intending to legally bound, have executed this Agreement.

PREFERRED PRODUCER

**CAPITAL BLUE CROSS
CAPITAL ADVANTAGE INSURANCE COMPANY
CAPITAL ADVANTAGE ASSURANCE COMPANY
KEYSTONE HEALTH PLAN CENTRAL**

Signature

Tracy Onorofsky
Senior Vice President Commercial Group
Sales

Name

Date

Title

Date

COMMISSION SCHEDULE

In consideration of and as full compensation for services performed as a Capital-appointed producer, Capital will remit payment of monthly commissions and administrative fees, as applicable, according to its then-current standard commission schedule as follows:

1. **Preferred Producer**

1.1 Small Groups (2 to 99 enrolled employees). Commissions on all Small Groups for which the Preferred Producer or any Standard Producer associated with the Preferred Producer serves as Producer of Record shall be paid as follows: Preferred Producer will earn up to **Redacted** per contract per month. Commissions are incorporated into the rates in effect for all Small Groups.

1.2 Large Groups (100+ enrolled employees, experienced rated). **Redacted**

Redacted

500 or more enrolled employees

10.0% of Producer of Record's Commission

1.3 BlueCross Vision.

Redacted

1.3.2 **Redacted**

Redacted

1.4 BlueCross Dental.

1.4.1 **Redacted**

1.4.2 **Redacted**

Redacted

Confidential & Proprietary Information

2. **Producer of Record**

2.1 Small Groups (2 to 99 enrolled employees). For commissions earned associated with an October 1, 2009 coverage date and thereafter, the Preferred Producer or Standard Producer will earn Redacted per contract per month on all Small Groups for which the Preferred Producer or Standard Producer serves as Producer of Record. Commissions are incorporated into the rates in effect for all Small Groups.

2.2 Large Groups (100+ enrolled employees, experienced rated). Redacted

Redacted

2.3 BlueCross Vision.

Redacted

2.4 BlueCross Dental.

Redacted

BONUS AND INCENTIVE PROGRAMS

Redacted [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Redacted

PRODUCTION STANDARDS AND ADMINISTRATIVE REQUIREMENTS

Subject to the terms of the Preferred Producer Master Agreement to which this schedule is attached, the Preferred Producer shall comply with Capital's then-current production standards and administrative requirements:

1. **Production Standards**

1.1

Redacted

1.2

1.3

2. **Administrative Requirements**

2.1

Redacted

■

Redacted

PRODUCER OF RECORD LETTER FOR SMALL GROUPS: Form A
(Preferred Producer is Producer of Record)

The Producer of Record Letter must:

1. be on the Group's letterhead;
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative); and
3. disclose the Preferred Producer's receipt of commission.

Redacted

PRODUCER OF RECORD LETTER FOR SMALL GROUPS: Form B
(Standard Producer is Producer of Record)

The Producer of Record Letter must:

1. be on the Group's letterhead;
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative); and
3. disclose the receipt of commission by the Standard Producer and the Preferred Producer.

Redacted

PRODUCER OF RECORD LETTER (PERCENTAGE OF PAYMENT DUE EACH MONTH): Form C

The Producer of Record Letter must:

1. be on the Group's letterhead;
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative); and
3. disclose the Producer of Record's receipt of commission and the commission percentage that will be factored into the Group's payment due each month.

Redacted

PRODUCER OF RECORD LETTER (PER CONTRACT PER MONTH): Form D

The Producer of Record Letter must:

1. be on the Group's letterhead;
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative); and
3. disclose the Producer of Record's receipt of commission and the cost per contract commission percentage that will be factored into the Group's payment due each month.

Redacted

PRODUCER OF RECORD LETTER (PERCENTAGE OF PREMIUM): Form E

The Producer of Record Letter must:

1. be on the Group's letterhead;
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative); and
3. disclose the Producer of Record's receipt of commission and the commission percentage that will be factored into the Group's payment due each month.

Redacted

PRODUCER OF RECORD RESCIND LETTER

The Producer of Record Rescind Letter must:

1. be on the Group's letterhead; and
2. be dated and signed by an authorized representative of the Group (e.g. an owner, officer, or partner, indicating the title of the authorized representative).

PLEASE NOTE: *If the Group intends to designate a new Producer of Record, the Rescind Letter must be accompanied by a Producer of Record Letter naming the new Producer of Record.*

Redacted

BUSINESS ASSOCIATE AGREEMENT

MARKETPLACE REQUIRED PROVISIONS

Definitions

For purposes of these Marketplace Required Provisions and Section 3.4, the following capitalized terms will have the meanings set forth below. All other capitalized terms will have the meaning set forth in the Agreement.

“Delegated Entity” has the meaning set forth in 45 C.F.R. §156.20.

“Downstream Entity” has the meaning set forth in 45 C.F.R. §156.20.

“Enrollee” has the meaning set forth in 45 C.F.R. §155.20

“Federally-facilitated Exchange” means an Exchange (or Marketplace) established by HHS and operated by the Centers for Medicare and Medicaid Services under §1321(c)(1) of PPACA for individual or small group market coverage, including the Federally-facilitated Small Business Health Options Program (FF-SHOP)

“Qualified Employee” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Health Plan” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Health Plan Issuer” has the meaning set forth in 45 C.F.R. §155.20

“Qualified Individual” has the meaning set forth in 45 CFR 155.20

Provisions

1.1 In the course of performing its duties and obligations set forth in the Agreement, Preferred Producer constitutes a Delegated Entity, and may contract with other individuals or entities that constitute Downstream Entities to assist in performing such duties and obligations. Preferred Producer is obligated to make all necessary reports to Capital that (i) are specified in the Agreement; or (ii) required under applicable federal or state law.

1.2 If HHS or Capital determines that Preferred Producer, or any Downstream Entity that Preferred Producer contracts with as described herein, has not performed satisfactorily the duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as their dependents, Capital may terminate the Agreement in accordance with the procedures for termination within the Agreement.

1.3 Preferred Producer must comply with all of the laws and regulations relating to the following standards, if applicable to Preferred Producer, in performing its duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents: (i) 45 C.F.R. Part 156, Subpart C with respect to each Qualified Health Plan on an ongoing basis; (ii) Marketplace processes, procedures and standards pertaining to Qualified Health Plan certification under 45 C.F.R. Part 155, Subparts H and K; (iii) 45 C.F.R. §155.220 with respect to assisting with enrollment in

Qualified Health Plans; and (iv) 45 C.F.R. §156.705 and §156.715 for maintenance of records and compliance reviews for Capital operating in a Federally-facilitated Exchange or FF-SHOP.

1.4 Preferred Producer must permit access by HHS and the Office of the Inspector General (“OIG”), or their designees, through audit, inspection, or other means as determined by HHS or the OIG, or their designees, to Preferred Producer’s books, contracts, computers, or other electronic systems, including medical records and documentation, in connection with its duties and obligations set forth in the Agreement relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents for the duration of the period in which the Agreement is effective, and until ten (10) years from the effective date that the Agreement expires or is terminated.

1.5 Preferred Producer shall include in its contract(s) with any Downstream Entities, and require such Downstream Entities to include in their contract(s) with any Downstream Entities, language that is the same or substantially similar to that contained in these Marketplace Required Provisions, which expressly requires each Downstream Entity to: (i) comply with all applicable laws and regulations, including but not limited to the provisions in Section 1.3 above, to the extent relevant, in performing or assisting in the performance of the duties and obligations set forth in the contract(s) relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents, and (ii) grant access to its books, contracts, computers, or other electronic systems (including medical records and documentation), relating to such Downstream Entity’s compliance with applicable provisions Section 1.3 above in connection with the duties and obligations set forth in the contract(s) relating to Contract Holders or prospective Contract Holders who are or who may be Enrollees, as well as any covered dependents, to HHS and or the OIG, or their designees, for the duration of the period in which the contract(s) is effective, and for a minimum of ten (10) years from the date the contract(s) expires or is terminated.

1.6 No later than ten (10) days following any written request by Capital, Preferred Producer shall provide Capital with a copy of the pertinent contract language (including any amendments thereto) between Preferred Producer and any Downstream Entities, and among two or more Downstream Entities, as applicable, to demonstrate compliance with Section 1.5.

1.7 The provisions of these Marketplace Required Provisions shall in no way be interpreted as an assumption by Capital of legal liability for the actions of Preferred Producer or any Downstream Entities, including but not limited to malpractice liability.

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2017
Q&A Exhibit 1

Broker Commission Calculation

<u>Current</u>	
	<u>All Plans</u>
Broker Commission (PCPM)	[REDACTED]
Average Members Per Contract	[REDACTED]
Broker Commission (PMPM)	\$19.44
Calculated Broker Commission in Rate Development	\$19.68

<u>2017</u>	
	<u>All Plans</u>
Broker Commission (PCPM)	[REDACTED]
Average Members Per Contract	[REDACTED]
Broker Commission (PMPM)	\$19.44
Calculated Broker Commission in Rate Development	\$19.35

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2017
Q&A Exhibit 2

Commerical Medical Trend

		<u>2016</u>	<u>2017</u>	<u>Average</u>
Total		7.5%	7.2%	7.3%
Cost	Total	5.4%	5.1%	5.2%
	Facility	6.4%	6.2%	6.3%
	Professional	3.3%	2.6%	3.0%
Utilization		2.0%	2.0%	2.0%

Commercial Drug Trend

		<u>2016</u>	<u>2017</u>	<u>Average</u>
Total		13.8%	16.3%	15.1%
Cost		13.3%	15.7%	14.5%
Utilization		0.5%	0.5%	0.5%

Aggregate Pricing Trend

Medical	7.0%
Drug	13.6%

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2017
Q&A Exhibit 2a

Product PPO
Market Segment COMM

Total

Incurred Claims										Allowed Amount						Utilization						Days						Allowed Cost/Service					
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Stays	Stays/1,000	3-Month Avg Stay/1,000	12-Month Avg Stay/1,000	3 Month Trend	12 Month Trend	Days	Days/1,000	3-Month Avg Days/1,000	12-Month Avg Days/1000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Svc	3-Month Avg Allowed Cost/Svc	12-Month Avg Allowed Cost/Svc	3 Month Trend	12 Month Trend	
201306	100,159	1.1876	28,079,976	\$ 280.35	\$ 291.57	\$ 283.07	6.2%	3.4%		32,858,424	\$ 328.06	\$ 341.75	\$ 330.22	6.1%	2.0%	89,624	10,738	11,598	11,474	-0.4%	-3.0%	2,283	274	299	311	-4.7%	-3.9%	\$ 366.63	\$ 353.59	\$ 345.36	6.6%	5.2%	
201307	98,815	1.1882	30,918,291	\$ 312.89	\$ 295.49	\$ 286.49	7.4%	4.2%		35,927,719	\$ 363.59	\$ 345.18	\$ 334.21	7.6%	3.0%	96,183	11,680	11,454	11,528	0.2%	-2.5%	2,724	331	308	312	-4.3%	-3.9%	\$ 373.54	\$ 361.64	\$ 347.90	7.3%	5.7%	
201308	98,236	1.1872	28,893,244	\$ 294.12	\$ 295.72	\$ 285.88	6.7%	3.7%		33,741,125	\$ 343.47	\$ 344.97	\$ 333.96	7.3%	2.9%	95,741	11,695	11,368	11,513	0.5%	-2.4%	2,451	299	301	312	-1.1%	-1.5%	\$ 352.42	\$ 364.16	\$ 348.09	6.8%	5.4%	
201309	97,941	1.1866	28,043,468	\$ 286.33	\$ 297.82	\$ 288.12	7.5%	4.6%		32,694,139	\$ 333.81	\$ 347.00	\$ 336.82	8.4%	4.0%	90,930	11,141	11,506	11,561	3.1%	-1.2%	2,444	299	310	309	-2.4%	-2.8%	\$ 359.55	\$ 361.89	\$ 349.60	5.2%	5.3%	
201310	97,188	1.1890	31,196,496	\$ 320.99	\$ 300.42	\$ 290.44	5.7%	4.9%		36,341,320	\$ 373.93	\$ 350.34	\$ 339.73	6.9%	4.6%	102,604	12,669	11,833	11,622	3.4%	-0.6%	2,489	307	302	309	-4.0%	-2.7%	\$ 354.19	\$ 355.29	\$ 350.78	3.4%	5.2%	
201311	97,950	1.1890	26,921,508	\$ 274.85	\$ 293.99	\$ 290.41	6.4%	4.4%		31,381,087	\$ 320.38	\$ 342.63	\$ 340.01	7.4%	4.3%	90,061	11,034	11,612	11,601	3.0%	-0.3%	2,217	272	293	308	-4.5%	-2.3%	\$ 348.44	\$ 354.08	\$ 351.69	4.2%	4.7%	
201312	100,204	1.1885	27,336,912	\$ 272.81	\$ 289.34	\$ 290.10	2.7%	4.0%		31,730,397	\$ 316.66	\$ 336.74	\$ 340.32	4.0%	4.4%	85,967	10,295	11,321	11,578	0.4%	0.2%	2,410	289	289	304	-6.1%	-4.4%	\$ 369.10	\$ 356.93	\$ 352.73	3.7%	4.3%	
201401	106,129	1.1865	32,952,272	\$ 310.49	\$ 286.61	\$ 290.22	-0.4%	3.2%		40,259,399	\$ 379.34	\$ 339.72	\$ 341.25	1.7%	4.0%	106,009	11,986	11,123	11,515	-3.7%	-0.9%	2,750	311	291	298	-13.1%	-7.8%	\$ 379.78	\$ 366.52	\$ 355.63	5.7%	4.9%	
201402	107,523	1.1883	29,603,243	\$ 275.32	\$ 286.41	\$ 290.88	0.6%	3.4%		35,327,021	\$ 328.55	\$ 341.93	\$ 342.18	2.5%	4.3%	91,793	10,244	10,850	11,428	-5.8%	-1.1%	2,823	315	305	300	-9.6%	-6.6%	\$ 384.86	\$ 378.18	\$ 359.31	8.8%	5.5%	
201403	107,376	1.1899	31,947,452	\$ 297.53	\$ 294.38	\$ 293.29	4.3%	5.1%		38,272,275	\$ 356.43	\$ 354.67	\$ 345.22	5.5%	6.1%	105,867	11,831	11,351	11,443	-4.3%	-0.4%	2,923	327	318	304	-0.6%	-3.3%	\$ 361.51	\$ 374.94	\$ 362.00	10.3%	6.5%	
201404	105,941	1.1924	31,466,167	\$ 297.02	\$ 289.92	\$ 292.99	3.9%	4.0%		37,275,358	\$ 351.85	\$ 345.58	\$ 345.16	4.6%	5.1%	105,789	11,983	11,350	11,435	-2.6%	-0.8%	2,657	301	314	304	8.4%	-3.6%	\$ 352.36	\$ 365.38	\$ 362.22	7.4%	5.9%	
201405	104,243	1.1933	32,740,278	\$ 314.08	\$ 302.79	\$ 294.75	5.2%	4.7%		38,119,076	\$ 365.68	\$ 357.94	\$ 347.00	5.5%	5.7%	100,458	11,564	11,794	11,404	-0.9%	-0.8%	3,043	350	326	307	8.7%	-1.8%	\$ 379.45	\$ 364.18	\$ 365.13	6.4%	6.6%	
201406	103,313	1.1931	29,318,243	\$ 283.78	\$ 298.33	\$ 295.00	2.3%	4.2%		34,466,571	\$ 333.61	\$ 350.44	\$ 347.42	2.5%	5.2%	96,570	11,217	11,591	11,443	-0.1%	-0.3%	2,611	303	318	309	6.5%	-0.6%	\$ 356.91	\$ 362.80	\$ 364.34	2.6%	5.5%	
201407	102,551	1.1918	31,561,274	\$ 307.76	\$ 301.90	\$ 294.63	2.2%	2.8%		37,028,851	\$ 361.08	\$ 353.47	\$ 347.26	2.4%	3.9%	98,970	11,581	11,454	11,435	0.0%	-0.8%	2,516	294	316	306	2.7%	-1.9%	\$ 374.14	\$ 370.32	\$ 364.41	2.4%	4.7%	
201408	102,967	1.1917	28,446,561	\$ 276.27	\$ 289.24	\$ 293.14	-2.2%	2.5%		33,336,214	\$ 323.76	\$ 339.45	\$ 345.60	-1.6%	3.5%	93,302	10,874	11,223	11,367	-1.3%	-1.3%	2,293	267	288	303	-4.3%	-2.6%	\$ 357.29	\$ 362.94	\$ 364.82	-0.3%	4.8%	
201409	102,018	1.1927	31,858,754	\$ 312.29	\$ 298.72	\$ 295.25	0.3%	2.5%		37,029,634	\$ 362.97	\$ 349.21	\$ 347.96	0.6%	3.3%	98,803	11,622	11,358	11,406	-1.3%	-1.3%	2,829	333	298	306	-3.8%	-1.0%	\$ 374.78	\$ 368.96	\$ 366.07	2.0%	4.7%	
201410	100,594	1.1913	34,092,767	\$ 338.91	\$ 308.92	\$ 296.78	2.8%	2.2%		39,553,391	\$ 393.20	\$ 359.71	\$ 349.59	2.7%	2.9%	108,237	12,912	11,794	11,430	-0.3%	-1.7%	2,873	343	314	309	3.9%	0.0%	\$ 365.43	\$ 365.98	\$ 367.04	3.0%	4.6%	
201411	100,346	1.1901	31,472,819	\$ 313.64	\$ 321.58	\$ 299.87	9.4%	3.3%		35,978,597	\$ 358.55	\$ 371.54	\$ 352.62	8.4%	3.7%	91,633	10,958	11,830	11,423	1.9%	-1.5%	2,439	292	322	310	10.1%	0.7%	\$ 392.64	\$ 376.87	\$ 370.44	6.4%	5.3%	
201412	98,983	1.1906	28,868,433	\$ 291.65	\$ 314.86	\$ 301.40	8.8%	3.9%		34,341,131	\$ 346.94	\$ 366.34	\$ 355.07	8.8%	4.3%	95,301	11,554	11,810	11,524	4.3%	-0.5%	2,278	276	304	310	5.0%	1.7%	\$ 360.34	\$ 372.24	\$ 369.73	4.3%	4.8%	
201501	97,764	1.1930	26,841,880	\$ 274.56	\$ 293.45	\$ 298.49	2.4%	2.8%		33,919,331	\$ 346.95	\$ 350.86	\$ 352.34	3.3%	3.2%	92,673	11,375	11,294	11,473	1.5%	-0.4%	2,532	311	293	309	0.6%	4.0%	\$ 366.01	\$ 372.81	\$ 368.53	1.7%	3.6%	
201502	96,900	1.1936	30,089,736	\$ 310.52	\$ 292.19	\$ 301.48	2.0%	3.6%		36,083,623	\$ 372.38	\$ 355.34	\$ 356.01	3.9%	4.0%	87,758	10,868	11,268	11,533	3.9%	0.9%	2,952	366	317	313	3.9%	4.5%	\$ 411.17	\$ 378.43	\$ 370.44	0.1%	3.1%	
201503	96,807	1.1949	30,927,073	\$ 319.47	\$ 301.43	\$ 303.26	2.4%	3.4%		37,121,069	\$ 383.45	\$ 367.53	\$ 358.17	3.6%	3.8%	94,418	11,704	11,316	11,520	-0.3%	0.7%	2,532	314	330	312	3.9%	2.7%	\$ 393.15	\$ 389.76	\$ 373.10	4.0%	3.1%	
201504	96,155	1.1962	29,877,323	\$ 310.72	\$ 313.58	\$ 304.41	8.2%	3.9%		35,708,351	\$ 371.36	\$ 375.74	\$ 359.78	8.7%	4.2%	94,093	11,743	11,437	11,497	0.8%	0.5%	2,390	298	326	312	3.7%	2.7%	\$ 379.50	\$ 394.23	\$ 375.53	7.9%	3.7%	
201505	96,031	1.1965	27,384,510	\$ 285.16	\$ 305.16	\$ 302.02	0.8%	2.5%		32,542,021	\$ 338.87	\$ 364.62	\$ 357.58	1.9%	3.1%	85,436	10,676	11,375	11,425	-3.6%	0.2%	2,264	283	298	307	-8.4%	0.0%	\$ 380.89	\$ 384.64	\$ 375.58	5.6%	2.9%	
201506	96,986	1.1966	27,612,120	\$ 284.70	\$ 293.51	\$ 302.19	-1.6%	2.4%		32,988,138	\$ 340.13	\$ 350.10	\$ 358.24	-0.1%	3.1%	90,725	11,225	11,215	11,427	-3.2%	-0.1%	2,099	260	280	303	-11.9%	-2.0%	\$ 363.61	\$ 374.61	\$ 376.22	3.3%	3.3%	
201507	96,248	1.1990	27,928,420	\$ 290.17	\$ 286.68	\$ 300.73	-5.0%	2.1%		33,309,779	\$ 346.08	\$ 341.69	\$ 357.01	-3.3%	2.8%	89,807	11,197	11,034	11,395	-3.7%	-0.4%	1,977	247	263	299	-16.8%	-2.3%	\$ 370.90	\$ 371.62	\$ 375.97	0.4%	3.2%	
201508	95,606	1.2022	28,127,858	\$ 294.21	\$ 289.67	\$ 302.34	0.1%	3.1%		33,114,439	\$ 346.36	\$ 344.18	\$ 359.06	1.4%	3.9%	85,764	10,765	11,063	11,389	-1.4%	0.2%	2,196	276	261	300	-9.6%	-1.1%	\$ 386.11	\$ 373.32	\$ 378.32	2.9%	3.7%	
201509	96,254	1.2032	29,854,136	\$ 310.16	\$ 298.19	\$ 302.12	-0.2%	2.3%		35,061,693	\$ 364.26	\$ 352.25	\$ 359.14	0.9%	3.2%	89,511	11,159	11,041	11,350	-2.8%	-0.5%	2,154	268	264	295	-11.6%	-3.8%	\$ 391.70	\$ 382.85	\$ 379.72	3.8%	3.7%	
201510	97,578	1.2088	30,913,214	\$ 316.81	\$ 307.13	\$ 300.17	-0.6%	1.1%		36,793,183	\$ 377.06	\$ 362.67	\$ 357.70	0.8%	2.3%	98,051	12,058	11,332	11,274	-3.9%	-1.4%	2,267	279	274	289	-12.6%	-6.4%	\$ 375.24					

