

SERFF Tracking #:

HGHM-130540988

State Tracking #:

HGHM-130540988

Company Tracking #:

1A-DP-16-HCC

State: Pennsylvania

Filing Company: Highmark Choice Company

TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense

Product Name: 1A-DP-16-HCC

Project Name/Number: 1A-DP-16-HCC/1A-DP-16-HCC

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Cherri Sanders-Jones	07/19/2016	07/19/2016
Pending Industry Response	Cherri Sanders-Jones	07/13/2016	07/13/2016

Response Letters

Responded By	Created On	Date Submitted
Gregory Amspacher	08/02/2016	08/02/2016
Gregory Amspacher	07/18/2016	07/18/2016

State: Pennsylvania Filing Company: Highmark Choice Company
 TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense
 Product Name: 1A-DP-16-HCC
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/19/2016
Submitted Date	07/19/2016
Respond By Date	07/26/2016

Dear Kevin Luu,

Introduction:

DATE: July 19, 2016

SUBJECT: Highmark Choice Company
 Individual Health - Hospital/Surgical/Medical xpense
 Product Name: 1A-DP-16-HCC
 SERFF Tracking Number: HGHM-130540988

After a review of the responses to the data call of June 16, 2016 and the actuarial memorandum filed in support of the subject rate filing the following items and matters discussed below require additional clarification. Please respond by July 26, 2016.

1. Trend –

- a. Please provide narrative and a more detailed quantitative derivation of the 11.5% annual trend assumption than shown in the PA Question 3 Response exhibit in your June 29, 2016 response. It is not clear from the information provided in the exhibit that 11.5% is an appropriate trend.
 - b. Please provide the industry ACA data which was used to compare to the 11.5% trend, as stated in your response to PA Question 3. The 11.5% annual trend is on the high side for trend, compared to other filings we have seen in the industry.
2. Please show quantitatively the reconciliation of any differences between the SHCE and Worksheet 1, Section 1 of the Uniform Rate Review Template.

Individual difference

Premiums (net of MLR Rebate) in Experience Period: \$1,121,733
 Incurred Claims in Experience Period \$1,382,286
 Experience Period Member Months 3,328

SHCE Health Premiums Earned (Part 1, Line 1.1) \$18,122,370 1516%
 SHCE Total Incurred Claims (Part 1, Line 5.0) \$18,228,014 1219%
 Member Months (part 4) 43,144 1196%

3. Please provide narrative and show quantitatively, including an Excel spreadsheet with formulas, the derivation of the Age, Geographic and Tobacco Calibration Factor using actual factors and member distribution.
4. Given the difference between the Company's estimated risk adjustment for 2015 and actual 2015 amount, please provide narrative and quantitatively show the development of the pmpm impact this will have on the projected 2017 risk adjustment pmpm amount and the rate impact. Do not revise your filing because of this request; just provide the information requested.
5. Please provide in Table 4B the 36 months of experience data from the source of the manual rate. Please include data for all members, not just those in the identified cohorts.

If you have any questions, please do not hesitate to call or e-mail. Thank you.

Cherri Sanders-Jones
 (717) 787-5172

State: Pennsylvania **Filing Company:** Highmark Choice Company
TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense
Product Name: 1A-DP-16-HCC
Project Name/Number: 1A-DP-16-HCC/1A-DP-16-HCC

Conclusion:

Sincerely,
Cherri Sanders-Jones

State: Pennsylvania **Filing Company:** Highmark Choice Company
TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense
Product Name: 1A-DP-16-HCC
Project Name/Number: 1A-DP-16-HCC/1A-DP-16-HCC

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/13/2016
Submitted Date	07/13/2016
Respond By Date	07/19/2016

Dear Kevin Luu,

Introduction:

Please see the attachment below. The response is due by Tuesday, July 19, 2016.

Cherri Sanders-Jones
(717) 787-5172

Conclusion:

Sincerely,
Cherri Sanders-Jones

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 filing.¹

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.

State: Pennsylvania **Filing Company:** Highmark Choice Company
TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense
Product Name: 1A-DP-16-HCC
Project Name/Number: 1A-DP-16-HCC/1A-DP-16-HCC

Supporting Document Schedules

Satisfied - Item:	Objection #1 Responses - Redacted
Comments:	Attached are redacted responses to the Objection Letter dated 06/16/16.
Attachment(s):	HCC Individual 2017 - Objection 1 Responses - Redacted.pdf Gen Q3 Response.pdf Gen Q4 Response.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Objection #2 Responses
Comments:	Attached are responses to the Objection Letter dated 07/13/16.
Attachment(s):	HCC Individual 2017 - Objection 2 Responses.pdf HCC Objection 2 Responses.xlsx
Item Status:	
Status Date:	
Satisfied - Item:	Objection #3 Responses
Comments:	Attached are responses to the Objection Letter dated 07/19/16.
Attachment(s):	HCC Individual 2017 - Objection 3 Responses.pdf HCC Objection 3 Responses.xlsx
Item Status:	
Status Date:	

SERFF Tracking #:

HGHM-130540988

State Tracking #:

HGHM-130540988

Company Tracking #:

1A-DP-16-HCC

State:

Pennsylvania

Filing Company:

Highmark Choice Company

TOI/Sub-TOI:

H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense

Product Name:

1A-DP-16-HCC

Project Name/Number:

1A-DP-16-HCC/1A-DP-16-HCC

Attachment HCC Objection 2 Responses.xlsx is not a PDF document and cannot be reproduced here.

Attachment HCC Objection 3 Responses.xlsx is not a PDF document and cannot be reproduced here.

TO: Ms. Cherri Sanders-Jones, Actuary
Bureau of Life, Accident & Health Insurance
Pennsylvania Insurance Department

FROM: [REDACTED]
Highmark Inc.

DATE: June 29, 2016

SUBJECT: Highmark Choice Company (HCC) 2017 Individual Market Rates
Response to June 16, 2016 Objection Letter
Filing Number: 1A-DP-16-HCC
SERFF Tracking Number: HGHM-130540988

Below are HCC's responses to your objection letter dated June 16, 2016. We have included the questions along with the responses for your convenience.

General

1. Please provide all tables, exhibits, etc. supporting actuarial memorandum in Excel format with formulas for each entry.

Response:

Please see the worksheets labeled 'Q1a Response' and 'Q1b Response' in the attached Excel file. These worksheets show Exhibit I and Exhibit II from the Federal Part III Actuarial Memorandum in Excel format. All other quantitative tables and exhibits were already provided in Excel format as part of the initial filing submission.

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.

Response:

HCC acknowledges and certifies compliance with this requirement.

3. Please provide the 2015 Statutory Annual Statement Five-Year Historical Data Exhibit.

Response:

Please see the attachment labeled 'Gen Q3 Response'.

4. Please provide a copy of the Supplemental Health Care Exhibit (SHCE) and describe the reason(s) for any differences between the SHCE and Worksheet 1, Section 1 of the Uniform Rate Review Template.

Response:

Please see the attachment labeled 'Gen Q4 Response'.

The differences that exist between the two exhibits are due to the following:

- **The SHCE exhibit is a year-end accounting view of results with no runout and would include the experience based on actual cash transfers adjusted for changes in reserves, which affects both premium and claims.**

- **The URRT presents an updated view of results where experience is restated based upon more recent data and is tied more directly to the incurred period with some provision for IBNR included in the claims. The results for 2015 shown in the URRT would have included one month of run out.**
- **The SHCE exhibit uses a different classification of business than the URRT; the SHCE classification is based on the mandated MLR classifications and results in the following differences in premium, claims, and membership:**
 - **Grandfathered medically underwritten business is included in SHCE.**
 - **Ceded reinsurance incurred claims are included in the SHCE.**
- **Additionally, network access fees are removed from the premium in the SHCE exhibit, per the instructions for completing that exhibit.**

5. Please confirm that pediatric dental and Pediatric Vision benefits are included in all plans. If not included, please provide the methodology the company intends to use for ensuring coverage of pediatric dental/vision benefits.

Response:

Pediatric dental and Pediatric Vision benefits are included in all plans.

Federal

6. Please show quantitatively including an Excel spreadsheet the derivation of the Utilization per 1,000 and Average Cost/Service costs for each Benefit Category in Section II of Worksheet 1 in the Credibility Manual Section of the URRT.

Response:

Please see the worksheets labeled ‘Fed Q6 Response’ in the attached Excel file.

7. Please describe quantitatively, including an Excel spreadsheet with formulas, the derivation of the population risk morbidity and the “Other” factor as found in Worksheet 1, Section II of the URRT. These numbers do not match population risk and the other factor found in Table 5 of the Actuarial Memorandum Rate Exhibits. Please explain and reconcile.

Response: The factors entered in Worksheet 1, Section II of the URRT assume the HCC population is credible. The results from using these factors were given no credibility and the manual portion of the URRT was used. Table 5 of the Actuarial Memorandum Rate Exhibits starts with data from Highmark Health Insurance Company (HHIC) as a credible source. The morbidity and “other” factors in Table 5 represent the changes to go from the HHIC base data to the expected HCC population.

Please see the worksheet labeled “Fed Q7 Response” for the derivation of the factors used in Table 5.

8. Credibility Manual:

- Please provide an Excel spreadsheet, similar to Part I of the URRT, that shows the development of the projected index rate starting from the 2015 experience underlying the manual rate.
- Please provide the number of member months of experience that formed the basis for the Credibility Manual.
- Please show quantitatively, including an Excel spreadsheet with formulas, the derivation of each of the projection factors (morbidity adjustment, benefit adjustment, demographic adjustment, etc.) used in deriving the credibility manual.

d. Please provide the credibility formula used to assign 100% credibility to the Company's Experience Period data.
Further, please show quantitatively, including an Excel spreadsheet with formulas, the derivation of the credibility percentage factors 0% and 100% that are found in Section III, Worksheet 1 of the URRT.

Response:

- 8a. Tables 2b, 3b, and 5 of the state memorandum demonstrate this calculation.**
- 8b. Please see the response to Federal Question 6 above.**
- 8c. Please see the response to Federal Question 7 above and the worksheet labeled "Fed Q7 Response".**
- 8d. Highmark typically uses a threshold of 15,750 member months to be fully credible. However, given the increased uncertainty in the ACA marketplace, HCC chose to rely fully on the experience of HHIC as the starting point for 2017 rates.**

9. Please show quantitatively, including an Excel spreadsheet with formulas, the derivation of the \$75.55 'Projected Risk Adjustments PMPM' found in Section III, Worksheet 1 of the URRT. Please provide a detailed narrative that describes the development of the estimated risk adjustment transfer payment. This response may be redacted.

Response:

[REDACTED]

Pennsylvania

1. Please provide the January 1, 2016 through April 30, 2016 emerging experience in an Excel worksheet formatted similar to Table 2.

Response:

Please see the worksheet labeled 'PA Q1 Response' in the attached Excel file.

2. Section F, trend identification, The PA actuarial memorandum indicates that the URRT is populated with values of 1.00 as a manual rate was used. The submitted URRT contains annualized trend factors that are not 1.00. Please review and correct, as necessary.

Response:

This sentence was included in the memorandum in error. The factors entered are the assumptions for HCC assuming the population was credible. Please note that while these factors produce the outcome in column Q, column Q is weighted with 0 credibility and a manual rate is used in its place. Therefore, no update to the URRT is required. For the development of this manual rate and

the factors corresponding to this section of the URRT, please see tables 3b and 5 of the state templates.

3. In Section F, Highmark Choice indicates that the Highmark Choice data was not used in trend development. Please provide the monthly data, formatted consistent with Table 4, used to develop the trend. Also provide a detailed narrative that explains how this data was used in developing the trend, the data source and all assumptions and adjustments. Additionally, provide the regression study and explain why this approach is appropriate. Also discuss the impact of provider contracting and leveraging on trend. Specific provider contracting information may be redacted but not aggregate data.

Response:

Due to the significant change in the make-up of the ACA population in the first two years, alternative approaches were necessary to develop the trend. A separate regression study was developed that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in 2014 and thru 2015 in the same metal level. The analysis took into consideration seasonality and removed outlier months in order to determine a regression trend. Resulting r-squared levels were compared to determine confidence levels of the resulting regression trends to develop a reasonable range of trend assumptions. The assumed pricing trend of 11.5% fell within the range of the regression study. This assumed trend was further compared to the group business and any industry available ACA data for reasonability.

Please see the worksheets labeled ‘PA Q3 Response’ in the attached Excel file for the trend development data.

4. The trend component factors in Table 3 are consistent with the URRT, but inconsistent with Table 3b. The PA actuarial memorandum indicates that Table 3b reflects Highmark’s trend estimates. Please review and revise accordingly or explain.

Response:

As indicated in the response to question 2 above, the trend assumptions entered in the URRT reflect the assumptions that would be used if the HCC data was credible. Table 3 was populated with this same data. However, since HCC is using the credibility manual portion of the URRT, table 3b has been populated with the assumptions needed to get from the data underlying the credibility manual (HHIC data) to the final PMPMs in the credibility manual section of the URRT. The cost trend is the same. The difference in the utilization trend is the adjustment for benefit richness between the two populations.

5. Stated allowed claims in Table 2 (allowed claims + rx rebates) and Table 4 differ. Why?

Response:

Please see the worksheets labeled ‘PA Q5 Response’ in the attached Excel file.

6. Stated ultimate incurred claims in Table 2 and Table 4 differ. Why?

Response:

Please see the worksheets labeled ‘PA Q6 Response’ in the attached Excel file.

7. In Table 4, is HS cost sharing and an estimate of the risk adjustment included in the premium? If so, please provide the dollar amount for each.

Response:

The 2015 premium number in Table 4 is without risk adjustment. There is no federal cost sharing reduction subsidy for HCC since it is off exchange only.

8. In Table 4, provide the monthly experience claims for 2014.

Response:

2014 monthly experience was included in Table 4 in HCC's initial submission.

9. Table 4 requests the most recent 36 months of data, that is, 3 calendar years. Please provide.

Response:

Although Table 4 requests the most recent 36 months of data, the ACA related claims are only available beginning in 2014. Since there was no instruction on whether non-ACA claims should be included for 2013, we opted to include only ACA claims on Table 4 as it is more relevant to ACA rate filing.

In addition, any results that combine the 2013 non-ACA and 2014-2015 ACA claims would require significant adjustments due to the differences in demographic, benefits, regulatory compliance, and utilization patterns.

10. Expenses for Quality Improvement Initiatives are included in the general and claims administrative percentage and were not broken out separately. Please modify Table 6 to separately identify, as requested in the Table.

Response:

Please see the worksheet labeled 'PA Q10 Response' in the attached Excel file.

11. Please provide the actual and projected (according to the approved rate filing) general administrative expense, claims expense, agent/broker fees and commissions, and Quality Improvement Initiatives for calendar years 2014 and 2015 and the year to date 2016.

Response:

Please see the worksheet labeled 'PA Q11 Response' in the attached Excel file.

12. Provide support for all expenses that do not reflect payments made to providers under the contract for covered medical services. Describe the methodology used for developing the estimate of these non-benefit expenses expected during the projection period for the applicable market, including any allocation of corporate overhead.

Response:

HCC's allocation method uses measureable statistics such as claims worked, inquiries worked, contracts, members, etc. to allocate the majority of expenses. When possible, expenses are direct charged if they can be identified by product instead of going thru an allocation method. For corporate allocations, HCC generally use a TCI (total costs incurred) methodology to allocate by product.

13. Regarding broker commissions:

- Under what circumstances and in what geographic locations will commissions be paid?
- Are commissions paid for SEP?
- Provide a copy of the broker agreement - current and 2017.

- Show the calculation of the average commission - current and 2017.
- When responding to this data call, you may redact this response as it will contain proprietary information.

Response:

[REDACTED]

14. Regarding Table 9, top of page 5 of the PA memorandum, Highmark Choice indicates that the 2016 values are populated using the 2016 filed factors adjusted for the membership mix as of February 1, 2016. Please explain.

Response:

In order to explain the percentage increase you have to hold the population constant. For the purposes of this exhibit HCC used the Network, Pricing AV, Benefit Richness, Catastrophic Eligibility, Admin Expense, Taxes and Fees, and Profit/Contingency factors as approved in the 2016 filing for each plan and weighted them by the February 1, 2016 snapshot of enrollment. This allows for a proper comparison of the change in each factor.

15. Please indicate if the Company included an adjustment to account for the regulation that prohibits charging for more than three children per family, and, if applicable, demonstrate how the adjustment was derived and where it is included in the filing.

Response:

Please see the worksheet labeled ‘PA Q15-Q16 Responses’ in the attached Excel file. The three children per family adjustment is accounted for in the billable member count.

16. Please show quantitatively, including an Excel spreadsheet with formulas, the derivation of the Age, Geographic and Tobacco Calibration Factor.

Response:

The age and Tobacco calibration is included in the worksheet labeled ‘PA Q15-Q16 Responses’ in the attached Excel file.

HCC uses the same geographic factor for every rating region in its service area except for a small portion of Centre County which lies within Rating Area 6. While a plan is offered in this county, there is currently no enrollment there. Therefore, the Geographic calibration factor is equal to the geographic factor for regions 1, 2, 4, and 5 found on Table 13.

17. Section 3, Plan Rate Development, of the PA actuarial memorandum references Attachment I of the Part III URRT memorandum. I am unable to locate this attachment. Please provide.

Response:

The language in Section 3, Plan Rate Development, of the PA actuarial memorandum should reference “Exhibit I” rather than “Attachment I” of the Part III actuarial memorandum.

18. Regarding Table 14, please explain why there is no current factor indicated, while a proposed factor is projected.

Response:

The network factors used are a blend of a medical network factor and a pharmacy formulary factor. Due to a change in the formulary being used, the network as defined in table 14 (KHPW with Closed Formulary) was not utilized in 2016 and thus there is no 2016 factor associated with it.

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

Response:

There is no change in service area.

20. Does this filing propose any changes in your pricing model? If so, please discuss. This response may be redacted since it may contain confidential information.

Response:

The pricing model and methodology are consistent with those used in previous rate developments for the Individual ACA market. The data and assumptions have been updated to reflect a wide array of current and anticipated factors.

21. Please discuss the impact SEP enrollees have had on your company's claims experience. If possible provide the 2015 loss ratio for SEP enrollees and non-SEP enrollees.

Response:

HCC is available for off exchange only so impact of SEP is immaterial.

Exhibit I
Highmark Choice Company
d/b/a HCC

Individual Market Adjusted Index Rate (effective January 1, 2017)

CY2017 Projected Period Average Members	302
CY2017 Projected Allowed Claims	\$750.12
Non-EHB - Adult Vision	\$0.00
CY2017 Index Rate (Allowed Claims for EHB Only)	\$750.12
Market-Wide Adjustment	
Risk Adjustment (Net of Risk Adjuster Fee)	0.874
Transitional Reinsurance Program (Net of Reinsurance Premium)	1.000
Exchange User Fee	1.000
CY2017 Market Adjusted Index Rate	\$655.81
Calibration	
Calibration from Plan Adjusted Index Rate to Age 42, 1.0 Area, Non-Smoker	
(a) Average Age Factor	1.342
(b) Age 42 (Nearest Age on HHS Age Curve) Age Factor	1.325
(c) Average Geographic Factor	0.970
Combined Calibration Factor $1/[(a/b)*c]$	1.018

**Exhibit II
Highmark Choice Company**

**Unified Rate Review Template (URRT) AV Pricing Value Development
Market Adjusted Index Rate PMPM = \$655.81**

Entity	HIOS Plan ID	Metal Level	Plan Design Marketing Name	On/Off Exchange	Plan Adjusted Index Rate PMPM	URRT AV Pricing Value	Portion of URRT AV Pricing Value Attributable to each Allowable Modifier ^[1]				
							(i)	(ii)	(iii)	(iv)	(v)
HCC	38949PA0070001	Gold	Care Guide Blue HMO 500	Off	\$597.46	0.911	0.798	1.000	1.000	1.142	1.000

^[1] Permitted Plan-Level Adjustments to the Index Rate as prescribed in 45 CFR Part 156, §156.80(d)(2):

- (i) The actuarial value and cost-sharing design of the plan.
- (ii) The plan's provider network, delivery system characteristics, and utilization management practices.
- (iii) The benefits provided under the plan that are in addition to the essential health benefits.
- (iv) Administrative costs, excluding Exchange user fees.
- (v) With respect to catastrophic plans, the expected impact of the specific eligibility categories for those plans.