Inpatient																																	
Incurred Claims										Allowed Amount						Utilization						Days						Allowed Cost/Service					
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Stays	Stays/1,000	3-Month Avg Stays/1,000	12-Month Avg Stays/1,000	3 Month Trend	12 Month Trend	Days	Days/1,000	3-Month Avg Days/1,000	12-Month Avg Days/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Svc	3-Month Avg Allowed Cost/Svc	12-Month Avg Allowed Cost/Svc	3 Month Trend	12 Month Trend	
201306	100,159	1.1876	8,464,697	\$ 84.51	\$ 85.37	\$ 83.43	13.1%	5.7%		8,683,543	\$ 86.70	\$ 87.52	\$ 85.44	13.1%	5.5%	607	73	73	73	-0.5%	-2.7%	2,283	274	299	311	-4.7%	-3.9%	\$ 14,305.67	\$ 14,416.93	\$ 14,117.30	13.7%	8.4%	
201307	98,815	1.1882	10,117,112	\$ 102.38	\$ 90.10	\$ 85.15	14.9%	7.4%		10,337,568	\$ 104.62	\$ 92.26	\$ 87.18	14.7%	7.1%	637	77	75	73	1.6%	-2.1%	2,724	331	308	312	-4.3%	-3.9%	\$ 16,228.52	\$ 14,751.60	\$ 14,316.40	12.8%	9.4%	
201308	98,236	1.1872	8,263,204	\$ 84.12	\$ 90.32	\$ 84.75	12.3%	8.2%		8,449,394	\$ 86.01	\$ 92.43	\$ 86.79	12.4%	8.0%	617	75	75	73	5.4%	-1.2%	2,451	299	301	312	-1.1%	-1.5%	\$ 13,694.32	\$ 14,761.15	\$ 14,242.00	6.6%	9.3%	
201309	97,941	1.1866	7,769,701	\$ 79.33	\$ 88.65	\$ 84.80	6.9%	7.2%		7,984,927	\$ 81.53	\$ 90.75	\$ 86.89	7.1%	7.1%	578	71	75	73	1.5%	-1.7%	2,444	299	310	309	-2.4%	-2.8%	\$ 13,814.75	\$ 14,613.48	\$ 14,306.04	5.5%	9.0%	
201310	97,188	1.1890	8,780,994	\$ 90.35	\$ 84.58	\$ 85.66	2.3%	8.3%		8,993,208	\$ 92.53	\$ 86.68	\$ 87.79	2.7%	8.2%	564	70	72	73	-2.5%	-1.8%	2,489	307	302	309	-4.0%	-2.7%	\$ 15,945.40	\$ 14,455.67	\$ 14,508.31	5.4%	10.2%	
201311	97,950	1.1890	7,232,298	\$ 73.84	\$ 81.15	\$ 85.71	4.2%	7.5%		7,421,573	\$ 75.77	\$ 83.25	\$ 87.87	4.7%	7.6%	542	66	69	72	-4.6%	-2.3%	2,217	272	293	308	-4.5%	-2.3%	\$ 13,692.94	\$ 14,489.14	\$ 14,576.64	9.8%	9.8%	
201312	100,204	1.1885	8,168,645	\$ 81.52	\$ 81.88	\$ 85.29	2.0%	5.0%		8,367,567	\$ 83.51	\$ 83.91	\$ 87.49	2.4%	5.2%	533	64	67	72	-7.6%	-3.3%	2,410	289	289	304	-6.1%	-4.4%	\$ 15,699.00	\$ 15,120.41	\$ 14,667.74	10.8%	8.8%	
201401	106,129	1.1865	10,947,537	\$ 103.15	\$ 86.59	\$ 85.64	0.0%	4.9%		11,316,255	\$ 106.63	\$ 89.08	\$ 87.85	0.3%	5.0%	728	82	71	72	-3.1%	-2.5%	2,750	311	291	298	-13.1%	-7.8%	\$ 15,544.31	\$ 15,033.50	\$ 14,636.57	3.6%	7.7%	
201402	107,523	1.1883	9,916,632	\$ 92.23	\$ 92.50	\$ 86.50	3.5%	5.2%		10,186,316	\$ 94.74	\$ 95.17	\$ 88.74	3.7%	5.4%	622	69	72	72	-1.4%	-1.8%	2,823	315	305	300	-9.6%	-6.6%	\$ 16,385.10	\$ 15,865.74	\$ 14,774.60	5.2%	7.3%	
201403	107,376	1.1899	9,654,303	\$ 89.91	\$ 95.06	\$ 87.87	11.5%	8.4%		9,922,562	\$ 92.41	\$ 97.89	\$ 90.16	11.6%	8.6%	642	72	74	72	3.0%	-0.8%	2,923	327	318	304	-0.6%	-3.3%	\$ 15,455.70	\$ 15,778.19	\$ 14,994.12	8.3%	9.4%	
201404	105,941	1.1924	8,880,823	\$ 83.83	\$ 88.68	\$ 87.52	8.9%	6.3%		9,088,956	\$ 85.79	\$ 91.00	\$ 89.79	9.0%	6.5%	587	66	69	72	-1.2%	-1.4%	2,657	301	314	304	8.4%	-3.6%	\$ 15,483.74	\$ 15,776.80	\$ 15,009.98	10.3%	8.0%	
201405	104,243	1.1933	10,711,763	\$ 102.76	\$ 92.10	\$ 89.14	12.6%	8.2%		10,957,062	\$ 105.11	\$ 94.37	\$ 91.44	12.5%	8.4%	664	76	72	72	-0.9%	-0.4%	3,043	350	326	307	8.7%	-1.8%	\$ 16,501.60	\$ 15,831.26	\$ 15,259.36	13.5%	8.9%	
201406	103,313	1.1931	8,276,075	\$ 80.11	\$ 88.90	\$ 88.76	4.1%	6.4%		8,476,589	\$ 82.05	\$ 90.98	\$ 91.03	4.0%	6.5%	586	68	70	72	-3.5%	-1.5%	2,611	303	318	309	6.5%	-0.6%	\$ 14,465.17	\$ 15,526.73	\$ 15,274.91	7.7%	8.2%	
201407	102,551	1.1918	9,037,639	\$ 88.13	\$ 90.37	\$ 87.61	0.3%	2.9%		9,272,597	\$ 90.42	\$ 92.57	\$ 89.89	0.3%	3.1%	632	74	73	71	-3.0%	-2.5%	2,516	294	316	306	2.7%	-1.9%	\$ 14,671.83	\$ 15,253.05	\$ 15,139.39	3.4%	5.7%	
201408	102,967	1.1917	6,891,158	\$ 66.93	\$ 78.38	\$ 86.16	-13.2%	1.7%		7,084,795	\$ 68.81	\$ 80.41	\$ 88.44	-13.0%	1.9%	567	66	69	70	-7.7%	-3.6%	2,293	267	288	303	-4.3%	-2.6%	\$ 12,495.23	\$ 13,912.59	\$ 15,055.51	-5.7%	5.7%	
201409	102,018	1.1927	9,284,994	\$ 91.01	\$ 81.99	\$ 87.10	-7.5%	2.7%		9,500,689	\$ 93.13	\$ 84.08	\$ 89.37	-7.4%	2.9%	626	74	71	71	-4.4%	-3.0%	2,829	333	298	306	-3.8%	-1.0%	\$ 15,176.82	\$ 14,168.81	\$ 15,164.27	-3.0%	6.0%	
201410	100,594	1.1913	8,991,541	\$ 89.38	\$ 82.36	\$ 87.03	-2.6%	1.6%		9,216,630	\$ 91.62	\$ 84.44	\$ 89.31	-2.6%	1.7%	614	73	71	71	-1.4%	-2.2%	2,873	343	314	309	3.9%	0.0%	\$ 15,010.80	\$ 14,278.98	\$ 15,091.43	-1.2%	4.0%	
201411	100,346	1.1901	9,831,872	\$ 97.98	\$ 92.78	\$ 88.96	14.3%	3.8%		10,048,469	\$ 100.14	\$ 94.95	\$ 91.25	14.0%	3.8%	548	66	71	71	2.7%	-1.9%	2,439	292	322	310	10.1%	0.7%	\$ 18,336.62	\$ 16,088.25	\$ 15,436.58	11.0%	5.9%	
201412	98,983	1.1906	7,760,996	\$ 78.41	\$ 88.64	\$ 88.72	8.3%	4.0%		7,964,738	\$ 80.47	\$ 90.79	\$ 91.01	8.2%	4.0%	586	71	70	72	5.0%	-0.1%	2,278	276	304	310	5.0%	1.7%	\$ 13,591.70	\$ 15,577.71	\$ 15,271.62	3.0%	4.1%	
201501	97,764	1.1930	7,736,454	\$ 79.13	\$ 85.26	\$ 86.72	-1.5%	1.3%		8,127,957	\$ 83.14	\$ 87.99	\$ 89.04	-1.2%	1.4%	593	73	70	71	-1.9%	-1.9%	2,532	311	293	309	0.6%	4.0%	\$ 13,706.50	\$ 15,136.75	\$ 15,116.58	0.7%	3.3%	
201502	96,900	1.1936	10,636,798	\$ 109.77	\$ 89.00	\$ 88.06	-3.8%	1.8%		10,875,728	\$ 112.24	\$ 91.84	\$ 90.38	-3.5%	1.8%	541	67	70	71	-2.4%	-2.2%	2,952	366	317	313	3.9%	4.5%	\$ 20,103.01	\$ 15,679.32	\$ 15,382.24	-1.2%	4.1%	
201503	96,807	1.1949	9,630,075	\$ 99.48	\$ 96.08	\$ 88.81	1.1%	1.1%		9,864,939	\$ 101.90	\$ 99.04	\$ 91.12	1.2%	1.1%	570	71	70	70	-5.7%	-2.4%	2,532	314	330	312	3.9%	2.7%	\$ 17,296.00	\$ 16,938.11	\$ 15,529.04	7.4%	3.6%	
201504	96,155	1.1962	8,244,904	\$ 85.75	\$ 98.36	\$ 89.00	10.9%	1.7%		8,492,932	\$ 88.33	\$ 100.85	\$ 91.37	10.8%	1.8%	573	72	70	71	0.8%	-1.3%	2,390	298	326	312	3.7%	2.7%	\$ 14,810.11	\$ 17,351.23	\$ 15,474.72	10.0%	3.1%	
201505	96,031	1.1965	7,155,854	\$ 74.52	\$ 86.61	\$ 86.63	-6.0%	-2.8%		7,411,795	\$ 77.18	\$ 89.17	\$ 89.03	-5.5%	-2.6%	572	72	71	70	-0.4%	-2.1%	2,264	283	298	307	-8.4%	0.0%	\$ 12,948.25	\$ 15,015.27	\$ 15,171.12	-5.2%	-0.6%	
201506	96,986	1.1966	7,295,443	\$ 75.22	\$ 78.49	\$ 86.27	-11.7%	-2.8%		7,501,718	\$ 77.35	\$ 80.94	\$ 88.68	-11.0%	-2.6%	503	62	68	70	-2.7%	-2.2%	2,099	260	280	303	-11.9%	-2.0%	\$ 14,902.54	\$ 14,192.12	\$ 15,211.32	-8.6%	-0.4%	
201507	96,248	1.1990	6,955,667	\$ 72.27	\$ 74.00	\$ 84.97	-18.1%	-3.0%		7,172,614	\$ 74.52	\$ 76.35	\$ 87.38	-17.5%	-2.8%	504	63	66	69	-10.0%	-3.1%	1,977	247	263	299	-16.8%	-2.3%	\$ 14,235.80	\$ 13,981.70	\$ 15,189.18	-8.3%	0.3%	
201508	95,606	1.2022	7,833,080	\$ 81.93	\$ 76.46	\$ 86.30	-2.4%	0.2%		8,046,387	\$ 84.16	\$ 78.66	\$ 88.74	-2.2%	0.3%	524	66	64	69	-8.3%	-2.1%	2,196	276	261	300	-9.6%	-1.1%	\$ 15,341.99	\$ 14,833.69	\$ 15,427.13	6.6%	2.5%	
201509	96,254	1.2032	8,021,285	\$ 83.33	\$ 79.17	\$ 85.65	-3.4%	-1.7%		8,254,142	\$ 85.75	\$ 81.47	\$ 88.12	-3.1%	-1.4%	578	72	67	69	-6.0%	-2.6%	2,154	268	264	295	-11.6%	-3.8%	\$ 14,276.45	\$ 14,611.57	\$ 15,351.32	3.1%	1.2%	
201510	97,578	1.2088	8,217,036	\$ 84.21	\$ 83.17	\$ 85.20	1.0%	-2.1%		8,484,484	\$ 86.95	\$ 85.63	\$ 87.72	1.4%	-1.8%	543	67	68	68	-3.8%	-3.8%	2,267	279	274	289	-12.6%	-6.4%	\$ 15,611.46	\$ 15,056.71	\$ 15,404.11	5.4%	2.1%	
201511	98,688	1.2093	7,669,236	\$ 77.71	\$ 81.73	\$ 83.47	-11.9%	-6.2%		7,881,153	\$ 79.86	\$ 84.16	\$ 85.98	-11.4%	-5.8%	561	68	69	69	-2.6%	-3.3%	2,141	260	269	286	-16.5%	-7.8%	\$ 14,056.47	\$ 14,634.41	\$ 15,048.85	-9.0%	-2.5%	
201512	108,																																

Outpatient																											
Incurred Claims										Allowed Amount						Utilization						Allowed Cost/Service					
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Stays	Stays/1,000	3-Month Avg Stays/1,000	12-Month Avg Stays/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Svc	3-Month Avg Allowed Cost/Svc	12-Month Avg Allowed Cost/Svc	3 Month Trend	12 Month Trend	
201306	100,159	1.1876	11,297,156	\$ 112.79	\$ 117.69	\$ 112.58	3.0%	4.0%		13,318,913	\$ 132.98	\$ 138.86	\$ 132.42	3.6%	2.6%	18,967	2,272	2,429	2,361	0.9%	-1.3%	\$ 702.22	\$ 685.96	\$ 673.08	2.7%	3.9%	
201307	98,815	1.1882	11,763,906	\$ 119.05	\$ 116.72	\$ 113.62	3.8%	4.3%		13,939,512	\$ 141.07	\$ 137.85	\$ 133.78	5.1%	3.4%	20,051	2,435	2,403	2,375	2.2%	-0.8%	\$ 695.20	\$ 688.41	\$ 675.95	2.8%	4.2%	
201308	98,236	1.1872	11,700,895	\$ 119.11	\$ 116.96	\$ 113.43	4.7%	2.5%		13,780,669	\$ 140.28	\$ 138.08	\$ 133.80	6.2%	2.1%	19,980	2,441	2,382	2,375	2.2%	-0.8%	\$ 689.72	\$ 695.60	\$ 676.06	3.9%	3.0%	
201309	97,941	1.1866	11,507,079	\$ 117.49	\$ 118.55	\$ 114.90	8.7%	4.2%		13,512,299	\$ 137.96	\$ 139.77	\$ 135.58	10.1%	4.0%	18,771	2,300	2,392	2,386	4.4%	0.1%	\$ 719.85	\$ 701.21	\$ 681.87	5.5%	3.8%	
201310	97,188	1.1890	12,826,929	\$ 131.98	\$ 122.83	\$ 115.83	8.2%	4.1%		15,016,301	\$ 154.51	\$ 144.22	\$ 136.76	9.3%	4.1%	20,585	2,542	2,427	2,396	3.6%	0.4%	\$ 729.48	\$ 713.05	\$ 684.91	5.5%	3.7%	
201311	97,950	1.1890	11,181,396	\$ 114.15	\$ 121.18	\$ 115.84	8.8%	3.3%		13,094,296	\$ 133.68	\$ 142.02	\$ 136.95	9.8%	3.8%	18,936	2,320	2,427	2,397	3.6%	0.7%	\$ 691.50	\$ 714.04	\$ 685.74	6.0%	3.1%	
201312	100,204	1.1885	11,156,478	\$ 111.34	\$ 119.06	\$ 116.28	4.8%	4.1%		13,024,143	\$ 129.98	\$ 139.28	\$ 137.70	6.3%	4.9%	17,829	2,135	2,330	2,392	0.8%	1.0%	\$ 730.50	\$ 717.26	\$ 690.73	5.5%	3.8%	
201401	106,129	1.1865	12,535,367	\$ 118.11	\$ 114.61	\$ 116.41	1.9%	3.3%		15,775,429	\$ 148.64	\$ 137.68	\$ 138.29	4.4%	4.4%	21,653	2,448	2,304	2,386	-1.8%	0.3%	\$ 728.57	\$ 717.15	\$ 695.42	6.3%	4.1%	
201402	107,523	1.1883	11,454,299	\$ 106.53	\$ 111.98	\$ 116.58	2.5%	3.6%		13,973,010	\$ 129.95	\$ 136.28	\$ 138.65	5.0%	5.0%	19,225	2,146	2,245	2,372	-4.1%	0.2%	\$ 726.83	\$ 728.59	\$ 701.48	9.5%	4.8%	
201403	107,376	1.1899	12,838,869	\$ 119.57	\$ 114.72	\$ 117.45	4.1%	5.1%		15,643,832	\$ 145.69	\$ 141.40	\$ 139.85	6.2%	6.6%	22,224	2,484	2,359	2,378	-2.3%	0.9%	\$ 703.91	\$ 719.36	\$ 705.86	8.7%	5.6%	
201404	105,941	1.1924	12,945,627	\$ 122.20	\$ 116.07	\$ 117.49	3.8%	4.4%		15,457,015	\$ 145.90	\$ 140.49	\$ 140.03	5.0%	5.9%	22,332	2,530	2,386	2,379	-1.1%	0.7%	\$ 692.14	\$ 706.70	\$ 706.22	6.2%	5.2%	
201405	104,243	1.1933	12,402,574	\$ 118.98	\$ 120.25	\$ 117.55	3.2%	4.8%		14,717,383	\$ 141.18	\$ 144.28	\$ 140.18	4.2%	6.3%	21,137	2,433	2,482	2,374	0.2%	0.5%	\$ 696.27	\$ 697.45	\$ 708.56	4.0%	5.8%	
201406	103,313	1.1931	12,124,383	\$ 117.36	\$ 119.53	\$ 117.92	1.6%	4.7%		14,352,976	\$ 138.93	\$ 142.03	\$ 140.66	2.3%	6.2%	20,334	2,362	2,442	2,381	0.5%	0.9%	\$ 705.86	\$ 697.88	\$ 708.83	1.7%	5.3%	
201407	102,551	1.1918	13,080,938	\$ 127.56	\$ 121.27	\$ 118.64	3.9%	4.4%		15,553,295	\$ 151.66	\$ 143.90	\$ 141.54	4.4%	5.8%	20,915	2,447	2,414	2,382	0.3%	0.3%	\$ 743.65	\$ 715.28	\$ 712.94	3.9%	5.5%	
201408	102,967	1.1917	12,421,029	\$ 120.63	\$ 121.83	\$ 118.76	4.2%	4.7%		14,618,611	\$ 141.97	\$ 144.17	\$ 141.68	4.4%	5.9%	19,773	2,304	2,371	2,371	-0.5%	-0.2%	\$ 739.31	\$ 729.65	\$ 716.98	4.9%	6.1%	
201409	102,018	1.1927	13,141,316	\$ 128.81	\$ 125.65	\$ 119.69	6.0%	4.2%		15,420,366	\$ 151.15	\$ 148.25	\$ 142.76	6.1%	5.3%	20,691	2,434	2,395	2,382	0.1%	-0.2%	\$ 745.27	\$ 742.80	\$ 719.15	5.9%	5.5%	
201410	100,594	1.1913	14,413,403	\$ 143.28	\$ 130.82	\$ 120.64	6.5%	4.2%		16,822,762	\$ 167.23	\$ 153.35	\$ 143.82	6.3%	5.2%	22,131	2,640	2,458	2,391	1.3%	-0.2%	\$ 760.16	\$ 748.65	\$ 721.96	5.0%	5.4%	
201411	100,346	1.1901	12,530,463	\$ 124.87	\$ 132.31	\$ 121.50	9.2%	4.9%		14,499,041	\$ 144.49	\$ 154.29	\$ 144.67	8.6%	5.6%	19,305	2,309	2,461	2,389	3.1%	-0.3%	\$ 751.05	\$ 752.37	\$ 726.55	5.4%	6.0%	
201412	98,983	1.1906	12,181,314	\$ 123.06	\$ 130.45	\$ 122.44	9.6%	5.3%		14,653,536	\$ 148.04	\$ 153.29	\$ 146.13	10.1%	6.1%	19,968	2,421	2,457	2,412	5.4%	0.8%	\$ 733.83	\$ 748.73	\$ 726.85	4.4%	5.2%	
201501	97,764	1.1930	11,244,474	\$ 115.02	\$ 121.03	\$ 122.22	5.6%	5.0%		14,438,166	\$ 147.68	\$ 146.72	\$ 146.03	6.6%	5.6%	18,988	2,331	2,353	2,403	2.1%	0.7%	\$ 760.39	\$ 748.19	\$ 729.28	4.3%	4.9%	
201502	96,900	1.1936	11,609,903	\$ 119.81	\$ 119.31	\$ 123.41	6.5%	5.9%		14,347,454	\$ 148.06	\$ 147.93	\$ 147.61	8.5%	6.5%	18,076	2,239	2,331	2,413	3.8%	1.7%	\$ 793.71	\$ 761.65	\$ 734.21	4.5%	4.7%	
201503	96,807	1.1949	12,388,263	\$ 127.97	\$ 120.91	\$ 124.12	5.4%	5.7%		15,207,906	\$ 157.10	\$ 150.94	\$ 148.54	6.7%	6.2%	19,596	2,429	2,333	2,408	-1.1%	1.3%	\$ 776.07	\$ 776.45	\$ 740.35	7.9%	4.9%	
201504	96,155	1.1962	12,691,231	\$ 131.99	\$ 126.58	\$ 124.92	9.1%	6.3%		15,289,341	\$ 159.01	\$ 154.71	\$ 149.60	10.1%	6.8%	19,299	2,408	2,359	2,397	-1.1%	0.7%	\$ 792.24	\$ 787.15	\$ 749.00	11.4%	6.1%	
201505	96,031	1.1965	11,869,078	\$ 123.60	\$ 127.85	\$ 125.33	6.3%	6.6%		14,090,238	\$ 146.73	\$ 154.29	\$ 150.11	6.9%	7.1%	17,980	2,247	2,362	2,382	-4.9%	0.3%	\$ 783.66	\$ 783.96	\$ 756.33	12.4%	6.7%	
201506	96,986	1.1966	11,574,289	\$ 119.34	\$ 124.96	\$ 125.53	4.5%	6.5%		13,946,317	\$ 143.80	\$ 149.83	\$ 150.57	5.5%	7.0%	18,853	2,333	2,329	2,379	-4.6%	-0.1%	\$ 739.74	\$ 771.86	\$ 759.36	10.6%	7.1%	
201507	96,248	1.1990	12,131,770	\$ 126.05	\$ 122.98	\$ 125.40	1.4%	5.7%		14,589,039	\$ 151.58	\$ 147.36	\$ 150.55	2.4%	6.4%	19,190	2,393	2,324	2,375	-3.7%	-0.3%	\$ 760.25	\$ 760.87	\$ 760.84	6.4%	6.7%	
201508	95,606	1.2022	11,708,511	\$ 122.47	\$ 122.61	\$ 125.58	0.6%	5.7%		13,925,113	\$ 145.65	\$ 147.00	\$ 150.91	2.0%	6.5%	17,892	2,246	2,324	2,370	-2.0%	0.0%	\$ 778.30	\$ 759.11	\$ 764.02	4.0%	6.6%	
201509	96,254	1.2032	12,876,352	\$ 133.77	\$ 127.44	\$ 125.97	1.4%	5.2%		15,199,856	\$ 157.91	\$ 151.73	\$ 151.46	2.3%	6.1%	18,649	2,325	2,321	2,361	-3.1%	-0.9%	\$ 815.04	\$ 784.38	\$ 769.85	5.6%	7.1%	
201510	97,578	1.2088	13,062,811	\$ 133.87	\$ 130.07	\$ 125.14	-0.6%	3.7%		15,728,403	\$ 161.19	\$ 154.97	\$ 150.91	1.1%	4.9%	20,276	2,494	2,356	2,348	-4.2%	-1.8%	\$ 775.71	\$ 789.43	\$ 771.31	5.4%	6.8%	
201511	98,688	1.2093	13,323,308	\$ 135.00	\$ 134.22	\$ 126.00	1.4%	3.7%		15,676,117	\$ 158.85	\$ 159.32	\$ 152.14	3.3%	5.2%	19,337	2,351	2,390	2,352	-2.9%	-1.6%	\$ 810.68	\$ 799.91	\$ 776.36	6.3%	6.9%	
201512	108,805	1.2097	14,249,455	\$ 130.96	\$ 133.20	\$ 126.71	2.1%	3.5%		17,625,940	\$ 162.00	\$ 160.72	\$ 153.40	4.8%	5.0%	21,170	2,335	2,391	2,344	-2.7%	-2.8%	\$ 832.57	\$ 806.64	\$ 785.26	7.7%	8.0%	
201601	110,721	1.2051	13,300,276	\$ 120.12	\$ 128.45	\$ 127.05	6.1%	4.0%		17,333,311	\$ 156.55	\$ 159.12	\$ 154.16	8.5%	5.6%	20,712	2,245	2,309	2,336	-1.9%	-2.8%	\$ 836.87	\$ 827.11	\$ 791.93	10.5%	8.6%	
201602	110,353	1.2060	14,018,668	\$ 127.03	\$ 126.01	\$ 127.64	5.6%	3.4%		17,796,110	\$ 161.27	\$ 159.92	\$ 155.31	8.1%	5.2%	22,051	2,398	2,326	2,350	-0.2%	-2.6%	\$ 807.04	\$ 825.16	\$ 793.21	8.3%	8.0%	
201603	111,000	1.2057	15,892,700	\$ 143.18	\$ 130.13	\$ 129.03	7.6%	4.0%		19,984,289	\$ 180.04	\$ 165.97	\$ 157.43	10.0%	6.0%	25,116	2,715	2,453	2,377	5.2%	-1.3%	\$ 795.67	\$ 811.93	\$ 794.86	4.6%	7.4%	
201604	111,459	1.2078	15,309,614	\$ 137.36	\$ 135.88	\$ 129.55	7.3%	3.7%		19,099,959	\$ 171.36	\$ 170.91	\$ 158.57	10.5%	6.0%	23,314	2,510	2,541	2,386	7.7%	-0.4%	\$ 819.25	\$ 807.03	\$ 797.39	2.5%	6.5%	
201605	112,808	1.2084	16,187,850	\$ 143.50	\$ 141.35	\$ 131.28	10.6%	4.7%		20,699,269	\$ 183.49	\$ 178.32	\$ 161.74	15.6%	7.7%	26,520	2,821	2,683	2,436	13.6%	2.3%	\$ 780.51	\$ 797.64	\$ 796.60	1.7%	5.3%	
6-month average							6.6%	3.9%																			
12-month average							4.0%	4.5%																			
6-month average (excl last 3 months)							2.7%	3.9%																			
12-month average (excl last 1 or 3 months)							3.6%	4.6%																			
6-month average (excl last 3 months, drop high and low)							2.6%	3.7%																			
12-month average (excl last 1 or 3 months, drop high and low)							3.5%	4.6%																			