Benefit Category	Utilization Description	HHIC 2015 Base Experience Period						URRT Credibility Manual		
		Member Months	Number of Services	Allowed Claims	Utilization per 1,000	Cost per Service	Allowed PMPM	Utilization per 1,000	Cost per Service	Allowed PMPM
Inpatient Hospital	Admits	328,601	37,683.2	\$46,780,989	114.7	\$14,897.16	\$142.36	114.7	\$15,154.08	\$144.82
Outpatient Hospital	Visits	328,601	1,229,599.9	\$72,998,308	3,741.9	\$712.41	\$222.15	3,741.9	\$724.70	\$225.98
Professional	Visits	328,601	6,703,751.9	\$59,334,594	20,400.9	\$106.21	\$180.57	20,400.9	\$108.04	\$183.68
Other Medical	Visits	328,601	389,330.0	\$6,268,045	1,184.8	\$193.19	\$19.07	1,184.8	\$196.53	\$19.40
Capitation	Other	328,601	12,000.0	\$111,724	12,000.0	\$0.34	\$0.34	12,000.0	\$0.34	\$0.34
Prescription Drug	Prescriptions	328,601	5,434,259.3	\$56,819,403	16,537.6	\$125.47	\$172.91	16,537.6	\$127.63	\$175.90
Total							\$737.41			\$750.12
Total without Capitation							\$737.07			\$749.78

Population Source	2015 Member Distribution	2015 Normalized Allowed PMPM	2017 Member Distribution	2017 Normalized Allowed PMPM	Morbidity Change Relative to Total
Highmark ACA	100.0%	\$683.05	90.0%	\$607.51	0.889
Highmark Medically Underwritten			5.6%	\$590.87	0.865
Uninsured & Employer Markets			4.4%	\$577.23	0.845
Total	100.0%	\$683.05	100.0%	\$605.24	0.886

Components of Other	Factor
CY2015 Demographic Factor	1.658
CY2017 Demographic Factor	1.315
Change in Demographic	0.794
CY2015 Network Factor	0.990
CY2017 Network Factor	0.965
Change in Network	0.975
Change in Benefits	1.000
Table 5 Change in Other's Other	0.990
Change in Other	0.766

[Redacted]

Emerging Experience Data: January 1, 2016 - April 30, 2016

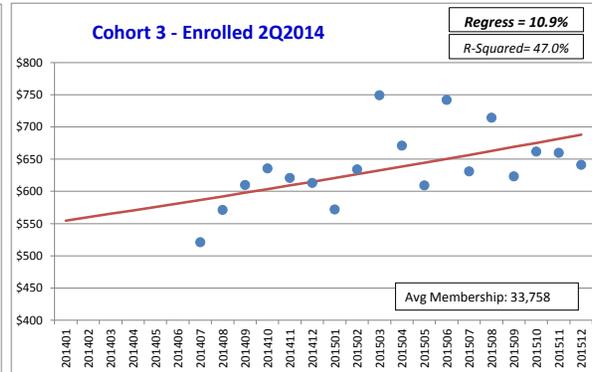
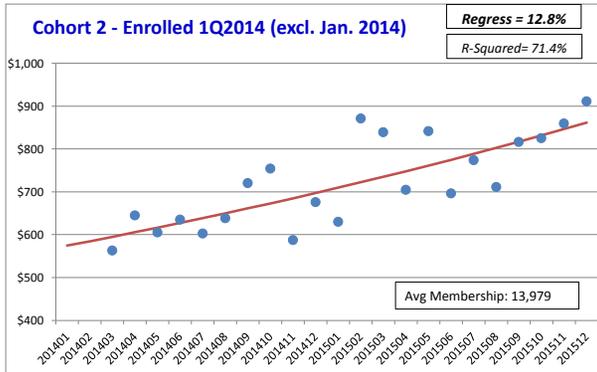
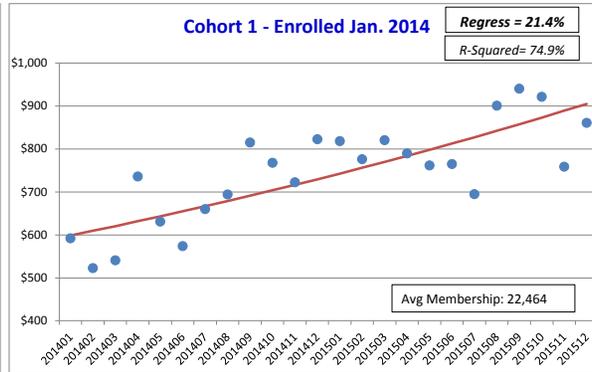
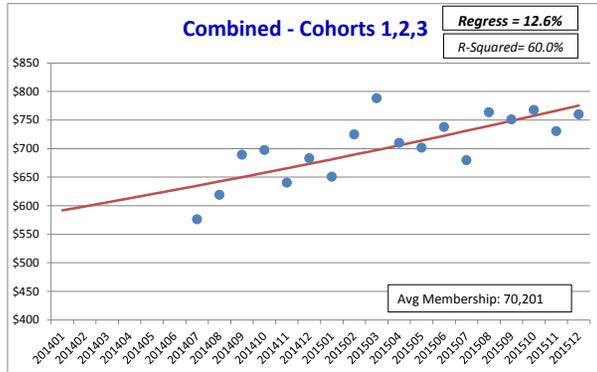
Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$446,495	\$464,000	\$607,340	1,123	\$166,660	\$774,000	\$0	(\$15,398)	\$382	\$539	\$60,462	\$0
YTD 2016 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 675.85
Loss Ratio											116.95%

*Express Prescription Drug Rebates as a negative number

Regression Analysis - Adjusted for Seasonality
 Continuous Product Members Only

Valuation Date: January 31, 2016

Total PA



Index	Incno	1 Mo PMPM Adjusted	1 Mo PMPM Adjusted	1 Mo PMPM Adjusted	1 Mo PMPM Adjusted
1	201401	\$527.90	\$533.67	\$624.85	\$503.71
2	201402	\$533.13	\$618.65	\$635.05	\$508.79
3	201403	\$538.41	\$641.58	\$645.42	\$516.84
4	201404	\$543.74	\$651.11	\$655.96	\$538.21
5	201405	\$549.13	\$682.26	\$666.66	\$499.47
6	201406	\$554.57	\$678.90	\$677.55	\$530.69
7	201407	\$559.81	\$560.06	\$719.18	\$688.61
8	201408	\$533.44	\$565.61	\$673.27	\$699.85
9	201409	\$581.87	\$571.21	\$753.50	\$711.28
10	201410	\$572.10	\$576.86	\$745.30	\$722.89
11	201411	\$550.04	\$582.58	\$742.94	\$734.69
12	201412	\$586.77	\$588.35	\$781.76	\$746.68
13	201501	\$576.44	\$594.18	\$726.33	\$758.87
14	201502	\$619.76	\$600.06	\$785.27	\$771.26
15	201503	\$660.45	\$606.00	\$920.89	\$783.85
16	201504	\$660.80	\$612.00	\$903.06	\$796.65
17	201505	\$626.55	\$618.07	\$816.31	\$809.65
18	201506	\$653.98	\$624.19	\$859.41	\$822.87
19	201507	\$636.35	\$630.37	\$814.75	\$836.31
20	201508	\$642.36	\$636.61	\$850.82	\$849.96
21	201509	\$600.09	\$642.92	\$789.37	\$863.83
22	201510	\$630.37	\$649.29	\$832.23	\$877.94
23	201511	\$650.61	\$655.72	\$831.66	\$892.27
24	201512	\$643.81	\$662.21	\$861.70	\$906.84

Slope:	1.010	1.016	1.010	1.009
Regress:	12.6%	21.4%	12.8%	10.9%
R-Square	60.0%	74.9%	71.4%	47.0%
Intercept:	\$522.72	\$614.81	\$498.68	\$432.09
	Regress = 12.6%	Regress = 21.4%	Regress = 12.8%	Regress = 10.9%
	R-Squared= 60.0%	R-Squared= 74.9%	R-Squared= 71.4%	R-Squared= 47.0%
	Avg Membership: 70,201	Avg Membership: 22,464	Avg Membership: 13,979	Avg Membership: 33,758

Notes:
 Cohorts defined using ECI list provided by Direct Pay team
 Cohort 1 are members enrolled since Jan. 2014
 Cohort 2 are members enrolled since 1Q 2014 (excl Jan.). First valid data point used in regression is March 2014
 Cohort 3 are members enrolled since 1Q 2014 First valid data point used in regression is July 2014
 Combined Cohort includes Cohorts 1,2,3 First valid data point used in regression is July 2014

	Table 2	Table 4
Medical Allowed Claims	\$1,746,904	\$1,746,904
Dental Allowed Claims	\$3,257	\$3,257
Hospital Settlement	\$4,313	
Sum Before Rx Rebates	\$1,754,473	\$1,750,161
Rx Rebates	-\$21,836	-\$21,836
Sum After Rx Rebates	\$1,732,637	\$1,728,324

	Table 2	Table 4
Medical Incurred Claims	\$1,391,803	\$1,391,803
Dental Incurred Claims	\$2,152	\$2,152
Hospital Settlement	\$4,313	
Sum Before Rx Rebates	\$1,398,267	\$1,393,955
Rx Rebates	-\$21,836	-\$21,836
Sum After Rx Rebates	\$1,376,431	\$1,372,118