Professional																														
Incurred Claims										Allowed Amount						Utilization						Allowed Cost/Service								
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Stays	Stays/1,000	3-Month Avg Stays/1,000	12-Month Avg Stays/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Svc	3-Month Avg Allowed Cost/Svc	12-Month Avg Allowed Cost/Svc	3 Month Trend	12 Month Trend				
201306	100,159	1.1876	8,318,123	\$ 83.05	\$ 88.51	\$ 87.05	4.2%	0.6%		10,855,968	\$ 108.39	\$ 115.37	\$ 112.36	4.1%	-1.1%	70,050	8,393	9,096	9,041	-0.8%	-3.5%	\$ 154.97	\$ 152.20	\$ 149.14	5.0%	2.5%				
201307	98,815	1.1882	9,037,273	\$ 91.46	\$ 88.67	\$ 87.72	5.2%	1.2%		11,650,639	\$ 117.90	\$ 115.08	\$ 113.25	5.4%	-0.2%	75,495	9,168	8,976	9,080	-0.3%	-3.0%	\$ 154.32	\$ 153.85	\$ 149.67	5.7%	2.8%				
201308	98,236	1.1872	8,929,145	\$ 90.89	\$ 88.44	\$ 87.71	4.2%	1.2%		11,511,062	\$ 117.18	\$ 114.46	\$ 113.37	4.9%	0.2%	75,144	9,179	8,910	9,065	0.0%	-2.8%	\$ 153.19	\$ 154.14	\$ 150.08	4.9%	3.1%				
201309	97,941	1.1866	8,766,688	\$ 89.51	\$ 90.62	\$ 88.42	6.6%	2.6%		11,196,913	\$ 114.32	\$ 116.47	\$ 114.34	7.4%	1.9%	71,581	8,770	9,040	9,102	2.7%	-1.6%	\$ 156.42	\$ 154.62	\$ 150.75	4.6%	3.5%				
201310	97,188	1.1890	9,588,573	\$ 98.66	\$ 93.00	\$ 88.95	5.9%	2.8%		12,331,811	\$ 126.89	\$ 119.44	\$ 115.18	7.1%	2.5%	81,455	10,057	9,334	9,153	3.3%	-0.8%	\$ 151.39	\$ 153.56	\$ 151.00	3.6%	3.4%				
201311	97,950	1.1890	8,507,814	\$ 86.86	\$ 91.66	\$ 88.85	5.4%	2.7%		10,865,218	\$ 110.93	\$ 117.35	\$ 115.18	6.5%	2.5%	70,583	8,647	9,156	9,132	3.0%	-0.5%	\$ 153.94	\$ 153.81	\$ 151.35	3.5%	3.3%				
201312	100,204	1.1885	8,011,788	\$ 79.95	\$ 88.40	\$ 88.53	0.5%	2.8%		10,338,687	\$ 103.18	\$ 113.55	\$ 115.13	2.6%	3.3%	67,605	8,096	8,924	9,114	0.3%	0.0%	\$ 152.93	\$ 152.68	\$ 151.59	2.3%	3.4%				
201401	106,129	1.1865	9,469,368	\$ 89.23	\$ 85.41	\$ 88.17	-3.6%	1.5%		13,167,715	\$ 124.07	\$ 112.96	\$ 115.11	-0.3%	2.6%	83,628	9,456	8,748	9,056	-4.2%	-1.2%	\$ 157.46	\$ 154.96	\$ 152.52	4.1%	3.9%				
201402	107,523	1.1883	8,232,312	\$ 76.56	\$ 81.93	\$ 87.80	-4.8%	1.5%		11,167,696	\$ 103.86	\$ 110.48	\$ 114.79	-1.4%	2.8%	71,946	8,030	8,533	8,984	-6.3%	-1.4%	\$ 155.22	\$ 155.36	\$ 153.32	5.2%	4.3%				
201403	107,376	1.1899	9,454,279	\$ 88.05	\$ 84.59	\$ 87.96	-2.5%	2.0%		12,705,881	\$ 118.33	\$ 115.38	\$ 115.20	0.2%	3.5%	83,000	9,276	8,918	8,994	-4.9%	-0.7%	\$ 153.08	\$ 155.26	\$ 153.71	5.4%	4.3%				
201404	105,941	1.1924	9,639,717	\$ 90.99	\$ 85.17	\$ 87.98	-0.8%	1.5%		12,729,388	\$ 120.16	\$ 114.08	\$ 115.34	0.8%	3.1%	82,870	9,387	8,895	8,984	-3.0%	-1.1%	\$ 153.61	\$ 153.91	\$ 154.06	4.0%	4.3%				
201405	104,243	1.1933	9,625,941	\$ 92.34	\$ 90.44	\$ 88.06	1.1%	1.4%		12,444,631	\$ 119.38	\$ 119.28	\$ 115.38	1.9%	3.0%	78,657	9,055	9,240	8,958	-1.2%	-1.2%	\$ 158.21	\$ 154.91	\$ 154.57	3.1%	4.2%				
201406	103,313	1.1931	8,917,784	\$ 86.32	\$ 89.90	\$ 88.32	1.6%	1.5%		11,637,006	\$ 112.64	\$ 117.42	\$ 115.72	1.8%	3.0%	75,650	8,787	9,079	8,990	-0.2%	-0.6%	\$ 153.83	\$ 155.21	\$ 154.47	2.0%	3.6%				
201407	102,551	1.1918	9,442,697	\$ 92.08	\$ 90.25	\$ 88.38	1.8%	0.8%		12,202,959	\$ 118.99	\$ 117.01	\$ 115.82	1.7%	2.3%	77,423	9,060	8,967	8,981	-0.1%	-1.1%	\$ 157.61	\$ 156.58	\$ 154.75	1.8%	3.4%				
201408	102,967	1.1917	9,134,374	\$ 88.71	\$ 89.03	\$ 88.21	0.7%	0.6%		11,632,809	\$ 112.98	\$ 114.86	\$ 115.48	0.4%	1.9%	72,961	8,503	8,783	8,926	-1.4%	-1.5%	\$ 159.44	\$ 156.94	\$ 155.25	1.8%	3.4%				
201409	102,018	1.1927	9,432,443	\$ 92.46	\$ 91.08	\$ 88.46	0.5%	0.0%		12,108,579	\$ 118.69	\$ 116.88	\$ 115.83	0.3%	1.3%	77,486	9,114	8,891	8,954	-1.6%	-1.6%	\$ 156.27	\$ 157.74	\$ 155.25	2.0%	3.0%				
201410	100,594	1.1913	10,687,823	\$ 106.25	\$ 95.74	\$ 89.10	2.9%	0.2%		13,514,000	\$ 134.34	\$ 121.92	\$ 116.47	2.1%	1.1%	85,492	10,198	9,265	8,968	-0.7%	-2.0%	\$ 158.07	\$ 157.90	\$ 155.84	2.8%	3.2%				
201411	100,346	1.1901	9,110,485	\$ 90.79	\$ 96.48	\$ 89.41	5.3%	0.6%		11,431,087	\$ 113.92	\$ 122.31	\$ 116.70	4.2%	1.3%	71,780	8,584	9,299	8,962	1.6%	-1.9%	\$ 159.25	\$ 157.84	\$ 156.25	2.6%	3.2%				
201412	98,983	1.1906	8,926,122	\$ 90.18	\$ 95.77	\$ 90.24	8.3%	1.9%		11,722,857	\$ 118.43	\$ 122.26	\$ 117.93	7.7%	2.4%	74,747	9,062	9,283	9,040	4.0%	-0.8%	\$ 156.83	\$ 158.04	\$ 156.54	3.5%	3.3%				
201501	97,764	1.1930	7,860,952	\$ 80.41	\$ 87.17	\$ 89.55	2.1%	1.6%		11,353,208	\$ 116.13	\$ 116.15	\$ 117.26	2.8%	1.9%	73,092	8,972	8,871	8,999	1.4%	-0.6%	\$ 155.33	\$ 157.12	\$ 156.36	1.4%	2.5%				
201502	96,900	1.1936	7,843,035	\$ 80.94	\$ 83.88	\$ 90.00	2.4%	2.5%		10,860,441	\$ 112.08	\$ 115.57	\$ 118.02	4.6%	2.8%	69,140	8,562	8,867	9,050	3.9%	0.7%	\$ 157.08	\$ 156.40	\$ 156.50	0.7%	2.1%				
201503	96,807	1.1949	8,908,735	\$ 92.03	\$ 84.44	\$ 90.34	-0.2%	2.7%		12,048,224	\$ 124.46	\$ 117.55	\$ 118.51	1.9%	2.9%	74,252	9,204	8,913	9,042	-0.1%	0.5%	\$ 162.26	\$ 158.26	\$ 157.28	1.9%	2.3%				
201504	96,155	1.1962	8,941,188	\$ 92.99	\$ 88.64	\$ 90.49	4.1%	2.9%		11,926,078	\$ 124.03	\$ 120.18	\$ 118.81	5.3%	3.0%	74,221	9,263	9,009	9,029	1.3%	0.5%	\$ 160.68	\$ 160.08	\$ 157.90	4.0%	2.5%				
201505	96,031	1.1965	8,359,578	\$ 87.05	\$ 90.69	\$ 90.06	0.3%	2.3%		11,039,988	\$ 114.96	\$ 121.16	\$ 118.45	1.6%	2.7%	66,884	8,358	8,942	8,973	-3.2%	0.2%	\$ 165.06	\$ 162.59	\$ 158.41	5.0%	2.5%				
201506	96,986	1.1966	8,742,388	\$ 90.14	\$ 90.06	\$ 90.39	0.2%	2.3%		11,540,102	\$ 118.99	\$ 119.33	\$ 119.00	1.6%	2.8%	71,368	8,830	8,817	8,977	-2.9%	-0.1%	\$ 161.70	\$ 162.40	\$ 159.06	4.6%	3.0%				
201507	96,248	1.1990	8,840,983	\$ 91.86	\$ 89.69	\$ 90.36	-0.6%	2.2%		11,548,125	\$ 119.98	\$ 117.98	\$ 119.08	0.8%	2.8%	70,113	8,742	8,644	8,951	-3.6%	-0.3%	\$ 164.71	\$ 163.79	\$ 159.64	4.6%	3.2%				
201508	95,606	1.2022	8,586,267	\$ 89.81	\$ 90.60	\$ 90.46	1.8%	2.6%		11,142,939	\$ 116.55	\$ 118.51	\$ 119.41	3.2%	3.4%	67,348	8,453	8,676	8,950	-1.2%	0.3%	\$ 165.45	\$ 163.92	\$ 160.10	4.4%	3.1%				
201509	96,254	1.2032	8,956,499	\$ 93.05	\$ 91.58	\$ 90.50	0.5%	2.3%		11,607,696	\$ 120.59	\$ 119.05	\$ 119.57	1.9%	3.2%	70,283	8,762	8,653	8,920	-2.7%	-0.4%	\$ 165.16	\$ 165.10	\$ 160.85	4.7%	3.6%				
201510	97,578	1.2088	9,633,368	\$ 98.72	\$ 93.89	\$ 89.83	-1.9%	0.8%		12,580,296	\$ 128.93	\$ 122.07	\$ 119.08	0.1%	2.2%	77,232	9,498	8,908	8,858	-3.9%	-1.2%	\$ 162.89	\$ 164.43	\$ 161.31	4.1%	3.5%				
201511	98,688	1.2093	9,275,563	\$ 93.99	\$ 95.26	\$ 90.10	-1.3%	0.8%		11,959,900	\$ 121.19	\$ 123.57	\$ 119.70	1.0%	2.6%	71,648	8,712	8,991	8,869	-3.3%	-1.0%	\$ 166.93	\$ 164.94	\$ 161.95	4.5%	3.6%				
201512	108,805	1.2097	9,851,598	\$ 90.54	\$ 94.27	\$ 90.13	-1.6%	-0.1%		13,473,007	\$ 123.83	\$ 124.60	\$ 120.19	1.9%	1.9%	79,177	8,732	8,971	8,840	-3.4%	-2.2%	\$ 170.16	\$ 166.68	\$ 163.14	5.5%	4.2%				
201601	110,721	1.2051	8,973,370	\$ 81.04	\$ 88.31	\$ 90.09	1.3%	0.6%		13,266,894	\$ 119.82	\$ 121.62	\$ 120.49	4.7%	2.8%	79,411	8,607	8,682	8,808	-2.1%	-2.1%	\$ 167.07	\$ 168.09	\$ 164.16	7.0%	5.0%				
201602	110,353	1.2060	9,725,238	\$ 88.13	\$ 86.55	\$ 90.64	3.2%	0.7%		13,848,660	\$ 125.49	\$ 123.04	\$ 121.63	6.5%	3.1%	82,636	8,986	8,775	8,844	-1.0%	-2.3%	\$ 167.59	\$ 168.26	\$ 165.03	7.6%	5.4%				
201603	111,000	1.2057	10,785,478	\$ 97.17	\$ 88.79	\$ 91.13	5.1%	0.9%		15,047,076	\$ 135.56	\$ 126.97	\$ 122.68	8.0%	3.5%	92,080	9,955	9,183	8,917	3.0%	-1.4%	\$ 163.41	\$ 165.91	\$ 165.09	4.8%	5.0%				
201604	111,459	1.2078	10,242,518	\$ 91.89	\$ 92.40	\$ 91.05	4.2%	0.6%		14,085,498	\$ 126.37	\$ 129.15	\$ 122.91	7.5%	3.4%	85,621	9,218	9,387	8,917	4.2%	-1.2%	\$ 164.51	\$ 165.10	\$ 165.40	3.1%	4.7%				
201605	112,808	1.2084	10,661,403	\$ 94.51	\$ 94.52	\$ 91.68	4.2%	1.8%		15,198,364	\$ 134.73	\$ 132.23	\$ 124.59	9.1%	5.2%	101,821	10,831	10,005	9,133	11.9%	1.8%	\$ 149.27	\$ 158.60	\$ 163.69	-2.5%	3.3%				
6-month average							2.8%	0.7%							6.3%	3.3%						2.1%	-1.2%						4.3%	4.6%
12-month average							1.3%	1.3%							3.9%	3.1%						-0.4%	-0.9%						4.4%	4.0%
6-month average (excl last 3 months)							0.0%	0.8%							2.7%	2.6%						-2.7%	-1.5%						5.6%	4.2%
12-month average (excl last 1 or 3 months)							0.5%	1.3%							2.5%	2.9%						-2.2%	-1.0%						4.8%	3.9%
6-month average (excl last 3 months, drop high and low)							-0.2%	0.7%							2.4%	2.7%						-2.9%	-1.6%						5.4%	4.1%
12-month average (excl last 1 or 3 months, drop high and low)							0.4%	1.4%							2.4%	-1.0%						-2.4%	-1.0%						4.8%	3.9

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2017
Q&A Exhibit 2b

Product
Market Segment

DRUG
COMM

Total

Incurred Claims												Allowed Amount						Utilization										Allowed Cost/Rx (Excl. Disp. Fee)						Avg Dispensing Fee						Avg Copay						Avg Discount					
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Rx Count	Util/1,000	3-Month Avg Util/1,000	12-Month Avg Util/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Rx	3-Month Avg Cost/Svc	12-Month Avg Cost/Svc	3 Month Trend	12 Month Trend	Monthly Fee/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Copay/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Discount/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend											
201306	96,418	1.2497	5,491,388	\$ 56.95	\$ 60.37	\$ 58.48	4.9%	2.7%	6,925,895	\$ 71.83	\$ 75.70	\$ 73.19	5.0%	1.4%	87,061	10,835	11,359	11,270	2.3%	-29.0%	\$ 78.63	\$ 79.05	\$ 77.55	1.4%	43.9%	\$ 0.92	\$ 0.93	\$ 0.37	0.0%	-49.0%	\$ 15.38	\$ 14.98	\$ 14.31	2.9%	37.0%	\$ 78.48	\$ 77.55	\$ 71.87	72.1%	-39.2%											
201307	94,640	1.2524	5,630,292	\$ 59.49	\$ 59.56	\$ 58.80	4.5%	2.9%	7,142,773	\$ 75.47	\$ 75.09	\$ 73.64	5.0%	1.8%	90,132	11,428	11,306	11,309	2.2%	-24.5%	\$ 78.55	\$ 78.85	\$ 77.71	1.7%	35.7%	\$ 0.69	\$ 0.85	\$ 0.43	0.0%	-37.5%	\$ 15.55	\$ 15.28	\$ 14.40	5.5%	30.3%	\$ 79.58	\$ 78.05	\$ 72.72	15.6%	-37.5%											
201308	93,781	1.2514	5,446,284	\$ 58.07	\$ 58.17	\$ 58.75	2.4%	2.6%	6,928,493	\$ 73.88	\$ 73.72	\$ 73.69	3.7%	1.9%	87,864	11,243	11,167	11,305	1.3%	-19.7%	\$ 78.15	\$ 78.45	\$ 77.74	1.4%	27.3%	\$ 0.70	\$ 0.77	\$ 0.49	0.0%	-23.2%	\$ 15.75	\$ 15.56	\$ 14.51	8.3%	24.2%	\$ 80.06	\$ 79.38	\$ 73.61	16.2%	-35.5%											
201309	93,020	1.2510	5,170,917	\$ 55.59	\$ 57.73	\$ 59.00	3.4%	3.3%	6,623,524	\$ 71.21	\$ 73.53	\$ 74.13	5.2%	2.9%	84,141	10,855	11,177	11,340	2.4%	-14.0%	\$ 78.02	\$ 78.25	\$ 77.91	1.9%	19.9%	\$ 0.70	\$ 0.70	\$ 0.54	0.0%	-6.9%	\$ 16.12	\$ 15.80	\$ 14.66	10.9%	18.6%	\$ 79.72	\$ 79.79	\$ 74.47	16.0%	-33.5%											
201310	92,418	1.2543	5,384,117	\$ 58.26	\$ 57.31	\$ 59.09	1.6%	3.2%	6,972,027	\$ 75.44	\$ 73.51	\$ 74.46	4.3%	3.3%	88,868	11,539	11,212	11,352	1.4%	-7.2%	\$ 77.75	\$ 77.97	\$ 78.10	2.0%	11.3%	\$ 0.70	\$ 0.70	\$ 0.60	0.0%	16.3%	\$ 16.65	\$ 16.18	\$ 14.88	14.6%	12.2%	\$ 79.90	\$ 79.90	\$ 75.26	15.2%	-31.1%											
201311	92,764	1.2544	4,981,469	\$ 53.70	\$ 55.85	\$ 58.71	-0.9%	2.2%	6,464,239	\$ 69.68	\$ 72.11	\$ 74.25	2.7%	2.9%	84,133	10,883	11,092	11,334	0.7%	0.9%	\$ 76.13	\$ 77.31	\$ 77.95	1.0%	1.8%	\$ 0.70	\$ 0.70	\$ 0.66	0.0%	48.4%	\$ 16.55	\$ 16.44	\$ 15.10	17.6%	5.5%	\$ 81.26	\$ 80.29	\$ 76.22	15.4%	-28.3%											
201312	94,443	1.2549	5,524,918	\$ 58.50	\$ 56.83	\$ 58.70	-2.3%	2.0%	7,019,948	\$ 74.33	\$ 73.16	\$ 74.38	1.1%	3.1%	88,954	11,303	11,242	11,316	-0.9%	0.8%	\$ 78.20	\$ 77.38	\$ 78.15	1.1%	1.7%	\$ 0.71	\$ 0.71	\$ 0.73	0.0%	118.5%	\$ 15.81	\$ 16.33	\$ 15.27	17.6%	7.3%	\$ 84.41	\$ 81.87	\$ 77.52	17.3%	-17.9%											
201401	96,337	1.2491	5,854,095	\$ 60.77	\$ 57.70	\$ 58.52	-3.7%	0.8%	7,411,967	\$ 76.94	\$ 73.70	\$ 74.17	-1.5%	2.0%	94,282	11,744	11,315	11,280	-2.3%	0.1%	\$ 77.90	\$ 77.44	\$ 78.10	-0.1%	1.2%	\$ 0.71	\$ 0.71	\$ 0.80	0.0%	269.0%	\$ 15.15	\$ 15.81	\$ 15.39	13.9%	8.0%	\$ 84.68	\$ 83.52	\$ 78.90	20.1%	-3.7%											
201402	97,384	1.2505	5,513,540	\$ 56.62	\$ 58.62	\$ 59.49	-1.4%	0.8%	6,875,851	\$ 70.61	\$ 73.94	\$ 74.09	-0.8%	2.1%	85,129	10,490	11,176	11,257	-2.8%	0.3%	\$ 80.06	\$ 78.69	\$ 78.20	1.3%	1.0%	\$ 0.71	\$ 0.71	\$ 0.78	153.3%	329.2%	\$ 15.19	\$ 15.38	\$ 15.47	9.8%	8.6%	\$ 84.99	\$ 84.69	\$ 80.05	21.0%	13.9%											
201403	96,469	1.2536	6,322,213	\$ 65.54	\$ 60.96	\$ 59.01	2.1%	2.1%	7,813,436	\$ 80.99	\$ 76.16	\$ 74.66	1.6%	3.2%	93,711	11,657	11,294	11,269	-1.5%	0.5%	\$ 82.66	\$ 80.21	\$ 78.74	3.0%	1.9%	\$ 0.72	\$ 0.71	\$ 0.76	21.0%	411.2%	\$ 15.46	\$ 15.27	\$ 15.58	8.0%	9.7%	\$ 85.84	\$ 85.18	\$ 81.08	19.0%	26.5%											
201404	94,693	1.2578	6,112,863	\$ 64.55	\$ 62.20	\$ 59.22	4.7%	1.8%	7,561,787	\$ 79.86	\$ 77.11	\$ 74.87	3.7%	2.9%	89,540	11,347	11,161	11,249	-1.1%	0.0%	\$ 83.73	\$ 82.19	\$ 79.12	5.2%	2.2%	\$ 0.72	\$ 0.72	\$ 0.75	-22.2%	230.4%	\$ 15.81	\$ 15.49	\$ 15.68	7.7%	10.4%	\$ 87.06	\$ 85.98	\$ 81.86	15.4%	16.6%											
201405	92,502	1.2582	6,217,576	\$ 67.22	\$ 65.76	\$ 59.61	7.6%	2.1%	7,594,303	\$ 82.10	\$ 80.97	\$ 75.19	5.9%	2.9%	86,629	11,238	11,417	11,213	-1.4%	-0.5%	\$ 86.95	\$ 84.39	\$ 79.74	7.8%	2.9%	\$ 0.72	\$ 0.72	\$ 0.73	-22.5%	140.7%	\$ 15.82	\$ 15.69	\$ 15.76	7.5%	10.7%	\$ 89.69	\$ 87.48	\$ 83.01	14.9%	16.9%											
201406	90,873	1.2590	5,998,718	\$ 66.01	\$ 65.92	\$ 60.35	9.2%	3.2%	7,284,293	\$ 80.16	\$ 80.70	\$ 75.88	6.6%	3.7%	82,579	10,905	11,166	11,220	-1.7%	-0.4%	\$ 87.50	\$ 86.01	\$ 80.44	8.8%	3.7%	\$ 0.71	\$ 0.72	\$ 0.71	-22.6%	90.6%	\$ 15.79	\$ 15.81	\$ 15.80	5.6%	10.4%	\$ 90.86	\$ 89.15	\$ 83.99	15.0%	16.9%											
201407	88,771	1.2583	6,283,829	\$ 70.79	\$ 67.98	\$ 61.25	14.1%	4.2%	7,632,422	\$ 85.98	\$ 82.72	\$ 76.71	10.2%	4.2%	84,066	11,364	11,168	11,214	-1.2%	-0.8%	\$ 90.09	\$ 88.17	\$ 81.38	11.8%	4.7%	\$ 0.70	\$ 0.71	\$ 0.71	-16.2%	65.9%	\$ 15.48	\$ 15.70	\$ 15.79	2.7%	9.7%	\$ 92.71	\$ 91.07	\$ 85.07	16.7%	17.0%											
201408	88,820	1.2579	5,863,401	\$ 66.01	\$ 67.59	\$ 61.89	16.2%	5.4%	7,177,997	\$ 80.82	\$ 82.30	\$ 77.28	11.6%	4.9%	81,918	11,068	11,110	11,200	-0.5%	-0.9%	\$ 86.93	\$ 88.19	\$ 82.08	12.4%	5.6%	\$ 0.69	\$ 0.70	\$ 0.71	-9.0%	45.9%	\$ 15.59	\$ 15.62	\$ 15.78	0.4%	8.7%	\$ 93.30	\$ 92.29	\$ 86.14	16.3%	17.0%											
201409	87,063	1.2602	6,007,056	\$ 69.00	\$ 68.60	\$ 62.98	18.8%	6.7%	7,306,943	\$ 83.93	\$ 83.57	\$ 78.30	13.7%	5.6%	81,353	11,213	11,215	11,230	0.3%	-1.0%	\$ 89.12	\$ 88.73	\$ 82.96	13.4%	6.5%	\$ 0.70	\$ 0.70	\$ 0.71	-0.4%	30.9%	\$ 15.50	\$ 15.53	\$ 15.73	-1.8%	7.3%	\$ 93.90	\$ 93.30	\$ 87.26	16.9%	17.2%											
201410	84,393	1.2561	6,111,122	\$ 72.41	\$ 69.09	\$ 64.09	20.8%	8.5%	7,420,402	\$ 87.93	\$ 84.16	\$ 79.28	14.5%	6.5%	81,415	11,577	11,281	11,231	0.8%	-1.1%	\$ 90.45	\$ 88.83	\$ 84.00	13.9%	7.5%	\$ 0.70	\$ 0.69	\$ 0.71	-1.1%	17.4%	\$ 15.59	\$ 15.56	\$ 15.64	-3.8%	5.1%	\$ 94.34	\$ 93.85	\$ 88.45	17.5%	17.5%											
201411	83,933	1.2553	5,845,708	\$ 69.65	\$ 70.34	\$ 65.40	26.0%	11.4%	7,050,327	\$ 84.00	\$ 85.27	\$ 80.45	18.3%	8.4%	75,566	10,804	11,199	11,227	1.0%	-0.9%	\$ 92.61	\$ 90.68	\$ 85.28	17.3%	9.4%	\$ 0.69	\$ 0.69	\$ 0.71	-1.2%	6.5%	\$ 15.37	\$ 15.49	\$ 15.55	-5.8%	3.0%	\$ 93.54	\$ 93.94	\$ 89.42	17.0%	17.3%											
201412	80,143	1.2529	6,487,022	\$ 80.94	\$ 74.23	\$ 67.15	30.6%	14.4%	7,830,957	\$ 97.71	\$ 89.76	\$ 82.27	22.7%	10.6%	80,479	12,050	11,468	11,282	2.0%	-0.3%	\$ 96.61	\$ 93.22	\$ 86.80	20.5%	11.1%	\$ 0.69	\$ 0.69	\$ 0.71	-1.8%	-3.3%	\$ 15.57	\$ 15.51	\$ 15.53	-5.0%	1.6%	\$ 95.94	\$ 94.63	\$ 90.37	15.6%	16.6%											
201501	79,355	1.2589	6,050,597	\$ 76.25	\$ 75.52	\$ 68.41	30.9%	16.9%	7,376,256	\$ 92.95	\$ 91.43	\$ 83.54	24.1%	12.6%	77,765	11,760	11,526	11,276	1.9%	0.0%	\$ 94.17	\$ 94.50	\$ 88.21	22.0%	12.9%	\$ 0.68	\$ 0.69	\$ 0.70	-2.9%	-11.9%	\$ 15.34	\$ 15.43	\$ 15.55	-2.4%	1.0%	\$ 95.00	\$ 94.85	\$ 91.27	13.6%	15.7%											
201502	78,577	1.2600	5,445,697	\$ 69.30	\$ 75.54	\$ 69.57	28.9%	19.0%	6,629,842	\$ 84.37	\$ 91.72	\$ 84.81	24.0%	14.5%	70,686	10,795	11,539	11,313	3.3%	0.5%	\$ 93.11	\$ 94.70	\$ 89.26	20.4%	14.1%	\$ 0.69	\$ 0.69	\$ 0.70	-3.4%	-10.3%	\$ 15.30	\$ 15.41	\$ 15.56	0.2%	0.6%	\$ 94.70	\$ 95.24	\$ 92.06	12.5%	15.0%											
201503	78,661	1.2611	6,324,713	\$ 80.40	\$ 75.32	\$ 70.78	23.8%	20.0%	7,579,705	\$ 96.36	\$ 91.24	\$ 86.05	19.8%	15.3%	77,703	11,854	11,471	11,322	1.6%	0.5%	\$ 96.87	\$ 94.76	\$ 90.51	18.1%	14.9%	\$ 0.68	\$ 0.68	\$ 0.70	-4.3%	-8.6%	\$ 15.24	\$ 15.29	\$ 15.54	0.2%	-0.2%	\$ 97.51	\$ 95.77	\$ 93.09	12.4%	14.8%											
201504	78,184	1.2617	6,888,084	\$ 88.10	\$ 79.26	\$ 72.70	27.4%	22.8%	8,120,412	\$ 103.86	\$ 94.85	\$ 88.01	23.0%	17.6%	75,136	11,532	11,394	11,336	2.1%	0.8%	\$ 107.39	\$ 99.21	\$ 92.47	20.7%	16.9%	\$ 0.69	\$ 0.68	\$ 0.70	-4.3%	-6.6%	\$ 15.38	\$ 15.31	\$ 15.51	-1.2%	-1.1%	\$ 99.48	\$ 97.29	\$ 94.16	13.2%	15.0%											
201505	78,225	1.2616	6,228,186	\$ 79.62	\$ 82.70	\$ 73.76	25.8%	23.7%	7,409,923	\$ 94.73	\$ 98.31	\$ 89.09	21.4%	18.5%	73,398	11,260	11,549	11,339	1.2%	1.1%	\$ 100.28	\$ 101.47	\$ 93.59	20.2%	17.4%	\$ 0.68	\$ 0.68	\$ 0.69	-5.1%	-4.7%	\$ 15.33	\$ 15.32	\$ 15.46	-2.4%	-1.9%	\$ 100.00	\$ 98.97	\$ 95.03	13.1%	14.5%											
201506	78,937	1.2632	6,396,050																																																

RetailGeneric

Incurred Claims										Allowed Amount						Utilization										Allowed Cost/Rx (Excl. Disp. Fee)						Avg Dispensing Fee						Avg Copay						Avg Discount					
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Rx Count	Util1/1,000	3-Month Avg Util/1,000	12-Month Avg Util/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Rx	3-Month Avg Cost/Svc	12-Month Avg Cost/Svc	3 Month Trend	12 Month Trend	Monthly Fee/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Copay/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Discount/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend									
201306	96,418	1,2497	932,557	\$ 9.67	\$ 10.23	\$ 10.54	8.9%	26.6%	1,467,038	\$ 15.22	\$ 16.00	\$ 16.22	9.2%	20.3%	66,453	8,271	8,687	8,542	6.8%	4.8%	21.11	\$ 22.11	\$ 22.78	2.5%	14.8%	\$ 0.97	\$ 0.97	\$ 0.71	1.4%	-26.5%	\$ 7.83	\$ 7.70	\$ 7.52	5.6%	8.2%	\$ 63.83	\$ 64.13	\$ 59.51	14.1%	10.9%									
201307	94,640	1,2524	931,716	\$ 9.84	\$ 10.01	\$ 10.61	7.4%	24.5%	1,481,328	\$ 15.65	\$ 15.77	\$ 16.34	8.2%	19.0%	68,833	8,728	8,648	8,595	6.3%	5.0%	20.80	\$ 21.89	\$ 22.81	1.8%	13.3%	\$ 0.72	\$ 0.89	\$ 0.69	-7.3%	-28.4%	\$ 7.82	\$ 7.78	\$ 7.55	6.1%	7.8%	\$ 65.17	\$ 63.89	\$ 60.11	12.1%	10.4%									
201308	93,781	1,2514	926,316	\$ 9.88	\$ 9.80	\$ 10.59	3.3%	20.7%	1,470,746	\$ 15.68	\$ 15.51	\$ 16.35	5.2%	16.5%	67,289	8,610	8,534	8,611	4.6%	4.7%	21.13	\$ 21.81	\$ 22.78	0.6%	11.3%	\$ 0.73	\$ 0.81	\$ 0.67	-15.8%	-30.3%	\$ 7.95	\$ 7.86	\$ 7.60	6.9%	7.7%	\$ 65.16	\$ 64.73	\$ 60.69	12.6%	10.0%									
201309	93,020	1,2510	845,625	\$ 9.09	\$ 9.61	\$ 10.50	-2.5%	16.6%	1,385,944	\$ 14.90	\$ 15.41	\$ 16.31	1.8%	14.1%	64,699	8,346	8,563	8,652	5.2%	5.2%	20.69	\$ 21.60	\$ 22.62	-3.2%	8.4%	\$ 0.73	\$ 0.73	\$ 0.65	-23.8%	-32.1%	\$ 8.23	\$ 7.99	\$ 7.65	7.7%	7.3%	\$ 64.71	\$ 65.02	\$ 61.23	12.6%	9.7%									
201310	92,418	1,2543	892,302	\$ 9.66	\$ 9.54	\$ 10.37	-9.6%	11.3%	1,482,060	\$ 16.04	\$ 15.54	\$ 16.24	-2.8%	10.7%	68,659	8,915	8,623	8,678	3.8%	4.9%	20.85	\$ 21.62	\$ 22.46	-6.3%	5.5%	\$ 0.73	\$ 0.73	\$ 0.63	-23.3%	-34.1%	\$ 8.52	\$ 8.23	\$ 7.74	10.5%	7.7%	\$ 64.85	\$ 64.91	\$ 61.84	12.5%	10.2%									
201311	92,764	1,2544	891,571	\$ 9.61	\$ 9.45	\$ 10.26	-12.5%	7.5%	1,442,871	\$ 15.55	\$ 15.50	\$ 16.17	-4.7%	8.3%	65,398	8,460	8,573	8,681	3.1%	4.6%	21.33	\$ 21.69	\$ 22.35	-7.5%	3.5%	\$ 0.73	\$ 0.73	\$ 0.70	16.3%	-20.2%	\$ 8.37	\$ 8.37	\$ 7.81	12.0%	8.2%	\$ 65.40	\$ 64.98	\$ 62.47	12.6%	10.8%									
201312	94,443	1,2549	1,025,562	\$ 10.86	\$ 10.05	\$ 10.20	-10.5%	4.3%	1,565,408	\$ 16.58	\$ 16.06	\$ 16.10	-4.7%	6.0%	69,385	8,816	8,731	8,686	1.6%	4.4%	21.83	\$ 22.07	\$ 22.25	-6.2%	1.6%	\$ 0.73	\$ 0.73	\$ 0.76	130.3%	-2.8%	\$ 7.74	\$ 8.20	\$ 7.83	9.8%	8.0%	\$ 66.93	\$ 65.73	\$ 63.29	14.0%	11.8%									
201401	96,337	1,2491	1,069,311	\$ 11.10	\$ 10.53	\$ 10.14	-7.3%	0.7%	1,621,788	\$ 16.83	\$ 16.33	\$ 15.97	-5.7%	2.6%	74,010	9,219	8,836	8,684	0.4%	3.6%	21.18	\$ 22.18	\$ 22.07	-6.1%	-0.9%	\$ 0.74	\$ 0.74	\$ 0.83	0.0%	19.2%	\$ 7.29	\$ 7.78	\$ 7.83	4.4%	6.7%	\$ 66.63	\$ 66.34	\$ 64.18	15.5%	13.0%									
201402	97,384	1,2505	997,225	\$ 10.24	\$ 10.73	\$ 10.12	-4.5%	-1.3%	1,484,807	\$ 15.25	\$ 16.21	\$ 15.89	-5.9%	0.7%	66,897	8,243	8,757	8,685	0.2%	3.5%	21.46	\$ 22.22	\$ 21.96	-6.1%	-2.7%	\$ 0.73	\$ 0.73	\$ 0.81	147.9%	16.3%	\$ 7.16	\$ 7.40	\$ 7.79	-1.3%	5.4%	\$ 68.24	\$ 67.24	\$ 64.99	16.6%	13.8%									
201403	96,469	1,2536	1,092,044	\$ 11.32	\$ 10.88	\$ 10.20	0.3%	-1.4%	1,652,710	\$ 17.13	\$ 16.40	\$ 15.97	-2.8%	0.5%	73,997	9,205	8,887	8,718	1.5%	3.6%	21.60	\$ 22.15	\$ 21.99	-4.2%	-3.0%	\$ 0.73	\$ 0.73	\$ 0.79	18.0%	12.8%	\$ 7.58	\$ 7.35	\$ 7.81	-1.7%	5.2%	\$ 67.67	\$ 67.49	\$ 65.60	15.0%	13.9%									
201404	94,693	1,2578	1,071,527	\$ 11.32	\$ 10.95	\$ 10.27	4.8%	-1.6%	1,624,236	\$ 17.15	\$ 16.50	\$ 16.04	1.7%	0.0%	70,613	8,948	8,796	8,726	1.9%	3.0%	22.27	\$ 22.51	\$ 22.06	-0.2%	-2.9%	\$ 0.73	\$ 0.73	\$ 0.77	-24.3%	9.3%	\$ 7.93	\$ 7.57	\$ 7.83	0.1%	5.2%	\$ 68.71	\$ 68.20	\$ 65.85	10.5%	12.6%									
201405	92,502	1,2582	1,001,204	\$ 10.82	\$ 11.16	\$ 10.29	6.7%	-1.9%	1,515,439	\$ 16.38	\$ 16.89	\$ 16.03	3.6%	-0.6%	68,016	8,824	8,995	8,716	1.5%	2.3%	21.55	\$ 22.54	\$ 22.07	2.0%	-2.9%	\$ 0.73	\$ 0.73	\$ 0.75	-24.9%	5.9%	\$ 7.78	\$ 7.76	\$ 7.84	2.3%	4.8%	\$ 70.63	\$ 68.96	\$ 66.52	9.3%	12.8%									
201406	90,873	1,2590	964,549	\$ 10.61	\$ 10.92	\$ 10.37	6.8%	-1.6%	1,449,895	\$ 15.96	\$ 16.51	\$ 16.10	3.1%	-0.8%	65,102	8,597	8,792	8,744	1.2%	2.4%	21.55	\$ 22.53	\$ 22.09	1.9%	-3.1%	\$ 0.73	\$ 0.73	\$ 0.73	-25.1%	3.1%	\$ 7.77	\$ 7.83	\$ 7.84	1.6%	4.3%	\$ 71.35	\$ 70.19	\$ 67.12	9.5%	12.8%									
201407	88,771	1,2583	977,252	\$ 11.01	\$ 10.81	\$ 10.46	8.0%	-1.4%	1,485,587	\$ 16.74	\$ 16.35	\$ 16.18	3.7%	-0.9%	66,473	8,986	8,801	8,764	1.8%	2.0%	21.63	\$ 22.30	\$ 22.16	1.9%	-2.9%	\$ 0.72	\$ 0.73	\$ 0.73	-18.5%	5.8%	\$ 7.62	\$ 7.72	\$ 7.82	-0.7%	3.5%	\$ 71.73	\$ 71.23	\$ 67.66	11.5%	12.6%									
201408	88,820	1,2579	1,003,635	\$ 11.30	\$ 10.97	\$ 10.58	12.0%	-0.1%	1,501,900	\$ 16.91	\$ 16.53	\$ 16.28	6.5%	-0.4%	64,456	8,708	8,762	8,773	2.7%	1.9%	22.58	\$ 22.64	\$ 22.27	3.8%	-2.2%	\$ 0.72	\$ 0.72	\$ 0.73	-10.6%	8.8%	\$ 7.68	\$ 7.69	\$ 7.80	-2.2%	2.7%	\$ 73.94	\$ 72.33	\$ 68.96	11.7%	12.6%									
201409	87,063	1,2602	1,003,128	\$ 11.52	\$ 11.28	\$ 10.78	17.4%	2.6%	1,504,339	\$ 17.28	\$ 16.97	\$ 16.48	10.1%	1.0%	64,424	8,880	8,858	8,817	3.4%	1.9%	22.63	\$ 22.99	\$ 22.43	6.4%	-0.9%	\$ 0.72	\$ 0.72	\$ 0.73	-1.3%	11.6%	\$ 7.75	\$ 7.68	\$ 7.76	-3.9%	1.4%	\$ 73.77	\$ 73.13	\$ 69.08	12.5%	12.8%									
201410	84,393	1,2561	1,018,718	\$ 12.07	\$ 11.62	\$ 10.97	21.8%	5.7%	1,523,025	\$ 18.05	\$ 17.40	\$ 16.63	12.0%	2.4%	64,347	9,150	8,909	8,834	3.3%	1.8%	22.95	\$ 23.44	\$ 22.59	8.4%	0.6%	\$ 0.72	\$ 0.72	\$ 0.73	-2.0%	15.0%	\$ 7.79	\$ 7.74	\$ 7.70	-6.0%	-0.5%	\$ 74.27	\$ 73.99	\$ 69.84	14.0%	12.9%									
201411	83,933	1,2553	947,575	\$ 11.29	\$ 11.63	\$ 11.11	23.0%	8.2%	1,419,727	\$ 16.92	\$ 17.41	\$ 16.75	12.4%	3.6%	59,894	8,563	8,865	8,845	3.4%	1.9%	22.99	\$ 23.57	\$ 22.72	8.7%	1.7%	\$ 0.72	\$ 0.72	\$ 0.73	-2.3%	4.3%	\$ 7.76	\$ 7.77	\$ 7.65	-7.3%	-2.1%	\$ 74.13	\$ 74.06	\$ 70.52	14.0%	12.9%									
201412	80,143	1,2529	1,038,236	\$ 12.95	\$ 12.09	\$ 11.27	20.4%	10.5%	1,557,067	\$ 19.43	\$ 18.11	\$ 16.96	12.8%	5.3%	63,528	9,512	9,068	8,897	3.9%	2.4%	23.79	\$ 23.96	\$ 22.88	8.6%	2.8%	\$ 0.72	\$ 0.72	\$ 0.72	-2.3%	-5.0%	\$ 7.91	\$ 7.82	\$ 7.66	-4.7%	-2.2%	\$ 76.19	\$ 74.88	\$ 71.28	13.9%	12.6%									
201501	79,355	1,2589	992,921	\$ 12.51	\$ 12.24	\$ 11.38	16.2%	12.2%	1,515,315	\$ 19.10	\$ 18.45	\$ 17.13	13.0%	7.3%	61,865	9,355	9,134	8,902	3.4%	2.5%	23.78	\$ 24.24	\$ 23.09	9.3%	4.6%	\$ 0.72	\$ 0.72	\$ 0.72	-2.6%	-13.3%	\$ 7.88	\$ 7.85	\$ 7.72	0.9%	-1.5%	\$ 77.35	\$ 75.91	\$ 72.19	14.4%	12.5%									
201502	78,577	1,2600	917,340	\$ 11.67	\$ 12.38	\$ 11.50	15.4%	13.7%	1,383,323	\$ 17.60	\$ 18.72	\$ 17.34	15.4%	4.1%	56,553	8,637	9,171	8,643	4.7%	3.0%	23.74	\$ 24.49	\$ 23.27	10.2%	6.9%	\$ 0.72	\$ 0.72	\$ 0.72	-2.5%	-11.5%	\$ 8.00	\$ 7.93	\$ 7.78	7.2%	-0.1%	\$ 78.68	\$ 77.36	\$ 73.00	15.0%	12.3%									
201503	78,661	1,2611	1,048,603	\$ 13.33	\$ 12.51	\$ 11.66	14.9%	14.4%	1,562,031	\$ 19.86	\$ 18.85	\$ 17.55	15.0%	10.4%	62,314	9,506	9,167	8,862	3.2%	2.8%	24.35	\$ 24.68	\$ 23.50	14.9%	6.9%	\$ 0.71	\$ 0.71	\$ 0.72	-2.6%	-9.3%	\$ 8.06	\$ 7.98	\$ 7.83	8.5%	0.3%	\$ 80.36	\$ 78.80	\$ 74.11	16.8%	13.0%									
201504	78,184	1,2617	992,304	\$ 12.69	\$ 12.57	\$ 11.77	14.7%	14.7%	1,491,177	\$ 19.07	\$ 18.85	\$ 17.71	14.2%	10.4%	60,257	9,248	9,130	8,985	3.8%	3.0%	24.03	\$ 24.77	\$ 23.65	10.0%	7.2%	\$ 0.72	\$ 0.71	\$ 0.72	-2.2%	-6.9%	\$ 8.13	\$ 8.06	\$ 7.84	6.6%	0.1%	\$ 80.15	\$ 79.76	\$ 75.10	16.9%	14.0%									
201505	78,225	1,2616	1,052,225	\$ 13.45	\$ 13.16	\$ 11.99	17.9%	16.8%	1,539,582	\$ 19.68	\$ 19.54	\$ 17.99	15.6%	12.2%	58,822	9,024	9,260	9,003	2.9%	3.3%	25.46	\$ 25.32	\$ 23.97	12.3%	8.6%	\$ 0.71	\$ 0.71	\$ 0.72	-2.1%	-4.5%	\$ 8.18	\$ 8.12	\$ 7.87	4.6%	0.4%	\$ 80.92	\$ 80.47	\$ 75.96	16.7%	14.2%									
201506	78,937	1,2632																																															