<u>Retention Items - Express in percentages</u>	
Administrative Expenses	9%
General and Claims	7.77%
Agent/Broker Fees and Commissions	1.02%
Quality Improvement Initiatives	0.59%
Taxes and Fees	0.03%
PCORI Fees (Enter \$ amount here: \$ _____)	0.03%
Pa Premium Tax (if applicable)	0.00%
Federal Income Tax	0.00%
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	0.00%
Profit/Contingency	3%
Total Retention	12%
Projected Required Revenue PMPM	\$ 599.81

	Actual PMPM May 2016 YTD	Approved Admin and Commission for 2016 Rates				
		Total PA	Highmark	HSR	HHIC	HCC
Net Admin Expense	\$36.68					
Quality Improvement	\$2.59					
Commission	\$2.02					
Total	\$41.29	\$42.23	\$41.35	\$41.35	\$49.15	\$49.59
% of Business	100.0%	100.0%	40.7%	48.0%	11.2%	0.1%

	Actual PMPM 2015 YTD	Approved Admin and Commission for 2015 Rates			
		Total PA	Highmark	HHIC	HCC
Net Admin Expense	\$29.81				
Quality Improvement	\$2.30				
Commission	\$6.12				
Total	\$38.23	\$31.65	\$29.01	\$42.13	\$41.20
% of Business	100.0%	100.0%	79.9%	19.8%	0.4%

	Actual PMPM 2014 YTD	Approved Admin and Commission for 2014 Rates			
		Total PA	Highmark	HHIC	HCC
Net Admin Expense	\$26.49				
Quality Improvement	\$2.08				
Commission	\$4.41				
Total	\$32.99	\$30.77	\$30.63	\$30.63	\$41.64
% of Business	100.0%	100.0%	81.3%	17.4%	1.3%

Age Factor Calculation	Non Tobacco Members	Tobacco Members	Total Members
All Members	285	17	302
Sum of Age Factors (See formula below)	384	24	408
Average Age Factor			1.351
Billable Members	283	17	300
Calibrated Age Factor			1.342
$\sum (Number\ of\ Members\ in\ Age\ Band-i) \times (HHS\ Age\ Band-i\ Factor)$			

Tobacco Factor Calculation	Non-Tobacco Members	Tobacco Members	Total Members
All Members	285	17	302
Sum of Tobacco Factors (See formula Below)	285	18	303
Average Tobacco Factor			1.004
$\sum (Number\ of\ non-Tobacco\ Members\ in\ Age\ Band-i) \times (1.000) +$ $\sum (Number\ of\ Tobacco\ Members\ in\ Age\ Band-i) \times (Age\ Band-i\ Tobacco\ Factor)$			

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	271,726,567	242,479,952	482,421,883	658,261,024	690,395,543
2. Total liabilities (Page 3, Line 24).....	256,236,738	229,503,958	195,389,052	251,054,130	258,868,722
3. Statutory minimum capital and surplus requirement.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4. Total capital and surplus (Page 3, Line 33).....	15,489,829	12,975,994	287,032,831	407,206,894	431,526,821
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	0	0	1,791,263,567	1,892,650,341	2,044,149,065
6. Total medical and hospital expenses (Line 18).....	0	0	1,563,078,984	1,680,973,081	1,849,057,981
7. Claims adjustment expenses (Line 20).....	0	0	49,426,900	48,034,088	42,261,712
8. Total administrative expenses (Line 21).....	54,939	1,369,211	74,783,630	74,648,575	78,639,861
9. Net underwriting gain (loss) (Line 24).....	(54,939)	(1,369,211)	114,456,437	88,463,816	79,694,070
10. Net investment gain (loss) (Line 27).....	(3,008,383)	1,707,818	9,820,862	19,051,352	16,130,555
11. Total other income (Lines 28 plus 29).....	(937,419)	(1,700,574)	(150,113)	4,247	6,603
12. Net income or (loss) (Line 32).....	(4,621,639)	4,654,737	104,656,430	95,257,685	73,186,396
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(8,909,443)	(97,870,314)	58,511,695	88,066,137	70,632,770
Risk-Based Capital Analysis					
14. Total adjusted capital.....	15,489,829	12,975,994	287,032,831	407,206,894	431,526,821
15. Authorized control level risk-based capital.....	2,014,654	2,245,260	61,052,294	65,581,608	71,531,110
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	128,836	136,398	156,666	172,112	190,717
17. Total member months (Column 6, Line 7).....	1,582,252	1,711,446	1,956,829	2,141,222	2,398,940
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	0.0	0.0	87.3	88.8	90.5
20. Cost containment expenses.....	0.0	0.0	1.7	1.5	1.2
21. Other claims adjustment expenses.....	0.0	0.0	1.1	1.0	0.9
22. Total underwriting deductions (Line 23).....	0.0	0.0	93.6	95.3	96.1
23. Total underwriting gain (loss) (Line 24).....	0.0	0.0	6.4	4.7	3.9
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	1,099,153	134,722,211	120,226,114	138,565,209	154,545,779
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	(14,443,310)	119,231,992	143,161,185	137,665,034	134,282,709
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....	0	0	0	0	0
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....	0	0	0	0	0
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....	0	0	0	0	0
30. Affiliated mortgage loans on real estate.....	0	0	0	0	0
31. All other affiliated.....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF GRAND TOTAL

DURING THE YEAR 2015

NAIC Company Code....95048

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11).....	18,122,730	781,821	8,501,696	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953	
1.2 Federal high risk pools.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
1.3 State high risk pools.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
1.4 Premiums earned including state and federal high risk programs (Lines 1.1+1.2+1.3).....	18,122,730	781,821	8,501,696	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953	
1.5 Federal taxes and federal assessments.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.6 State insurance, premium and other taxes (Similar local taxes of \$.00).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.6a Community benefit expenditures (informational only).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.7 Regulatory authority licenses and fees.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.8 Adjusted premiums earned (Lines 1.4-1.5-1.6-1.7).....	18,122,730	781,821	8,501,696	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953	
1.9 Net assumed less ceded reinsurance premiums earned.....	(18,122,730)	(781,821)	(8,501,696)	0	0	0	0	0	(25,168,637)	0	(1,472,271,069)	(1,524,845,953)	XXX	(1,524,845,953)	
1.10 Other adjustments due to MLR calculations - premiums.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
1.11 Risk revenue.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
1.12 Net adjusted premiums earned after reinsurance (lines 1.8+1.9+1.10+1.11).....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
2. Claims:															
2.1 Incurred claims excluding prescription drugs.....	14,671,083	750,680	6,087,811	0	0	0	0	0	17,205,694	0	1,186,034,092	1,224,749,360	XXX	1,224,749,360	
2.2 Prescription drugs.....	4,059,166	257,650	2,089,470	0	0	0	0	0	3,666,485	0	149,981,512	160,054,283	XXX	160,054,283	
2.3 Pharmaceutical rebates.....	580,003	33,665	273,017	0	0	0	0	0	483,050	0	24,520,012	25,889,747	XXX	25,889,747	
2.4 State stop loss, market stabilization and claim/census based assessments (informational only).....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
3. Incurred medical incentive pools and bonuses.....	77,768	2,107	17,085	0	0	0	0	0	313,058	0	18,024,106	18,434,124	XXX	18,434,124	
4. Deductible fraud and abuse detection/recovery expenses (for MLR use only).....	6,484	201	4,069	0	0	0	0	0	11,994	0	474,535	497,283	80,805	578,088	
5.0 Total incurred claims (Lines 2.1+2.2-2.3+3) (From Part 2, Line 2.15).....	18,228,014	976,772	7,921,349	0	0	0	0	0	20,702,187	0	1,329,519,698	1,377,348,020	XXX	1,377,348,020	
5.1 Net assumed less ceded reinsurance claims incurred.....	(18,228,014)	(976,772)	(7,921,349)	0	0	0	0	0	(20,702,187)	0	(1,329,519,698)	(1,377,348,020)	XXX	(1,377,348,020)	
5.2 Other adjustments due to MLR calculations - claims.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
5.3 Rebates paid.....	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0	
5.4 Estimated rebates unpaid prior year.....	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0	
5.5 Estimated rebates unpaid current year.....	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0	
5.6 Fee for service and co-pay revenue.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
5.7 Net incurred claims after reinsurance (Lines 5.0+5.1+5.2+5.3-5.4+5.5-5.6).....	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0	
6. Improving health care quality expenses incurred:															
6.1 Improve health outcomes.....	32,159	1,339	13,850	0	0	0	0	0	165,293	0	19,753,706	19,966,347	0	19,966,347	
6.2 Activities to prevent hospital readmissions.....	7,475	329	3,505	0	0	0	0	0	2,681	0	10,611,928	10,625,918	0	10,625,918	
6.3 Improve patient safety and reduce medical errors.....	4,304	145	1,934	0	0	0	0	0	6,364	0	336,033	348,780	0	348,780	
6.4 Wellness and health promotion activities.....	12,814	442	5,495	0	0	0	0	0	22,711	0	13,538,482	13,579,944	0	13,579,944	
6.5 Health information technology expenses related to health improvement.....	8,963	288	2,960	0	0	0	0	0	119,958	0	742,661	874,830	0	874,830	
6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5).....	65,715	2,543	27,744	0	0	0	0	0	317,007	0	44,982,810	45,395,819	0	45,395,819	
7. Preliminary medical loss ratio: MLR (Lines 4+5.0+6.6-Footer 2.0) / Line 1.8.....	1.005	1.253	0.935	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.934	XXX	XXX	XXX	
8. Claims adjustment expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6.....	292,543	9,832	126,448	0	0	0	0	0	703,260	0	16,867,214	17,999,297	0	17,999,297	
8.2 All other claims adjustment expenses.....	262,552	17,242	203,106	0	0	0	0	0	424,901	0	16,356,396	17,264,197	0	17,264,197	
8.3 Total claims adjustment expenses (Lines 8.1+8.2).....	555,095	27,074	329,554	0	0	0	0	0	1,128,161	0	33,223,610	35,263,494	0	35,263,494	
9. Claims adjustment expense ratio (Line 8.3 / Line 1.8).....	0.031	0.035	0.039	0.000	0.000	0.000	0.000	0.000	0.045	0.000	0.023	XXX	XXX	XXX	

216.1.GT

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org.committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF GRAND TOTAL

DURING THE YEAR 2015

NAIC Company Code....95048

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and administrative (G&A) expenses:															
10.1 Direct sales salaries and benefits.....	11,542	2,209	6,871	0	0	0	0	0	0	50,344	0	978,816	1,049,782	0	1,049,782
10.2 Agents and brokers fees and commissions.....	76,564	15,390	14,683	0	0	0	0	0	0	0	0	6,929,764	7,036,401	0	7,036,401
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.4 Other general and administrative expenses.....	544,358	20,166	240,848	0	0	0	0	0	0	2,825,657	0	60,728,571	64,359,600	10,820,036	75,179,636
10.4a Community benefits expenditures (informational only).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.5 Total general and administrative (Lines 10.1+10.2+10.3+10.4).....	632,464	37,765	262,402	0	0	0	0	0	0	2,876,001	0	68,637,151	72,445,783	10,820,036	83,265,819
11. Underwriting gain/(loss) (Lines 1.12-5.7-6.6-8.3-10.5).....	(1,253,274)	(67,382)	(619,700)	0	0	0	0	0	0	(4,321,169)	0	(146,843,571)	(153,105,096)	XXX	(163,925,132)
12. Income from fees of uninsured plans.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,658,221	XXX	9,658,221
13. Net investment and other gain/(loss).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,945,802)	XXX	(3,945,802)
14. Federal income taxes (excluding taxes on Line 1.5 above).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	620,898	XXX	620,898
15. Net gain or (loss) (Lines 11+12+13-14).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(157,671,796)	XXX	(158,833,611)
16. ICD-10 Implementation Expenses (information only, already included in general expenses and Line 6.5).....	2,057	64	1,287	0	0	0	0	0	0	3,798	0	148,946	156,152	25,458	181,610
16a. ICD-10 Implementation Expenses (information only, already included in Line 6.5).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INDICATORS:															
1. Number of certificates/policies.....	2,187	49	839	0	0	0	0	0	0	9,009	0	114,615	126,699	14,467	141,166
2. Number of covered lives.....	3,338	90	1,784	0	0	0	0	0	0	9,009	0	114,615	128,836	34,008	162,844
3. Number of groups.....	XXX	5	18	XXX	0	0	0	0	0	0	0	0	23	87	110
4. Member months.....	43,144	1,240	19,977	0	0	0	0	0	0	125,759	0	1,392,132	1,582,252	534,854	2,117,106
Is run off business reported in Columns 1 through 9 or 12?..... Yes [] No[X] If yes, show the amount of premiums and claims included. Premiums \$.....0 Claims \$.....0															

216.1.GT.1

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES AND PAYABLES

	Current Year		Prior Year	
	Comprehensive Health Coverage			
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable).....	(7,150)	(7,497)	331,409	(10,535)
2. Transactional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid).....	85,220	XXX	426,984	XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium.....	0	0	0	0
3.2 Reserve for rate credits or policy experience refunds.....	0	0	0	0
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustment receipts/(payments).....	223,668	(59,934)	0	0
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims.....	304,443	XXX	0	XXX

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF GRAND TOTAL

DURING THE YEAR 2015

NAIC Company Code.....95048

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans		Expatriate Plans									
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
6. Temporary ACA Risk Corridors Program															
6.1 Retrospective premium received.....	.....0	.....0	.....0	.....0											
6.2 Rate credits or policy experience refunds paid.....	.....0	.....0	.....0	.....0											

216.1.GT.2

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF GRAND TOTAL

DURING THE YEAR 2015

NAIC Company Code.....95048

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Total (a)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans				
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group					
1. Health premiums earned:													
1.1 Direct premiums written.....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953
1.2 Unearned premium prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.3 Unearned premium current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Change in unearned premium (Lines 1.2 - 1.3).....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.5 Paid rate credits.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.6 Reserve for rate credits current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.7 Reserve for rate credits prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.8 Change in reserve for rate credits (Lines 1.6 -1.7).....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.9 Premium balances written off.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.10 Group conversion charges.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.11 Total direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10).....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953
1.12 Assumed premiums earned from non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.13 Net assumed less ceded premiums earned from affiliates.....	(18,122,730)	(781,821)	(8,501,696)	0	0	0	0	0	0	(25,168,637)	0	(1,472,271,069)	(1,524,845,953)
1.14 Ceded premiums earned to non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.15 Other adjustments due to MLR calculation - premiums.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15).....	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct claims incurred:													
2.1 Paid claims during the year.....	17,695,351	793,061	8,666,264	0	0	0	0	0	0	20,280,657	0	1,262,107,749	1,309,543,082
2.2 Direct claim liability current year.....	2,167,252	235,898	1,913,066	0	0	0	0	0	0	5,062,673	0	135,254,340	144,633,229
2.3 Direct claim liability prior year.....	1,848,744	46,529	3,219,206	0	0	0	0	0	0	5,064,071	0	85,184,462	95,363,012
2.4 Direct claim reserves current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.5 Direct claim reserves prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.6 Direct contract reserves current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.7 Direct contract reserves prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.8 Paid rate credits.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.9 Reserve for rate credits current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.10 Reserve for rate credits prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c).....	77,768	2,107	17,085	0	0	0	0	0	0	313,058	0	18,024,106	18,434,124
2.11a Paid medical incentive pools and bonuses current year.....	155,257	178	153,374	0	0	0	0	0	0	296,463	0	18,295,178	18,900,450
2.11b Accrued medical incentive pools and bonuses current year.....	21,349	4,417	35,817	0	0	0	0	0	0	77,257	0	10,276,405	10,415,245
2.11c Accrued medical incentive pools and bonuses prior year.....	98,838	2,488	172,106	0	0	0	0	0	0	60,662	0	10,547,477	10,881,571
2.12 Net healthcare receivables (Lines 2.12a - 2.12b).....	(136,387)	7,765	(544,140)	0	0	0	0	0	0	(109,870)	0	682,035	(100,597)
2.12a Healthcare receivables current year.....	258,561	17,705	143,580	0	0	0	0	0	0	223,701	0	14,798,319	15,441,866
2.12b Healthcare receivables prior year.....	394,948	9,940	687,720	0	0	0	0	0	0	333,571	0	14,116,284	15,542,463
2.13 Group conversion charge.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.14 Multi-option coverage blended rate adjustment.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.15 Total incurred claims (Lines 2.1+2.2-2.3+2.4-2.5+2.6-2.7+2.8+2.9-2.10+2.11-2.12+2.13+2.14).....	18,228,014	976,772	7,921,349	0	0	0	0	0	0	20,702,187	0	1,329,519,698	1,377,348,020
2.16 Assumed incurred claims from non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.17 Net assumed less ceded incurred claims from affiliates.....	(18,265,335)	(976,772)	(7,921,349)	0	0	0	0	0	0	(20,702,187)	0	(1,329,519,698)	(1,377,385,341)
2.18 Ceded incurred claims to non-affiliates.....	(37,321)	0	0	0	0	0	0	0	0	0	0	0	(37,321)
2.19 Other adjustments due to MLR calculation - claims.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.20 Net incurred claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19).....	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Fraud and abuse recoveries that reduced PAID claims in Line 2.1 above (informational only).....	195,094	9,982	80,955	0	0	0	0	0	0	228,799	0	6,596,104	7,110,934

216.2.GT

(a) Column 13, line 1.1 includes direct written premium of \$.....0 for stand-alone dental and \$.....0 for stand-alone vision policies.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
1. Individual comprehensive coverage expenses:										
1.1 Salaries (including \$.....0 for affiliated services).....	19,232	5,269	2,092	4,194	408	31,195	42,592	103,216	130,186	307,189
1.2 Outsourced services.....	7,612	617	2,015	4,871	6,907	22,022	114,889	116,441	242,124	495,476
1.3 EDP equipment and software (including \$.....0 for affiliated services).....	3,881	1,308	112	2,804	338	8,443	5,128	18,240	18,708	50,519
1.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	4	53	50	107
1.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
1.6 Other expenses (including \$.....0 for affiliated services).....	1,434	281	85	945	1,310	4,055	129,930	24,603	241,395	399,983
1.7 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6).....	32,159	7,475	4,304	12,814	8,963	65,715	292,543	262,553	632,463	1,253,274
1.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	0	0
1.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
1.10 Total (Lines 1.7 to 1.9).....	32,159	7,475	4,304	12,814	8,963	65,715	292,543	262,553	632,463	1,253,274
1.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	6,484	0	0	6,484
2. Small group comprehensive coverage expenses:										
2.1 Salaries (including \$.....0 for affiliated services).....	729	253	82	147	13	1,224	1,328	6,778	7,773	17,103
2.2 Outsourced services.....	440	20	57	133	228	878	3,856	7,647	14,457	26,838
2.3 EDP equipment and software (including \$.....0 for affiliated services).....	120	42	3	134	10	309	160	1,198	1,117	2,784
2.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	0	3	3	6
2.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
2.6 Other expenses (including \$.....0 for affiliated services).....	50	14	3	28	37	132	4,489	1,616	14,414	20,651
2.7 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6).....	1,339	329	145	442	288	2,543	9,833	17,242	37,764	67,382
2.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	0	0
2.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
2.10 Total (Lines 2.7 to 2.9).....	1,339	329	145	442	288	2,543	9,833	17,242	37,764	67,382
2.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	201	0	0	201
3. Large group comprehensive coverage expenses:										
3.1 Salaries (including \$.....0 for affiliated services).....	9,025	2,788	1,184	1,912	245	15,154	17,587	79,846	2,273,312	2,385,899
3.2 Outsourced services.....	3,100	271	659	1,943	1,990	7,963	52,788	90,077	4,227,981	4,378,809
3.3 EDP equipment and software (including \$.....0 for affiliated services).....	1,130	315	47	1,223	142	2,857	3,166	14,110	326,686	346,819
3.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	2	41	874	917
3.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
3.6 Other expenses (including \$.....0 for affiliated services).....	595	131	44	417	583	1,770	52,906	19,032	4,253,586	4,327,294
3.7 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6).....	13,850	3,505	1,934	5,495	2,960	27,744	126,449	203,106	11,082,439	11,439,738
3.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	(10,820,036)	(10,820,036)
3.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3.10 Total (Lines 3.7 to 3.9).....	13,850	3,505	1,934	5,495	2,960	27,744	126,449	203,106	262,403	619,702
3.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	4,069	0	80,805	84,874