Retail Brand Non-Formulary

Incurred Claims										Allowed Amount										Utilization										Allowed Cost/Rx										Avg Dispensing Fee										Avg Copay										Avg Discount									
Date	Members	Demo/Factor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend		Rx Count	Util/1,000	3-Month Avg Util/1,000	12-Month Avg Util/1,000	3 Month Trend	12 Month Trend		Monthly Allowed Cost/Rx	3-Month Avg Cost/Svc	12-Month Avg Cost/Svc	3 Month Trend	12 Month Trend		Monthly Fee/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend		Monthly Copay/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend		Monthly Discount/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend																							
201306	96,418	1.2497	899,274	\$ 9.33	\$ 9.58	\$ 9.37	5.8%	1.0%	1,211,825	\$ 12.57	\$ 12.93	\$ 12.58	5.0%	-1.1%		5,852	728	764	779	-8.4%	-11.2%		205.78	\$ 203.09	\$ 193.93	14.7%	11.3%		\$ 1.30	\$ 1.27	\$ 1.22	7.8%	13.9%		\$ 45.69	\$ 44.96	\$ 41.83	10.7%	3.0%		\$ 53.97	\$ 52.43	\$ 43.85	45.5%	30.7%																								
201307	94,640	1.2524	906,138	\$ 9.57	\$ 9.55	\$ 9.41	4.8%	1.3%	1,232,449	\$ 13.02	\$ 12.93	\$ 12.64	4.6%	-0.6%		5,829	739	752	773	-9.1%	-11.1%		210.43	\$ 206.38	\$ 196.14	15.1%	11.8%		\$ 1.01	\$ 1.19	\$ 1.21	0.5%	10.4%		\$ 47.01	\$ 45.92	\$ 42.35	13.6%	4.4%		\$ 56.92	\$ 53.87	\$ 45.28	45.2%	32.4%																								
201308	93,781	1.2514	892,727	\$ 9.52	\$ 9.47	\$ 9.41	4.0%	1.3%	1,214,832	\$ 12.95	\$ 12.85	\$ 12.65	4.2%	-0.4%		5,670	726	731	764	-10.6%	-11.5%		213.23	\$ 210.89	\$ 198.58	16.5%	12.5%		\$ 1.02	\$ 1.11	\$ 1.19	-9.1%	6.4%		\$ 47.56	\$ 46.75	\$ 42.92	15.9%	5.8%		\$ 45.50	\$ 52.19	\$ 45.02	27.4%	26.3%																								
201309	93,020	1.2510	832,420	\$ 8.95	\$ 9.35	\$ 9.42	1.9%	2.2%	1,141,757	\$ 12.27	\$ 12.75	\$ 12.69	3.3%	0.8%		5,306	684	717	758	-10.6%	-10.9%		214.19	\$ 213.57	\$ 200.81	15.6%	13.2%		\$ 1.00	\$ 1.01	\$ 1.17	-18.0%	3.6%		\$ 49.13	\$ 47.87	\$ 43.60	18.8%	7.7%		\$ 44.83	\$ 49.25	\$ 45.58	17.5%	26.1%																								
201310	92,418	1.2543	865,385	\$ 9.36	\$ 9.28	\$ 9.39	-1.0%	1.4%	1,205,409	\$ 13.04	\$ 12.76	\$ 12.69	1.7%	0.8%		5,525	717	709	749	-12.0%	-11.3%		217.18	\$ 215.87	\$ 203.18	15.5%	13.6%		\$ 0.99	\$ 1.00	\$ 1.15	-18.9%	-0.1%		\$ 51.28	\$ 49.31	\$ 44.49	22.3%	10.0%		\$ 47.34	\$ 45.90	\$ 46.34	9.0%	26.0%																								
201311	92,764	1.2544	824,866	\$ 8.89	\$ 9.07	\$ 9.34	-3.1%	0.9%	1,144,361	\$ 12.34	\$ 12.55	\$ 12.67	0.7%	1.0%		5,213	674	692	740	-12.4%	-11.4%		218.56	\$ 217.62	\$ 205.49	15.0%	14.0%		\$ 0.96	\$ 0.98	\$ 1.14	-17.8%	-2.1%		\$ 52.12	\$ 50.84	\$ 45.44	26.3%	12.5%		\$ 47.08	\$ 46.43	\$ 47.27	20.1%	26.3%																								
201312	94,443	1.2549	831,963	\$ 8.81	\$ 9.02	\$ 9.29	-5.5%	0.5%	1,149,219	\$ 12.17	\$ 12.51	\$ 12.64	-1.4%	1.2%		5,162	656	682	728	-14.9%	-11.9%		221.54	\$ 220.06	\$ 208.44	15.9%	14.8%		\$ 1.09	\$ 1.02	\$ 1.14	-14.4%	-3.7%		\$ 52.01	\$ 51.79	\$ 46.44	28.5%	15.2%		\$ 49.33	\$ 47.90	\$ 48.32	25.3%	28.2%																								
201401	96,337	1.2491	850,026	\$ 8.82	\$ 8.84	\$ 9.22	-6.9%	0.1%	1,159,280	\$ 12.03	\$ 12.18	\$ 12.56	-4.1%	0.1%		5,053	629	653	715	-17.4%	-12.7%		228.38	\$ 223.80	\$ 210.92	16.1%	14.6%		\$ 1.04	\$ 1.03	\$ 1.12	-12.0%	-5.8%		\$ 51.31	\$ 51.82	\$ 47.31	27.7%	16.8%		\$ 48.52	\$ 46.52	\$ 49.23	26.4%	29.4%																								
201402	97,483	1.2505	813,240	\$ 8.35	\$ 8.66	\$ 9.19	-6.8%	-1.0%	1,085,672	\$ 11.15	\$ 11.78	\$ 12.51	-5.5%	0.1%		4,503	555	613	702	-19.7%	-12.9%		240.07	\$ 230.61	\$ 213.81	17.7%	15.0%		\$ 1.03	\$ 1.06	\$ 1.10	-12.2%	-7.9%		\$ 52.72	\$ 51.99	\$ 48.13	26.3%	18.5%		\$ 54.29	\$ 50.79	\$ 50.37	30.2%	30.6%																								
201403	96,469	1.2536	901,358	\$ 9.34	\$ 8.84	\$ 9.20	-4.0%	-0.5%	1,192,525	\$ 12.36	\$ 11.85	\$ 12.51	-4.4%	0.8%		4,921	612	599	691	-19.7%	-13.2%		241.16	\$ 237.44	\$ 217.39	19.0%	15.9%		\$ 1.17	\$ 1.08	\$ 1.10	-10.8%	-4.5%		\$ 53.00	\$ 52.32	\$ 48.96	24.0%	20.0%		\$ 53.94	\$ 52.38	\$ 50.52	19.6%	26.6%																								
201404	94,693	1.2578	876,862	\$ 9.26	\$ 8.98	\$ 9.16	-2.5%	-1.5%	1,165,678	\$ 12.31	\$ 11.94	\$ 12.45	-3.6%	-0.4%		4,816	610	592	676	-20.1%	-14.5%		240.87	\$ 241.85	\$ 220.85	20.3%	16.5%		\$ 1.18	\$ 1.13	\$ 1.09	-7.8%	-9.4%		\$ 53.12	\$ 52.95	\$ 49.76	22.6%	21.2%		\$ 58.51	\$ 55.59	\$ 50.92	15.2%	23.4%																								
201405	92,502	1.2582	859,108	\$ 9.29	\$ 9.30	\$ 9.12	-2.4%	-2.1%	1,135,382	\$ 12.27	\$ 12.32	\$ 12.37	-4.1%	-1.2%		4,749	616	613	662	-20.3%	-15.7%		237.87	\$ 241.17	\$ 224.26	20.7%	17.2%		\$ 1.20	\$ 1.18	\$ 1.08	-4.3%	-10.9%		\$ 54.32	\$ 53.47	\$ 50.58	21.1%	22.1%		\$ 53.51	\$ 55.20	\$ 51.08	6.8%	20.4%																								
201406	90,873	1.2590	838,144	\$ 9.22	\$ 9.26	\$ 9.11	-3.4%	-2.8%	1,105,625	\$ 12.17	\$ 12.25	\$ 12.34	-5.3%	-2.0%		4,543	600	609	651	-20.3%	-16.4%		242.27	\$ 241.47	\$ 227.32	18.9%	17.2%		\$ 1.10	\$ 1.16	\$ 1.06	-8.5%	-13.1%		\$ 55.07	\$ 54.15	\$ 51.38	20.4%	22.8%		\$ 56.36	\$ 56.02	\$ 51.20	6.8%	16.8%																								
201407	88,771	1.2593	868,235	\$ 9.78	\$ 9.43	\$ 9.13	-1.3%	-3.0%	1,143,214	\$ 12.88	\$ 12.44	\$ 12.32	-3.8%	-2.5%		4,527	612	609	641	-18.9%	-17.1%		251.52	\$ 244.90	\$ 230.76	18.7%	17.7%		\$ 1.01	\$ 1.11	\$ 1.06	-7.4%	-11.9%		\$ 54.33	\$ 54.57	\$ 52.03	18.8%	22.8%		\$ 57.84	\$ 55.75	\$ 51.14	3.5%	12.8%																								
201408	88,820	1.2579	912,601	\$ 10.27	\$ 9.76	\$ 9.19	3.0%	-2.4%	1,184,315	\$ 13.33	\$ 12.79	\$ 12.35	-0.5%	-2.4%		4,519	611	607	631	-16.9%	-17.4%		261.07	\$ 252.64	\$ 234.76	19.8%	18.2%		\$ 1.01	\$ 1.04	\$ 1.06	-6.5%	-10.5%		\$ 54.18	\$ 54.53	\$ 52.63	16.8%	22.6%		\$ 56.58	\$ 56.93	\$ 52.10	9.1%	15.7%																								
201409	87,063	1.2602	908,363	\$ 10.43	\$ 10.16	\$ 9.30	8.7%	-1.3%	1,176,613	\$ 13.51	\$ 13.24	\$ 12.45	3.8%	-1.9%		4,394	606	609	625	-15.0%	-17.6%		266.79	\$ 267.72	\$ 239.06	22.1%	19.0%		\$ 0.99	\$ 1.00	\$ 1.06	-0.9%	-9.4%		\$ 54.86	\$ 54.45	\$ 53.12	13.8%	21.8%		\$ 57.56	\$ 57.32	\$ 53.18	16.4%	16.7%																								
201410	84,393	1.2561	882,319	\$ 10.45	\$ 10.39	\$ 9.39	11.9%	0.0%	1,146,619	\$ 13.59	\$ 13.48	\$ 12.48	5.6%	-1.6%		4,348	618	611	617	-13.8%	-17.7%		262.60	\$ 264.50	\$ 242.98	22.5%	19.6%		\$ 1.11	\$ 1.03	\$ 1.07	3.1%	-6.8%		\$ 54.86	\$ 54.63	\$ 53.43	10.8%	20.1%		\$ 57.81	\$ 57.31	\$ 54.11	24.9%	16.8%																								
201411	83,933	1.2553	826,105	\$ 9.84	\$ 10.25	\$ 9.46	13.0%	1.3%	1,059,823	\$ 12.63	\$ 13.25	\$ 12.51	5.5%	-1.3%		3,956	566	597	608	-13.8%	-17.9%		266.81	\$ 266.42	\$ 246.96	22.4%	20.2%		\$ 1.10	\$ 1.06	\$ 1.09	8.1%	-4.7%		\$ 53.87	\$ 54.55	\$ 53.58	7.3%	17.9%		\$ 58.36	\$ 57.89	\$ 55.07	24.7%	16.7%																								
201412	80,143	1.2529	855,429	\$ 10.32	\$ 10.32	\$ 9.61	14.4%	3.4%	1,105,872	\$ 13.80	\$ 13.33	\$ 12.63	6.5%	-0.1%		4,133	619	601	604	-12.0%	-17.0%		266.48	\$ 266.33	\$ 250.93	21.0%	20.3%		\$ 1.09	\$ 1.10	\$ 1.09	8.3%	-4.3%		\$ 53.52	\$ 54.10	\$ 53.73	4.5%	15.7%		\$ 61.82	\$ 59.32	\$ 56.13	23.8%	16.2%																								
201501	79,355	1.2589	804,946	\$ 10.14	\$ 10.21	\$ 9.72	15.5%	5.4%	1,048,746	\$ 13.22	\$ 13.20	\$ 12.73	8.4%	1.4%		3,732	564	583	599	-10.8%	-16.2%		280.06	\$ 271.93	\$ 254.98	21.5%	20.9%		\$ 1.06	\$ 1.05	\$ 1.08	1.5%	-3.5%		\$ 54.47	\$ 53.94	\$ 54.01	4.1%	14.2%		\$ 67.17	\$ 62.35	\$ 57.57	28.5%	16.9%																								
201502	78,577	1.2600	793,200	\$ 10.09	\$ 10.31	\$ 9.88	19.0%	7.5%	1,016,269	\$ 12.93	\$ 13.32	\$ 12.89	13.1%	1.1%		3,520	538	574	599	-6.4%	-14.2%		287.69	\$ 278.51	\$ 258.46	20.8%	20.9%		\$ 1.02	\$ 1.02	\$ 1.08	-3.1%	-2.0%		\$ 53.87	\$ 53.94	\$ 54.11	3.8%	12.4%		\$ 63.78	\$ 64.18	\$ 58.27	26.4%	15.7%																								
201503	78,661	1.2611	884,529	\$ 11.24	\$ 10.49	\$ 10.03	18.7%	9.0%	1,118,823	\$ 14.22	\$ 13.46	\$ 13.04	13.6%	4.3%		3,798	579	560	596	-6.4%	-13.7%		293.66	\$ 288.13	\$ 262.70	21.3%	20.8%		\$ 0.92	\$ 0.97	\$ 1.06	-10.7%	-3.6%		\$ 53.72	\$ 54.02	\$ 54.19	3.2%	10.7%		\$ 65.63	\$ 65.56	\$ 59.23	25.2%	17.3%																								
201504	78,184	1.2617	972,035	\$ 12.43	\$ 11.26	\$ 10.29	25.3%	12.3%	1,208,394	\$ 15.46	\$ 14.20	\$ 13.30	19.0%	6.8%		3,741	574	564	593	-4.8%	-12.4%		322.05	\$ 302.33	\$ 269.21	25.0%	21.9%		\$ 0.97	\$ 0.97	\$ 1.04	-14.0%	-4.5%		\$ 54.70	\$ 54.10	\$ 54.33	2.2%	9.2%		\$ 71.84	\$ 67.14	\$ 60.25	20.8%	18.3%																								
201505	78,225	1.2616	920,950	\$ 10.48	\$ 11.39	\$ 10.40	22.8%	14.0%	1,045,008	\$ 13.36	\$ 14.35	\$ 13.40	16.5%	8.3%		3,680	565	573	588	-6.5%	-11.1%		283.06	\$ 300.58	\$ 273.25	24.6%	21.8%		\$ 0.91	\$ 0.93	\$ 1.02	-21.1%	-6.0%		\$ 54.40	\$ 5																																	