216.3.GT

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
4. Individual mini-med plans expenses:										
4.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
4.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.7 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
4.10 Total (Lines 4.7 to 4.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5. Small group mini-med plans expenses:										
5.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
5.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.7 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
5.10 Total (Lines 5.7 to 5.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6. Large group mini-med plans expenses:										
6.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
6.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.7 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
6.10 Total (Lines 6.7 to 6.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

216.3.GT.1

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
7. Small group expatriate plans expenses										
7.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
7.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.7 Subtotal before reimbursements and taxes (Lines 7.1 to 7.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
7.10 Total (Lines 7.7 to 7.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8. Large group expatriate plans expenses										
8.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
8.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.7 Subtotal before reimbursements and taxes (Lines 8.1 to 8.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
8.10 Total (Lines 8.7 to 8.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. Student health plans expenses										
9.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
9.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.7 Subtotal before reimbursements and taxes (Lines 9.1 to 9.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
9.10 Total (Lines 9.7 to 9.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

216.3.GT.2

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org.committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code.....95048

216.1.PA

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11).....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953
1.2 Federal high risk pools.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.3 State high risk pools.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.4 Premiums earned including state and federal high risk programs (Lines 1.1+1.2+1.3).....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953
1.5 Federal taxes and federal assessments.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.6 State insurance, premium and other taxes (Similar local taxes of \$.00).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.6a Community benefit expenditures (informational only).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.7 Regulatory authority licenses and fees.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.8 Adjusted premiums earned (Lines 1.4-1.5-1.6-1.7).....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953	XXX	1,524,845,953
1.9 Net assumed less ceded reinsurance premiums earned.....	(18,122,730)	(781,821)	(8,501,696)	0	0	0	0	0	0	(25,168,637)	0	(1,472,271,069)	(1,524,845,953)	XXX	(1,524,845,953)
1.10 Other adjustments due to MLR calculations - premiums.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.11 Risk revenue.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (lines 1.8+1.9+1.10+1.11).....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
2. Claims:															
2.1 Incurred claims excluding prescription drugs.....	14,671,083	750,680	6,087,811	0	0	0	0	0	0	17,205,694	0	1,186,034,092	1,224,749,360	XXX	1,224,749,360
2.2 Prescription drugs.....	4,059,166	257,650	2,089,470	0	0	0	0	0	0	3,666,485	0	149,981,512	160,054,283	XXX	160,054,283
2.3 Pharmaceutical rebates.....	580,003	33,665	273,017	0	0	0	0	0	0	483,050	0	24,520,012	25,889,747	XXX	25,889,747
2.4 State stop loss, market stabilization and claim/census based assessments (informational only).....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
3. Incurred medical incentive pools and bonuses.....	77,768	2,107	17,085	0	0	0	0	0	0	313,058	0	18,024,106	18,434,124	XXX	18,434,124
4. Deductible fraud and abuse detection/recovery expenses (for MLR use only).....	6,484	201	4,069	0	0	0	0	0	0	11,994	0	474,535	497,283	80,805	578,088
5.0 Total incurred claims (Lines 2.1+2.2-2.3+3) (From Part 2, Line 2.15).....	18,228,014	976,772	7,921,349	0	0	0	0	0	0	20,702,187	0	1,329,519,698	1,377,348,020	XXX	1,377,348,020
5.1 Net assumed less ceded reinsurance claims incurred.....	(18,228,014)	(976,772)	(7,921,349)	0	0	0	0	0	0	(20,702,187)	0	(1,329,519,698)	(1,377,348,020)	XXX	(1,377,348,020)
5.2 Other adjustments due to MLR calculations - claims.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
5.3 Rebates paid.....	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.4 Estimated rebates unpaid prior year.....	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.5 Estimated rebates unpaid current year.....	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.6 Fee for service and co-pay revenue.....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
5.7 Net incurred claims after reinsurance (Lines 5.0+5.1+5.2+5.3-5.4+5.5-5.6).....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
6. Improving health care quality expenses incurred:															
6.1 Improve health outcomes.....	32,159	1,339	13,850	0	0	0	0	0	0	165,293	0	19,753,706	19,966,347	0	19,966,347
6.2 Activities to prevent hospital readmissions.....	7,475	329	3,505	0	0	0	0	0	0	2,681	0	10,611,928	10,625,918	0	10,625,918
6.3 Improve patient safety and reduce medical errors.....	4,304	145	1,934	0	0	0	0	0	0	6,364	0	336,033	348,780	0	348,780
6.4 Wellness and health promotion activities.....	12,814	442	5,495	0	0	0	0	0	0	22,711	0	13,538,482	13,579,944	0	13,579,944
6.5 Health information technology expenses related to health improvement.....	8,963	288	2,960	0	0	0	0	0	0	119,958	0	742,661	874,830	0	874,830
6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5).....	65,715	2,543	27,744	0	0	0	0	0	0	317,007	0	44,982,810	45,395,819	0	45,395,819
7. Preliminary medical loss ratio: MLR (Lines 4+5.0+6.6-Footer 2.0) / Line 1.8.....	1.005	1.253	0.935	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.934	XXX	XXX	XXX
8. Claims adjustment expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6.....	292,543	9,832	126,448	0	0	0	0	0	0	703,260	0	16,867,214	17,999,297	0	17,999,297
8.2 All other claims adjustment expenses.....	262,552	17,242	203,106	0	0	0	0	0	0	424,901	0	16,356,396	17,264,197	0	17,264,197
8.3 Total claims adjustment expenses (Lines 8.1+8.2).....	555,095	27,074	329,554	0	0	0	0	0	0	1,128,161	0	33,223,610	35,263,494	0	35,263,494
9. Claims adjustment expense ratio (Line 8.3 / Line 1.8).....	0.031	0.035	0.039	0.000	0.000	0.000	0.000	0.000	0.000	0.045	0.000	0.023	XXX	XXX	XXX

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org.committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code.....95048

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and administrative (G&A) expenses:															
10.1 Direct sales salaries and benefits.....	11,542	2,209	6,871	.0	.0	.0	.0	.0	.0	50,344	.0	978,816	1,049,782	.0	1,049,782
10.2 Agents and brokers fees and commissions.....	76,564	15,390	14,683	.0	.0	.0	.0	.0	.0	.0	.0	6,929,764	7,036,401	.0	7,036,401
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10.4 Other general and administrative expenses.....	544,358	20,166	240,848	.0	.0	.0	.0	.0	.0	2,825,657	.0	60,728,571	64,359,600	10,820,036	75,179,636
10.4a Community benefits expenditures (informational only).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10.5 Total general and administrative (Lines 10.1+10.2+10.3+10.4).....	632,464	37,765	262,402	.0	.0	.0	.0	.0	.0	2,876,001	.0	68,637,151	72,445,783	10,820,036	83,265,819
11. Underwriting gain/(loss) (Lines 1.12-5.7-6.6-8.3-10.5).....	(1,253,274)	(67,382)	(619,700)	.0	.0	.0	.0	.0	.0	(4,321,169)	.0	(146,843,571)	(153,105,096)	XXX	(163,925,132)
12. Income from fees of uninsured plans.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,658,221	9,658,221
13. Net investment and other gain/(loss).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,945,802)	XXX	(3,945,802)
14. Federal income taxes (excluding taxes on Line 1.5 above).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	620,898	XXX	620,898
15. Net gain or (loss) (Lines 11+12+13-14).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(157,671,796)	XXX	(158,833,611)
16. ICD-10 Implementation Expenses (information only, already included in general expenses and Line 6.5).....	2,057	64	1,287	.0	.0	.0	.0	.0	.0	3,798	.0	148,946	156,152	25,458	181,610
16a. ICD-10 Implementation Expenses (information only, already included in Line 6.5).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
OTHER INDICATORS:															
1. Number of certificates/policies.....	2,187	49	839	.0	.0	.0	.0	.0	.0	9,009	.0	114,615	126,699	14,467	141,166
2. Number of covered lives.....	3,338	90	1,784	.0	.0	.0	.0	.0	.0	9,009	.0	114,615	128,836	34,008	162,844
3. Number of groups.....	XXX	5	18	XXX	.0	.0	.0	.0	.0	.0	.0	.0	23	87	110
4. Member months.....	43,144	1,240	19,977	.0	.0	.0	.0	.0	.0	125,759	.0	1,392,132	1,582,252	534,854	2,117,106
Is run off business reported in Columns 1 through 9 or 12?..... Yes [] No[X] If yes, show the amount of premiums and claims included. Premiums \$.....0 Claims \$.....0															

216.1.PA.1

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES AND PAYABLES

	Current Year		Prior Year	
	Comprehensive Health Coverage			
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable).....	(7,150)	(7,497)	331,409	(10,535)
2. Transactional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid).....	85,220	XXX	426,984	XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium.....	.0	.0	.0	.0
3.2 Reserve for rate credits or policy experience refunds.....	.0	.0	.0	.0
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustment receipts/(payments).....	223,668	(59,934)	.0	.0
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims.....	304,443	XXX	.0	XXX

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1



(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/committees_e_app_blanks.htm)

REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code.....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code.....95048

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	13 Subtotal (Cols 1 thru 12)	14 Uninsured Plans	15 Total (Cols 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans		Expatriate Plans									
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
6. Temporary ACA Risk Corridors Program															
6.1 Retrospective premium received.....	.....0	.....0	.....0	.....0											
6.2 Rate credits or policy experience refunds paid.....	.....0	.....0	.....0	.....0											

216.1.PA.2

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Group Code.....812

NAIC Company Code.....95048

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Total (a)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans				
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group					
1. Health premiums earned:													
1.1 Direct premiums written.....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953
1.2 Unearned premium prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.3 Unearned premium current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Change in unearned premium (Lines 1.2 - 1.3).....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.5 Paid rate credits.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.6 Reserve for rate credits current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.7 Reserve for rate credits prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.8 Change in reserve for rate credits (Lines 1.6 -1.7).....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.9 Premium balances written off.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.10 Group conversion charges.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.11 Total direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10).....	18,122,730	781,821	8,501,696	0	0	0	0	0	0	25,168,637	0	1,472,271,069	1,524,845,953
1.12 Assumed premiums earned from non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.13 Net assumed less ceded premiums earned from affiliates.....	(18,122,730)	(781,821)	(8,501,696)	0	0	0	0	0	0	(25,168,637)	0	(1,472,271,069)	(1,524,845,953)
1.14 Ceded premiums earned to non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.15 Other adjustments due to MLR calculation - premiums.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15).....	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Direct claims incurred:													
2.1 Paid claims during the year.....	17,695,351	793,061	8,666,264	0	0	0	0	0	0	20,280,657	0	1,262,107,749	1,309,543,082
2.2 Direct claim liability current year.....	2,167,252	235,898	1,913,066	0	0	0	0	0	0	5,062,673	0	135,254,340	144,633,229
2.3 Direct claim liability prior year.....	1,848,744	46,529	3,219,206	0	0	0	0	0	0	5,064,071	0	85,184,462	95,363,012
2.4 Direct claim reserves current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.5 Direct claim reserves prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.6 Direct contract reserves current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.7 Direct contract reserves prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.8 Paid rate credits.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.9 Reserve for rate credits current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.10 Reserve for rate credits prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c).....	77,768	2,107	17,085	0	0	0	0	0	0	313,058	0	18,024,106	18,434,124
2.11a Paid medical incentive pools and bonuses current year.....	155,257	178	153,374	0	0	0	0	0	0	296,463	0	18,295,178	18,900,450
2.11b Accrued medical incentive pools and bonuses current year.....	21,349	4,417	35,817	0	0	0	0	0	0	77,257	0	10,276,405	10,415,245
2.11c Accrued medical incentive pools and bonuses prior year.....	98,838	2,488	172,106	0	0	0	0	0	0	60,662	0	10,547,477	10,881,571
2.12 Net healthcare receivables (Lines 2.12a - 2.12b).....	(136,387)	7,765	(544,140)	0	0	0	0	0	0	(109,870)	0	682,035	(100,597)
2.12a Healthcare receivables current year.....	258,561	17,705	143,580	0	0	0	0	0	0	223,701	0	14,798,319	15,441,866
2.12b Healthcare receivables prior year.....	394,948	9,940	687,720	0	0	0	0	0	0	333,571	0	14,116,284	15,542,463
2.13 Group conversion charge.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.14 Multi-option coverage blended rate adjustment.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.15 Total incurred claims (Lines 2.1+2.2-2.3+2.4-2.5+2.6-2.7+2.8+2.9-2.10+2.11-2.12+2.13+2.14).....	18,228,014	976,772	7,921,349	0	0	0	0	0	0	20,702,187	0	1,329,519,698	1,377,348,020
2.16 Assumed incurred claims from non-affiliates.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.17 Net assumed less ceded incurred claims from affiliates.....	(18,265,335)	(976,772)	(7,921,349)	0	0	0	0	0	0	(20,702,187)	0	(1,329,519,698)	(1,377,385,341)
2.18 Ceded incurred claims to non-affiliates.....	(37,321)	0	0	0	0	0	0	0	0	0	0	0	(37,321)
2.19 Other adjustments due to MLR calculation - claims.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.20 Net incurred claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19).....	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Fraud and abuse recoveries that reduced PAID claims in Line 2.1 above (informational only).....	195,094	9,982	80,955	0	0	0	0	0	0	228,799	0	6,596,104	7,110,934

(a) Column 13, line 1.1 includes direct written premium of \$.....0 for stand-alone dental and \$.....0 for stand-alone vision policies.

216.2.PA

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
1. Individual comprehensive coverage expenses:										
1.1 Salaries (including \$.....0 for affiliated services).....	19,232	5,269	2,092	4,194	408	31,195	42,592	103,216	130,186	307,189
1.2 Outsourced services.....	7,612	617	2,015	4,871	6,907	22,022	114,889	116,441	242,124	495,476
1.3 EDP equipment and software (including \$.....0 for affiliated services).....	3,881	1,308	112	2,804	338	8,443	5,128	18,240	18,708	50,519
1.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	4	53	50	107
1.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
1.6 Other expenses (including \$.....0 for affiliated services).....	1,434	281	85	945	1,310	4,055	129,930	24,603	241,395	399,983
1.7 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6).....	32,159	7,475	4,304	12,814	8,963	65,715	292,543	262,553	632,463	1,253,274
1.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	0	0
1.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
1.10 Total (Lines 1.7 to 1.9).....	32,159	7,475	4,304	12,814	8,963	65,715	292,543	262,553	632,463	1,253,274
1.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	6,484	0	0	6,484
2. Small group comprehensive coverage expenses:										
2.1 Salaries (including \$.....0 for affiliated services).....	729	253	82	147	13	1,224	1,328	6,778	7,773	17,103
2.2 Outsourced services.....	440	20	57	133	228	878	3,856	7,647	14,457	26,838
2.3 EDP equipment and software (including \$.....0 for affiliated services).....	120	42	3	134	10	309	160	1,198	1,117	2,784
2.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	0	3	3	6
2.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
2.6 Other expenses (including \$.....0 for affiliated services).....	50	14	3	28	37	132	4,489	1,616	14,414	20,651
2.7 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6).....	1,339	329	145	442	288	2,543	9,833	17,242	37,764	67,382
2.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	0	0
2.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
2.10 Total (Lines 2.7 to 2.9).....	1,339	329	145	442	288	2,543	9,833	17,242	37,764	67,382
2.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	201	0	0	201
3. Large group comprehensive coverage expenses:										
3.1 Salaries (including \$.....0 for affiliated services).....	9,025	2,788	1,184	1,912	245	15,154	17,587	79,846	2,273,312	2,385,899
3.2 Outsourced services.....	3,100	271	659	1,943	1,990	7,963	52,788	90,077	4,227,981	4,378,809
3.3 EDP equipment and software (including \$.....0 for affiliated services).....	1,130	315	47	1,223	142	2,857	3,166	14,110	326,686	346,819
3.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	0	0	0	0	0	0	2	41	874	917
3.5 Accreditation and certification (including \$.....0 for affiliated services).....	0	XXX	XXX	XXX	XXX	0	0	0	0	0
3.6 Other expenses (including \$.....0 for affiliated services).....	595	131	44	417	583	1,770	52,906	19,032	4,253,586	4,327,294
3.7 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6).....	13,850	3,505	1,934	5,495	2,960	27,744	126,449	203,106	11,082,439	11,439,738
3.8 Reimbursements by uninsured plans and fiscal intermediaries.....	0	0	0	0	0	0	0	0	(10,820,036)	(10,820,036)
3.9 Taxes, licenses and fees (in total, for tying purposes).....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3.10 Total (Lines 3.7 to 3.9).....	13,850	3,505	1,934	5,495	2,960	27,744	126,449	203,106	262,403	619,702
3.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	0	0	0	0	0	0	4,069	0	80,805	84,874

216.3.PA

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
4. Individual mini-med plans expenses:										
4.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
4.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.7 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
4.10 Total (Lines 4.7 to 4.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5. Small group mini-med plans expenses:										
5.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
5.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.7 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
5.10 Total (Lines 5.7 to 5.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6. Large group mini-med plans expenses:										
6.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
6.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.7 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
6.10 Total (Lines 6.7 to 6.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

216.3.PA.1

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: Highmark Choice Company 2. LOCATION: Pittsburgh PA

NAIC Group Code....812

BUSINESS IN THE STATE OF PENNSYLVANIA

DURING THE YEAR 2015

NAIC Company Code....95048

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claim Adjustment Expenses		
7. Small group expatriate plans expenses										
7.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
7.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.7 Subtotal before reimbursements and taxes (Lines 7.1 to 7.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
7.10 Total (Lines 7.7 to 7.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8. Large group expatriate plans expenses										
8.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
8.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.7 Subtotal before reimbursements and taxes (Lines 8.1 to 8.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
8.10 Total (Lines 8.7 to 8.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. Student health plans expenses										
9.1 Salaries (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.2 Outsourced services.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.3 EDP equipment and software (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.4 Other equipment (excl. EDP) (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.5 Accreditation and certification (including \$.....0 for affiliated services).....	.....0	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0	.....0	.....0	.....0
9.6 Other expenses (including \$.....0 for affiliated services).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.7 Subtotal before reimbursements and taxes (Lines 9.1 to 9.6).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.8 Reimbursements by uninsured plans and fiscal intermediaries.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.9 Taxes, licenses and fees (in total, for tying purposes).....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....0	.....0
9.10 Total (Lines 9.7 to 9.9).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

216.3.PA.2

TO: Ms. Cherri Sanders-Jones, Actuary
 Bureau of Life, Accident & Health Insurance
 Pennsylvania Insurance Department

FROM: Kevin Luu, Actuarial Manager
 Highmark Inc.