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Incurred Claims										Allowed Amount						Utilization						Allowed Cost/Rx						Avg Dispensing Fee						Avg Copay				Avg Discount			
Date	Members	DemoFactor	Incurred Claims	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Allowed Amount	Monthly PMPM	3-Month Avg PMPM	12-Month Avg PMPM	3 Month Trend	12 Month Trend	Rx Count	Util/1,000	3-Month Avg Util/1,000	12-Month Avg Util/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Rx	3-Month Avg Cost/Sec	12-Month Avg Cost/Sec	3 Month Trend	12 Month Trend	Monthly Fee/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Copay/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend						
201308	96,418	1,2497	205,883	2.14	2.12	2.45	-12.4%	12.4%	316,755	3.29	3.25	3.55	-7.6%	7.7%	5,277	657	647	653	-1.4%	-4.5%	60.03	60.19	65.23	-6.3%	12.8%	0.00	0.00	0.00	0.0%	0.0%	20.74	20.37	19.59	5.1%	4.7%	240.06	240.17	229.23	15.6%	12.1%	
201307	94,640	1,2524	192,512	2.03	2.05	2.45	-12.7%	11.6%	304,910	3.22	3.20	3.56	-7.0%	7.6%	5,456	692	660	655	-0.3%	-3.8%	55.89	58.10	65.23	-6.7%	11.8%	0.00	0.00	0.00	0.0%	0.0%	21.48	20.58	19.73	6.7%	5.1%	240.17	241.62	230.78	12.6%	11.6%	
201308	93,781	1,2514	195,621	2.09	2.09	2.43	-10.1%	8.9%	306,287	3.27	3.26	3.55	-4.1%	6.4%	5,189	664	671	656	1.8%	-2.7%	59.03	58.28	64.82	-5.8%	9.4%	0.00	0.00	0.00	0.0%	0.0%	20.11	20.78	19.87	8.2%	5.6%	244.99	241.70	232.67	11.3%	11.5%	
201309	93,020	1,2510	175,390	1.89	2.00	2.37	-15.1%	4.0%	283,233	3.04	3.18	3.50	-6.8%	3.7%	5,018	647	668	659	3.3%	-1.4%	56.44	57.10	63.80	-9.8%	5.2%	0.00	0.00	0.00	0.0%	0.0%	21.37	20.98	20.04	9.7%	6.1%	248.66	244.49	235.01	10.7%	12.0%	
201310	92,418	1,2543	175,796	1.90	1.96	2.31	-23.4%	-1.3%	289,608	3.13	3.15	3.45	-12.8%	0.6%	5,191	674	662	659	2.3%	-1.0%	55.79	57.09	62.84	-14.8%	1.6%	0.00	0.00	0.00	0.0%	0.0%	21.79	21.42	20.27	11.7%	7.0%	245.34	246.30	236.78	11.0%	11.8%	
201311	92,764	1,2544	187,109	2.02	1.93	2.26	-26.1%	-5.0%	297,917	3.21	3.13	3.41	-14.6%	-1.5%	4,961	642	654	659	1.5%	-0.5%	60.05	57.40	62.16	-15.9%	-1.1%	0.00	0.00	0.00	0.0%	0.0%	22.28	21.81	20.54	14.2%	8.1%	244.24	246.08	238.29	10.2%	11.6%	
201312	94,443	1,2549	196,268	2.08	2.00	2.20	-25.1%	-9.2%	297,188	3.15	3.16	3.35	-15.7%	-4.5%	5,059	643	653	657	-1.2%	-0.5%	58.74	58.16	61.27	-14.6%	-4.0%	0.00	0.00	0.00	0.0%	0.0%	19.91	21.32	20.59	11.4%	8.2%	247.59	245.73	240.18	8.9%	11.5%	
201401	96,337	1,2491	267,013	2.77	2.29	2.18	-16.5%	-12.1%	374,432	3.89	3.42	3.33	-11.7%	-7.1%	5,288	659	648	653	-3.4%	-1.4%	70.81	63.34	61.14	-8.6%	-5.8%	0.00	0.00	0.00	0.0%	0.0%	22.65	20.59	20.63	6.9%	7.6%	241.75	244.49	241.28	7.5%	11.0%	
201402	97,384	1,2505	224,042	2.30	2.39	2.16	-13.4%	-14.3%	319,266	3.28	3.44	3.29	-11.7%	-8.8%	4,707	580	627	651	-5.1%	-1.1%	67.83	65.82	60.69	-6.9%	-7.8%	0.00	0.00	0.00	0.0%	0.0%	19.93	19.83	20.63	1.3%	7.1%	240.78	243.41	241.92	6.0%	10.4%	
201403	96,469	1,2536	254,496	2.64	2.57	2.18	-2.5%	-13.7%	361,475	3.75	3.64	3.31	-4.0%	-8.5%	5,174	644	627	649	-4.8%	-1.1%	69.86	69.56	61.21	0.9%	-7.5%	0.00	0.00	0.00	0.0%	0.0%	20.86	20.15	20.70	1.8%	7.0%	244.25	242.30	243.15	4.8%	9.8%	
201404	94,693	1,2578	242,007	2.56	2.50	2.20	3.2%	-12.6%	349,981	3.70	3.57	3.34	1.1%	-7.8%	4,990	632	618	647	-3.9%	-1.3%	70.14	69.31	61.86	5.2%	-6.5%	0.00	0.00	0.00	0.0%	0.0%	21.78	20.87	20.87	4.5%	7.5%	237.59	240.92	244.33	3.3%	8.5%	
201405	92,502	1,2582	176,390	1.91	2.37	2.20	7.5%	-11.4%	272,755	3.95	3.47	3.33	4.2%	-7.0%	4,990	647	641	648	-1.5%	-0.8%	54.66	64.95	61.56	5.8%	-6.2%	0.00	0.00	0.00	0.0%	0.0%	19.79	20.81	20.81	3.3%	6.7%	255.21	245.67	244.18	3.7%	7.7%	
201406	90,873	1,2590	181,922	2.00	2.16	2.19	1.6%	-10.8%	267,386	2.94	3.20	3.30	-1.4%	-7.1%	4,621	610	630	644	-2.6%	-1.4%	57.86	60.96	61.41	1.3%	-5.9%	0.00	0.00	0.00	0.0%	0.0%	19.62	20.41	20.72	0.2%	5.8%	270.84	254.14	246.57	5.8%	7.6%	
201407	88,771	1,2583	162,159	1.83	1.91	2.17	-6.8%	-11.5%	251,012	2.83	2.91	3.27	-9.1%	-8.3%	4,726	639	632	640	-4.3%	-2.3%	53.11	55.18	61.26	-5.0%	-6.1%	0.00	0.00	0.00	0.0%	0.0%	19.02	19.48	20.61	-5.3%	4.5%	259.62	261.70	248.19	8.3%	7.5%	
201408	88,820	1,2579	185,116	2.08	1.97	2.17	-5.5%	-10.6%	275,519	3.10	2.96	3.25	-9.2%	-8.2%	4,691	634	627	637	-6.5%	-2.9%	58.73	56.55	61.26	-3.0%	-5.5%	0.00	0.00	0.00	0.0%	0.0%	19.29	19.31	20.46	-7.0%	3.0%	263.74	264.69	249.69	9.5%	7.3%	
201409	87,063	1,2602	154,299	1.77	1.90	2.16	-5.3%	-8.8%	239,253	2.75	2.89	3.23	-9.0%	-7.7%	4,467	616	630	635	-5.7%	-3.6%	53.56	55.16	61.09	-3.4%	-4.3%	0.00	0.00	0.00	0.0%	0.0%	19.25	19.19	20.29	-8.5%	1.3%	261.49	261.62	250.68	7.0%	6.7%	
201410	84,393	1,2561	157,323	1.86	1.91	2.16	-2.5%	-6.3%	246,141	2.92	2.92	3.22	-7.1%	-6.8%	4,632	659	636	633	-3.9%	-3.9%	53.14	55.18	60.93	-3.4%	-3.0%	0.00	0.00	0.00	0.0%	0.0%	19.28	19.28	20.08	-10.0%	-1.0%	261.36	262.21	252.00	6.5%	6.4%	
201411	83,933	1,2553	164,702	1.96	1.87	2.16	-3.6%	-4.4%	248,146	2.96	2.87	3.20	-8.2%	-6.4%	4,274	611	628	631	-4.0%	-4.3%	58.06	54.85	60.79	-4.4%	-2.2%	0.00	0.00	0.00	0.0%	0.0%	19.45	19.33	19.84	-11.4%	-3.4%	260.73	261.20	253.32	6.1%	6.3%	
201412	80,143	1,2529	203,739	2.54	2.12	2.19	5.8%	-0.2%	295,681	3.69	3.18	3.24	0.5%	-3.4%	4,418	662	643	632	-1.4%	-3.7%	66.93	59.29	61.45	1.9%	0.3%	0.00	0.00	0.00	0.0%	0.0%	20.58	19.77	19.89	-7.3%	-3.4%	270.66	264.24	255.17	7.5%	6.2%	
201501	79,355	1,2589	151,419	1.91	2.14	2.12	-6.9%	-2.9%	240,997	3.04	3.22	3.16	-5.7%	-4.9%	4,277	647	639	631	-1.3%	-3.4%	56.35	60.52	60.17	-4.5%	-1.6%	0.00	0.00	0.00	0.0%	0.0%	20.31	20.02	19.93	-2.8%	-3.4%	256.13	262.59	256.51	7.4%	6.3%	
201502	78,577	1,2600	140,111	1.78	2.08	2.08	-3.6%	-12.8%	217,703	3.77	3.17	3.12	-7.9%	-5.1%	3,722	568	626	631	-0.2%	-3.0%	58.49	60.75	59.40	-7.7%	-2.1%	0.00	0.00	0.00	0.0%	0.0%	20.05	20.31	19.95	2.5%	-3.3%	265.65	264.15	258.48	8.5%	6.8%	
201503	78,661	1,2611	169,675	2.16	1.95	2.03	-24.1%	-6.6%	257,350	3.27	3.03	3.08	-16.8%	-7.0%	4,242	647	621	631	-1.0%	-2.7%	60.67	58.50	58.50	-15.9%	-4.4%	0.00	0.00	0.00	0.0%	0.0%	20.36	20.23	19.90	0.4%	-3.9%	270.84	264.12	260.81	9.0%	7.3%	
201504	78,184	1,2617	140,987	1.80	1.91	1.97	-23.3%	-10.7%	220,148	2.82	2.95	3.00	-17.3%	-10.1%	3,914	601	605	629	-2.1%	-2.8%	56.25	58.53	57.24	-15.6%	-7.5%	0.00	0.00	0.00	0.0%	0.0%	19.98	20.23	19.73	-3.1%	-5.5%	262.31	266.40	263.11	10.8%	8.1%	
201505	78,225	1,2616	161,941	2.07	2.01	1.98	-15.2%	-9.9%	242,004	3.10	3.06	3.01	-11.7%	-19.0%	3,952	606	618	625	-3.6%	-3.6%	61.39	59.47	57.80	-8.4%	-6.1%	0.00	0.00	0.00	0.0%	0.0%	20.22	20.19	19.76	-3.0%	-5.0%	274.96	269.23	264.72	9.8%	8.4%	
201506	78,937	1,2632	169,653	2.15	2.01	1.99	-7.0%	-8.9%	250,920	3.18	3.03	3.03	-5.3%	-8.1%	3,943	599	602	624	-4.4%	-3.1%	63.64	60.43	58.24	-0.9%	-5.2%	0.00	0.00	0.00	0.0%	0.0%	20.53	20.24	19.83	-0.8%	-4.3%	265.26	267.33	264.21	5.2%	-7.2%	
201507	78,688	1,2633	156,660	1.99	2.07	2.01	8.2%	-7.6%	239,049	3.04	3.11	3.05	6.8%	-6.7%	4,064	620	608	623	-3.7%	-2.7%	58.82	61.26	58.77	11.0%	-4.1%	0.00	0.00	0.00	0.0%	0.0%	20.12	20.29	19.93	4.1%	-3.3%	270.98	270.21	265.18	3.2%	6.8%	
201508																																									