DATE: July 18, 2016

SUBJECT: Highmark Choice Company (HCC) 2017 Individual Market Rates
 Response to July 13, 2016 Objection Letter
 Filing Number: 1A-DP-16-HCC
 SERFF Tracking Number: HGHM-130540988

Below are HCC's responses to your objection letter dated July 13, 2016. We have included the questions along with the responses for your convenience.

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 filing.¹

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 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.

Response:

1a – Please see the worksheet labeled “Q1 Response” in the attached Excel file. A column has been added to capture the tobacco factor and the AV & Cost Sharing formula has been modified accordingly.

1b – Please see the worksheet labeled “Q1 Response” in the attached Excel file. The pricing actuarial value factors were developed using HCC's internal benefit pricing tools. The experience used for the tools was based on Highmark specific group experience as it provides a reasonable representation of a standard population for this marketplace. The induced demand factors are consistent with the factors used in the federal risk adjustment program.

1c – The induced demand factors used in this filing are consistent with the factors used in the federal risk adjustment program.

1d – HCC will have only one Gold plan design for 2017. Thus, this plan’s induced demand factor of 1.08 equals the aggregate factor of 1.08 and the resulting normalized factor is 1.00 as shown in the worksheet labeled “Q1 Response” of the attached Excel file.

2. Please show quantitatively that plan premiums are in proportion to the plan AV Pricing Values.

Response:

HCC will have only one Gold plan design for 2017.

Highmark Choice Company

Response to Question #1

HIOS Plan ID	Metal Level	Projected Membership	Projected Allowed	Projected Paid	Paid-to-Allowed	Induced Utilization	Average Tobacco	AV & Cost Sharing Factor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(6)*(7)/(8)
38949PA0070001	Gold	3,624	\$2,718,433	\$2,177,007	0.801	1.000	1.004	0.798

TO: Ms. Cherri Sanders-Jones, Actuary
Bureau of Life, Accident & Health Insurance
Pennsylvania Insurance Department

FROM: Kevin Luu, Actuarial Manager
Highmark Inc.

DATE: August 2, 2016

SUBJECT: Highmark Choice Company (HCC) 2017 Individual Market Rates
Response to July 19, 2016 Objection Letter
Filing Number: 1A-DP-16-HCC
SERFF Tracking Number: HGHM-130540988

Below are HCC's responses to your objection letter dated July 19, 2016. We have included the questions along with the responses for your convenience.

1. Trend –

- a. Please provide narrative and a more detailed quantitative derivation of the 11.5% annual trend assumption than shown in the PA Question 3 Response exhibit in your June 29, 2016 response. It is not clear from the information provided in the exhibit that 11.5% is an appropriate trend.
- b. Please provide the industry ACA data which was used to compare to the 11.5% trend, as stated in your response to PA Question 3. The 11.5% annual trend is on the high side for trend, compared to other filings we have seen in the industry.

Response:

1a – As stated in the June 29, 2016 response to PA Question 3, HCC performed a regression study that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in 2014 and thru 2015 in the same metal level. Specifically, three distinct cohorts were defined and analyzed. Cohort 1 included all members who first enrolled in January 2014. Cohort 2 included all members who first enrolled in either February 2014 or March 2014. Cohort 3 included all members who first enrolled at any point in the 2nd Quarter of 2014. A fourth cohort (Cohort 4), representing the combination of Cohorts 1-3, was also analyzed. As mentioned previously, the analysis took into consideration seasonality and removed outlier months in order to determine a regression trend for each cohort. The Excel exhibit provided in the June 29, 2016 response showed the regression trends and corresponding r-squared values for each cohort. Cohorts 1, 2, and 4 had regression trends of 21.4%, 12.8%, and 12.6% respectively. They also all had r-squared values of 60% or higher. Cohort 3 had a regression trend of 10.9% but also produced a lower r-squared value of 47%. Although the data could support an even higher trend, the assumed pricing trend of 11.5% was chosen using actuarial judgement.

1b – The underlying assumed trend was compared to available industry ACA data for reasonability. Specifically, a recent BCBSA report on individual ACA experience cited an average 12% trend for this population. The report also highlighted higher costs experienced in the individual ACA market as compared to group business. A copy of the report can be found here: http://www.bcbs.com/healthofamerica/newly_enrolled_individuals_after_aca.pdf. The specific items cited in this response can be found on page 6 of the report.

HCC is not in a position to comment on the trend development of its competitors given our limited insight into their data or methodologies. However, we believe that our large Pennsylvania market shares in 2014 and 2015 give us unique insights into the emerging trend data of the ACA market. This significant amount of actual ACA data served as the basis for the proposed 11.5% trend.

2. Please show quantitatively the reconciliation of any differences between the SHCE and Worksheet 1, Section 1 of the Uniform Rate Review Template.

Individual difference

Premiums (net of MLR Rebate) in Experience Period: \$1,121,733

Incurred Claims in Experience Period \$1,382,286

Experience Period Member Months 3,328

SHCE Health Premiums Earned (Part 1, Line 1.1) \$18,122,370 1516%

SHCE Total Incurred Claims (Part 1, Line 5.0) \$18,228,014 1219%

Member Months (part 4) 43,144 1196%

Response:

Per the Department's July 29, 2016 instructions, a response to this question is no longer needed.

3. Please provide narrative and show quantitatively, including an Excel spreadsheet with formulas, the derivation of the Age, Geographic and Tobacco Calibration Factor using actual factors and member distribution.

Response:

Please see the worksheet labeled 'Q3 Response' in the attached Excel file.

Please note that the average age factor shown in the exhibit is the true average age factor of the population. Please see the response to PA Q16 and the corresponding exhibit from the June 29 responses which demonstrates the billable member adjustment required to arrive at the Age Calibration Factor.

4. Given the difference between the Company's estimated risk adjustment for 2015 and actual 2015 amount, please provide narrative and quantitatively show the development of the pmpm impact this will have on the projected 2017 risk adjustment pmpm amount and the rate impact. Do not revise your filing because of this request; just provide the information requested.

Response:

In total, HCC received about \$72,000 more in risk adjustment transfer dollars than we anticipated in our initial rate filing. This amounts to about 6.4% of premium from the experience period. These results can be seen in the following tables comparing the HHS results with the appropriate values pulled from Table 2 in the PA Actuarial Memorandum Rate Exhibits:

A. Estimated 2015 risk adjustment transfer (Table 2)	\$(9,195)
B. Actual 2015 risk adjustment transfer released by HHS	\$63,116
Difference = (A) – (B)	\$(72,311)

2015 ACA premium (Table 2, ACA only)	\$1,130,928
Difference as a % of premium	-6.4%

Although the percentage difference above is larger than what was observed for other Highmark entities, the dollar difference is immaterial due to HCC’s limited enrollment volume. Thus, the results from the 2015 risk adjustment transfer released by HHS do not impact our company or market wide risk pool projections for 2017.

5. Please provide in Table 4B the 36 months of experience data from the source of the manual rate. Please include data for all members, not just those in the identified cohorts.

Response:

This information can be found in Highmark Health Insurance Company’s (HHIC’s) responses submitted on August 2, 2016 (SERFF# HGHM-130540841). Specifically, the response to Question 5 of the HHIC filing contains the requested 36 months of experience data.

Age	Non-Tobacco Member	Tobacco Member	Total Member	HHS Age Factor	Tobacco Factor
0-20	26.82%	0.00%	26.82%	0.635	1.000
21	2.98%	0.00%	2.98%	1.000	1.025
22	0.33%	0.33%	0.66%	1.000	1.025
23	0.99%	0.00%	0.99%	1.000	1.025
24	0.33%	0.00%	0.33%	1.000	1.025
25	0.99%	0.33%	1.32%	1.004	1.025
26	2.32%	0.33%	2.65%	1.024	1.025
27	1.99%	0.33%	2.32%	1.048	1.025
28	3.64%	0.00%	3.64%	1.087	1.025
29	1.66%	0.00%	1.66%	1.119	1.025
30	1.32%	0.00%	1.32%	1.135	1.025
31	2.65%	0.66%	3.31%	1.159	1.025
32	0.99%	0.00%	0.99%	1.183	1.025
33	1.32%	0.00%	1.32%	1.198	1.025
34	0.99%	0.33%	1.32%	1.214	1.025
35	0.99%	0.33%	1.32%	1.222	1.025
36	2.98%	0.99%	3.97%	1.230	1.025
37	1.99%	0.00%	1.99%	1.238	1.025
38	1.66%	0.00%	1.66%	1.246	1.025
39	1.32%	0.33%	1.66%	1.262	1.025
40	1.66%	0.00%	1.66%	1.278	1.100
41	0.66%	0.00%	0.66%	1.302	1.105
42	1.66%	0.00%	1.66%	1.325	1.112
43	1.66%	0.00%	1.66%	1.357	1.121
44	1.32%	0.66%	1.99%	1.397	1.132
45	2.32%	0.00%	2.32%	1.444	1.145
46	0.66%	0.00%	0.66%	1.500	1.160
47	1.32%	0.33%	1.66%	1.563	1.177
48	0.99%	0.00%	0.99%	1.635	1.196
49	0.99%	0.00%	0.99%	1.706	1.217
50	1.32%	0.00%	1.32%	1.786	1.225
51	1.99%	0.00%	1.99%	1.865	1.225
52	1.32%	0.00%	1.32%	1.952	1.225
53	2.65%	0.00%	2.65%	2.040	1.225
54	0.66%	0.00%	0.66%	2.135	1.225
55	1.32%	0.00%	1.32%	2.230	1.225
56	0.99%	0.00%	0.99%	2.333	1.225
57	0.00%	0.00%	0.00%	2.437	1.225
58	1.66%	0.00%	1.66%	2.548	1.225
59	1.66%	0.00%	1.66%	2.603	1.225
60	3.31%	0.00%	3.31%	2.714	1.225
61	1.66%	0.00%	1.66%	2.810	1.225
62	1.66%	0.33%	1.99%	2.873	1.225
63	0.66%	0.00%	0.66%	2.952	1.225
64+	1.99%	0.33%	2.32%	3.000	1.225
	94.37%	5.63%	100.00%	1.351	1.004