Mail\Brand Non-Formulary

Incurred Claims										Allowed Amount										Utilization										Allowed Cost/Rx (Excl. Disp. Fee)										Avg Dispensing Fee										Avg Copay										Avg Discount									
			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg			3-Month Avg			12-Month Avg															
Date	Members	Demo/Factor	Incurred Claims	Monthly PMPM	PMPM	PMPM	3 Month Trend	12 Month Trend	Allowed Amount	Monthly PMPM	PMPM	PMPM	3 Month Trend	12 Month Trend	Rx Count	Util/1,000	3-Month Avg Util/1,000	12-Month Avg Util/1,000	3 Month Trend	12 Month Trend	Monthly Allowed Cost/Rx	3-Month Avg Cost/Svc	12-Month Avg Cost/Svc	3 Month Trend	12 Month Trend	Monthly Fee/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Copay/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend	Monthly Discount/Rx	3-Month Avg	12-Month Avg	3 Month Trend	12 Month Trend																													
201306	96,418	1.2497	193,380	\$ 2.01	\$ 2.00	\$ 1.98	0.6%	-12.8%	261,475	\$ 2.71	\$ 2.69	\$ 2.66	-0.1%	-16.0%	501	62	64	68	-15.3%	-28.0%	\$ 521.91	\$ 503.81	\$ 466.74	18.0%	16.6%	\$ -	\$ -	\$ 0.00	-100.0%	-55.2%	\$ 127.69	\$ 121.61	\$ 111.53	12.8%	3.6%	\$ 200.36	\$ 194.47	\$ 181.08	17.1%	14.5%																													
201307	94,640	1.2524	165,314	\$ 1.75	\$ 1.97	\$ 1.97	-1.7%	-11.4%	230,585	\$ 2.44	\$ 2.68	\$ 2.64	-1.0%	-14.2%	484	61	64	67	-14.7%	-26.1%	\$ 476.42	\$ 503.02	\$ 470.23	16.0%	16.2%	\$ -	\$ -	\$ 0.00	-100.0%	-96.2%	\$ 128.72	\$ 125.10	\$ 113.27	16.8%	5.3%	\$ 184.76	\$ 193.37	\$ 182.21	14.1%	14.1%																													
201308	93,781	1.2514	172,777	\$ 1.84	\$ 1.87	\$ 1.95	-7.7%	-10.3%	240,978	\$ 2.57	\$ 2.57	\$ 2.62	-5.1%	-12.4%	513	66	63	67	-14.6%	-24.2%	\$ 469.74	\$ 489.34	\$ 472.79	11.1%	15.6%	\$ -	\$ -	\$ 0.00	-100.0%	-96.2%	\$ 124.02	\$ 126.77	\$ 114.64	18.4%	6.7%	\$ 186.23	\$ 190.48	\$ 183.42	10.4%	13.9%																													
201309	93,020	1.2510	161,117	\$ 1.73	\$ 1.77	\$ 1.93	-11.2%	-9.5%	217,645	\$ 2.34	\$ 2.45	\$ 2.60	-8.7%	-11.1%	419	54	60	65	-16.9%	-22.7%	\$ 519.44	\$ 486.73	\$ 477.97	9.9%	15.1%	\$ -	\$ -	\$ 0.00	-100.0%	-96.1%	\$ 129.62	\$ 127.28	\$ 116.33	19.2%	8.5%	\$ 202.96	\$ 190.68	\$ 185.39	9.9%	13.5%																													
201310	92,418	1.2543	151,197	\$ 1.64	\$ 1.74	\$ 1.90	-13.6%	-9.6%	216,947	\$ 2.35	\$ 2.42	\$ 2.58	-10.1%	-10.3%	455	59	60	64	-17.9%	-21.5%	\$ 476.81	\$ 487.07	\$ 481.61	9.5%	14.2%	\$ -	\$ -	\$ 0.00	0.0%	-96.0%	\$ 136.51	\$ 129.81	\$ 118.91	21.8%	11.1%	\$ 182.63	\$ 190.10	\$ 186.74	9.9%	12.9%																													
201311	92,764	1.2544	160,974	\$ 1.74	\$ 1.70	\$ 1.86	-16.3%	-10.6%	225,163	\$ 2.43	\$ 2.37	\$ 2.54	-12.3%	-10.1%	419	54	56	63	-22.3%	-20.5%	\$ 537.38	\$ 510.25	\$ 487.13	12.9%	13.1%	\$ -	\$ -	\$ 0.00	0.0%	-96.0%	\$ 144.89	\$ 136.99	\$ 122.04	29.2%	14.2%	\$ 208.64	\$ 197.64	\$ 188.60	12.1%	11.8%																													
201312	94,443	1.2549	148,254	\$ 1.57	\$ 1.65	\$ 1.83	-18.4%	-10.6%	206,521	\$ 2.19	\$ 2.32	\$ 2.51	-14.0%	-9.6%	408	52	55	61	-23.5%	-20.4%	\$ 506.18	\$ 505.95	\$ 493.05	12.4%	13.6%	\$ -	\$ -	\$ -	-100.0%	-100.0%	\$ 134.81	\$ 138.71	\$ 124.69	31.5%	17.1%	\$ 198.49	\$ 196.18	\$ 191.16	12.3%	12.6%																													
201401	96,337	1.2491	138,638	\$ 1.44	\$ 1.58	\$ 1.80	-20.2%	-11.2%	194,949	\$ 2.02	\$ 2.21	\$ 2.47	-16.5%	-9.6%	382	48	51	60	-25.9%	-19.7%	\$ 510.34	\$ 518.31	\$ 496.33	12.8%	12.6%	\$ -	\$ -	\$ -	-100.0%	-100.0%	\$ 127.87	\$ 136.11	\$ 126.06	26.3%	17.6%	\$ 202.89	\$ 203.40	\$ 192.75	13.8%	12.3%																													
201402	97,483	1.2505	134,078	\$ 1.38	\$ 1.46	\$ 1.74	-24.8%	-13.7%	187,950	\$ 1.93	\$ 2.05	\$ 2.40	-21.3%	-11.4%	380	47	49	58	-26.4%	-19.9%	\$ 494.61	\$ 503.78	\$ 495.52	6.9%	10.7%	\$ -	\$ -	\$ -	-100.0%	-100.0%	\$ 133.74	\$ 132.20	\$ 127.70	19.5%	18.6%	\$ 197.43	\$ 199.58	\$ 193.16	10.1%	10.9%																													
201403	96,469	1.2536	164,270	\$ 1.70	\$ 1.51	\$ 1.73	-20.9%	-12.3%	219,614	\$ 2.28	\$ 2.08	\$ 2.39	-18.7%	-10.2%	382	48	47	57	-26.2%	-20.2%	\$ 574.91	\$ 526.67	\$ 504.68	10.2%	12.5%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 139.51	\$ 133.71	\$ 129.69	16.8%	19.6%	\$ 224.10	\$ 208.16	\$ 196.77	12.8%	12.9%																													
201404	94,693	1.2578	129,621	\$ 1.37	\$ 1.48	\$ 1.69	-21.9%	-14.3%	179,796	\$ 1.90	\$ 2.04	\$ 2.34	-20.2%	-11.8%	363	46	47	55	-26.4%	-21.0%	\$ 495.31	\$ 522.10	\$ 506.41	8.5%	11.6%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 134.59	\$ 135.97	\$ 131.20	17.0%	20.2%	\$ 199.60	\$ 207.18	\$ 197.76	11.1%	12.1%																													
201405	92,502	1.2582	132,663	\$ 1.43	\$ 1.50	\$ 1.63	-22.2%	-17.7%	179,950	\$ 1.95	\$ 2.04	\$ 2.26	-21.8%	-15.1%	339	44	46	53	-29.2%	-22.9%	\$ 530.83	\$ 534.47	\$ 507.75	10.5%	10.2%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 138.76	\$ 137.63	\$ 132.98	16.7%	20.8%	\$ 207.28	\$ 210.63	\$ 198.76	12.4%	11.0%																													
201406	90,873	1.2590	132,852	\$ 1.46	\$ 1.42	\$ 1.59	-28.9%	-19.9%	180,316	\$ 1.98	\$ 1.94	\$ 2.20	-27.8%	-17.3%	324	43	44	52	-30.9%	-24.2%	\$ 556.53	\$ 526.38	\$ 509.53	4.5%	9.2%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 137.79	\$ 136.98	\$ 133.84	12.6%	20.0%	\$ 216.31	\$ 207.41	\$ 199.76	6.7%	10.3%																													
201407	88,771	1.2583	137,047	\$ 1.54	\$ 1.48	\$ 1.57	-24.9%	-20.1%	186,446	\$ 2.10	\$ 2.01	\$ 2.17	-25.0%	-17.9%	342	46	44	50	-30.7%	-25.1%	\$ 545.16	\$ 543.99	\$ 515.50	8.1%	9.6%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 139.29	\$ 138.63	\$ 134.76	10.8%	19.0%	\$ 217.09	\$ 213.53	\$ 202.55	10.4%	11.2%																													
201408	88,820	1.2579	147,099	\$ 1.66	\$ 1.55	\$ 1.55	-16.8%	-20.1%	195,415	\$ 2.20	\$ 2.09	\$ 2.14	-18.6%	-18.5%	341	46	45	49	-28.7%	-26.6%	\$ 573.06	\$ 558.27	\$ 524.97	14.1%	11.0%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 136.74	\$ 137.94	\$ 136.12	8.8%	18.7%	\$ 221.30	\$ 218.26	\$ 205.79	14.6%	12.2%																													
201409	87,063	1.2602	134,807	\$ 1.55	\$ 1.58	\$ 1.54	-10.8%	-20.2%	179,869	\$ 2.07	\$ 2.12	\$ 2.11	-13.3%	-18.7%	308	42	45	48	-25.6%	-26.6%	\$ 583.99	\$ 566.83	\$ 529.58	16.5%	10.8%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 141.07	\$ 138.96	\$ 137.08	9.2%	17.8%	\$ 222.08	\$ 220.09	\$ 207.19	15.4%	11.8%																													
201410	84,393	1.2561	122,947	\$ 1.46	\$ 1.56	\$ 1.52	-10.5%	-19.8%	162,297	\$ 1.92	\$ 2.07	\$ 2.08	-14.6%	-19.2%	281	40	43	46	-28.1%	-27.7%	\$ 577.57	\$ 578.04	\$ 538.37	18.7%	11.8%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 140.58	\$ 139.34	\$ 137.37	7.3%	15.5%	\$ 228.10	\$ 223.61	\$ 211.18	17.6%	13.1%																													
201411	83,933	1.2553	102,736	\$ 1.22	\$ 1.41	\$ 1.48	-17.0%	-20.5%	142,536	\$ 1.70	\$ 1.90	\$ 2.02	-20.0%	-20.4%	282	40	41	45	-26.6%	-27.7%	\$ 505.45	\$ 556.49	\$ 536.22	9.1%	10.1%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 134.80	\$ 138.88	\$ 136.43	1.4%	11.8%	\$ 197.20	\$ 215.97	\$ 210.49	9.3%	11.6%																													
201412	80,143	1.2529	135,039	\$ 1.68	\$ 1.45	\$ 1.49	-18.7%	-18.7%	174,730	\$ 2.18	\$ 1.93	\$ 2.02	-16.8%	-19.4%	295	44	41	45	-24.7%	-26.9%	\$ 592.31	\$ 558.93	\$ 543.39	10.5%	10.2%	\$ -	\$ -	\$ -	0.0%	-100.0%	\$ 129.13	\$ 134.75	\$ 136.06	-2.9%	9.1%	\$ 232.41	\$ 219.43	\$ 213.31	11.9%	11.6%																													
201501	79,355	1.2589	89,607	\$ 1.13	\$ 1.34	\$ 1.47	-14.9%	-18.4%	120,693	\$ 1.52	\$ 1.80	\$ 1.98	-18.6%	-19.7%	222	34	39	44	-23.0%	-27.1%	\$ 543.66	\$ 548.13	\$ 546.67	5.8%	10.1%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ 128.93	\$ 131.08	\$ 136.46	-3.7%	8.3%	\$ 210.64	\$ 213.93	\$ 214.19	5.2%	11.1%																													
201502	78,577	1.2600	79,778	\$ 1.02	\$ 1.28	\$ 1.44	-12.5%	-17.2%	107,448	\$ 1.37	\$ 1.69	\$ 1.94	-17.3%	-19.2%	199	30	36	42	-25.9%	-27.4%	\$ 539.94	\$ 562.67	\$ 551.69	11.7%	11.3%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ 128.58	\$ 128.91	\$ 136.32	-2.5%	6.7%	\$ 208.98	\$ 219.15	\$ 215.64	9.8%	11.6%																													
201503	78,661	1.2611	71,384	\$ 0.91	\$ 1.02	\$ 1.38	-32.4%	-20.5%	96,480	\$ 1.23	\$ 1.37	\$ 1.85	-33.9%	-22.3%	196	30	31	41	-33.8%	-28.1%	\$ 492.25	\$ 526.13	\$ 545.81	-0.1%	8.2%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ 122.44	\$ 126.76	\$ 135.19	-5.2%	4.2%	\$ 195.00	\$ 205.14	\$ 213.56	-1.5%	8.5%																													
201504	78,184	1.2617	80,028	\$ 1.02	\$ 0.98	\$ 1.35	-33.8%	-20.2%	105,555	\$ 1.35	\$ 1.31	\$ 1.81	-35.4%	-22.5%	191	29	30	39	-36.2%	-28.8%	\$ 552.65	\$ 528.13	\$ 551.73	1.2%	8.9%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ 118.55	\$ 123.26	\$ 134.30	-9.4%	2.4%	\$ 229.93	\$ 211.13	\$ 216.03	1.9%	9.2%																													
201505	78,225	1.2616	70,707	\$ 0.90	\$ 0.94	\$ 1.31	-37.2%	-19.9%	96,177	\$ 1.23	\$ 1.27	\$ 1.75	-37.9%	-22.3%	190	29	29	38	-35.8%	-28.5%	\$ 506.20	\$ 516.83	\$ 551.23	-3.3%	8.6%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ 118.39	\$ 119.82	\$ 132.87	-12.9%	-0.1%	\$ 206.56	\$ 210.37	\$ 216.40	-0.1%	8.9%																													
201506	78,937	1.2632	64,509	\$ 0.82	\$ 0.91	\$ 1.25	-35.6%	-20.9%	87,967	\$ 1.11	\$ 1.23	\$ 1.68	-36.66																																																								

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Small Group Rates Effective January 1, 2017

Please note that all Q&A exhibits referenced below are found in
“SG_16-44_Initial_CAIC_PPO_Q&AExhibits_Supporting_20160629.xlsx”

Questions from Insurance Department:

Question 1. Regarding broker commissions:

- (a) Under what circumstances and in what geographic locations will commissions be paid?,
- (b) Are commissions paid for SEP?,
- (c) Provide a copy of the broker agreement - current and 2017,
- (d) Show the calculation of the average commission - current and 2017.

When responding to this data call, you may provide a redacted version of this response as it contains proprietary information. Please place the redacted and non-redacted responses in separate sections of the Supporting Documentation tab in SERFF.

Answer 1.

- (a) CAIC pays commissions for enrollment received in all geographic areas.
- (b) CAIC does not currently participate in SHOP and will not participate in 2017.
- (c) Attached please find the 1/1/2016 copy of the broker agreement – both redacted and un-redacted versions. The 2016 agreement will continue for 2017. Files are as follows:
 - a. Agent Agreement: “Ind_16-44_Initial_CAIC_PPO_AgentAgreement_Supporting_CONF_20160629.pdf”
 - b. Redacted Agent Agreement: “Ind_16-44_Initial_CAIC_PPO_AgentAgreementRedacted_Supporting_20160629.pdf”
 - c. Preferred Producer Master Agreement: “Ind_16-44_Initial_CAIC_PPO_PPMA_Supporting_CONF_20160629.pdf”
 - d. Redacted Preferred Producer Master Agreement: “Ind_16-44_Initial_CAIC_PPO_PPMARedacted_Supporting_20160629.pdf”
- (d) Please see Q&A Exhibit 1 for the calculation of the average broker commission.

Question 2. Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.

Answer 2. I acknowledge the requirement to change the URRT in HIOS each time a change is made in SERFF. CAIC is in compliance.

Question 3. Does this filing propose Service Area changes relative to the last approved filing? If so, please discuss.

Answer 3. No service area changes are being proposed with this filing.

Question 4. Please show quantitatively the derivation of the trend assumptions for each benefit category as shown in Table 3. Please include the sources and source claims data.

Answer 4. Trend is calculated using:

- Vendor Physician Cost Model
- Internal Hospital Contracting Model
- Internal Prescription Drug Trend Model
- Medical utilization estimates reviewed by CBC's Chief Medical Officer

The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.

Utilization trend takes into account the following considerations:

- Historical Data: Please refer to Q&A Exhibit 2a for Group Commercial PPO (groups with less than 100 contracts) historical trends. These trends are from subsidiary, Capital Advantage Assurance Company (CAAC), as CAIC CareConnect does not have credible data.
- Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting).
- Impact of Transitional policies: With the continuation of transitional policies into 2017, CBC expects lower-than-average utilizers to remain in transitional policies, causing single-risk-pool utilization trends to be positive.

Other Trend Considerations:

- Intensity of medical services rendered: Intensity is defined as the amount of inputs used to provide each unit of service. This can best be seen in an example:

Year 2015		
<u>Type of Service</u>	<u>Units</u>	<u>Cost per Unit</u>

X-Ray	1	\$200
MRI	1	\$5,000
Total	2	\$5,200

Year 2016		
<u>Type of Service</u>	<u>Units</u>	<u>Cost per Unit</u>
X-Ray	0	\$200
MRI	2	\$5,000
Total	2	\$10,000

Total Annual Trend	92%
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- **Benefit Buydowns:** Benefit buydowns, i.e. movement to leaner benefits, consistently accounts for -1 to -2 percent of overall claims trend. Buydowns must be removed from pricing trend because they are factored into rate development by the Benefit Change Factor. See Rate Development Exhibit G.

The Prescription Drug model considers the following trend components:

- Price Inflation
- Contract Pricing
- Member Cost-Sharing
- Units per Script
- Brand/Generic Mix
- Therapeutic Mix
- Cost per Script
- Utilization

Please refer to Q&A Exhibit 2b for Group Commercial (groups with less than 100 contracts, CAIC and CBC subsidiaries) historical prescription drug trends.

Q&A Exhibit 2 shows CAIC's best estimate on future trends based on the factors listed above. The pricing trend proposed in this filing is slightly less.

Question 5. In SERFF under the Supporting Documentation tab there is a section labeled "Rate Table (A&H)". In this section there is a set of supplementary rate development tables provided in pdf format. Please provide an Excel version of these tables along with the pdf version.

Answer 5. With this submission, I have provided the Excel version of the rate tables.

[REDACTED]

Sincerely,

[REDACTED]

[REDACTED]