

SERFF Tracking #:

HGHM-130540919

State Tracking #:

HGHM-130540919

Company Tracking #:

1A-DP-16-HSR

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

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		1A-DP-16-HSR Rates		New		HSR Off Exchange 2017 2016-05-10.pdf, HSR Off Exchange 2017 2016-05-10.xls, 1A-DP-16-HSR Plan Design Summary and Rate Tables.pdf, 1A-DP-16-HSR Plan Design Summary and Rate Tables.xlsx,

SERFF Tracking #:

HGHM-130540919

State Tracking #:

HGHM-130540919

Company Tracking #:

1A-DP-16-HSR

State:

Pennsylvania

Filing Company:

Highmark Select Resources Inc

TOI/Sub-TOI:

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

Product Name:

1A-DP-16-HSR

Project Name/Number:

1A-DP-16-HSR/1A-DP-16-HSR

Attachment HSR Off Exchange 2017 2016-05-10.xls is not a PDF document and cannot be reproduced here.

Attachment 1A-DP-16-HSR Plan Design Summary and Rate Tables.xlsx is not a PDF document and cannot be reproduced here.

2017 Rates Table Ter		<i>All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + S</i>				
		<i>If you are a community rating state, select Family Option under Age and fill in all columns.</i>				
		<i>If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.</i>				
		<i>If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.</i>				
		<i>To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.</i>				
HIOS Issuer ID*	36247					
Federal TIN*	20-2353206					
Rate Effective Date*	01/01/2017					
Rate Expiration Date*	12/31/2017					
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*	
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	0-20	\$198.91	\$198.91	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	21	\$313.24	\$321.07	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	22	\$313.24	\$321.07	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	23	\$313.24	\$321.07	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	24	\$313.24	\$321.07	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	25	\$314.49	\$322.35	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	26	\$320.76	\$328.78	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	27	\$328.28	\$336.49	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	28	\$340.49	\$349.00	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	29	\$350.52	\$359.28	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	30	\$355.53	\$364.42	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	31	\$363.05	\$372.13	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	32	\$370.56	\$379.82	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	33	\$375.26	\$384.64	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	34	\$380.27	\$389.78	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	35	\$382.78	\$392.35	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	36	\$385.29	\$394.92	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	37	\$387.79	\$397.48	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	38	\$390.30	\$400.06	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	39	\$395.31	\$405.19	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	40	\$400.32	\$440.35	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	41	\$407.84	\$450.66	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	42	\$415.04	\$461.52	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	43	\$425.07	\$476.50	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	44	\$437.60	\$495.36	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	45	\$452.32	\$517.91	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	46	\$469.86	\$545.04	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	47	\$489.59	\$576.25	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	48	\$512.15	\$612.53	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	49	\$534.39	\$650.35	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	50	\$559.45	\$685.33	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	51	\$584.19	\$715.63	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	52	\$611.44	\$749.01	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	53	\$639.01	\$782.79	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	54	\$668.77	\$819.24	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	55	\$698.53	\$855.70	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	56	\$730.79	\$895.22	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	57	\$763.37	\$935.13	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	58	\$798.14	\$977.72	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	59	\$815.36	\$998.82	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	60	\$850.13	\$1,041.41	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	61	\$880.20	\$1,078.25	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	62	\$899.94	\$1,102.43	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	63	\$924.68	\$1,132.73	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	64	\$939.72	\$1,151.16	
36247PA0060003	Rating Area 9	Tobacco User/Non-Tobacco User	65 and over	\$939.72	\$1,151.16	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	0-20	\$181.73	\$181.73	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	21	\$286.19	\$293.34	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	22	\$286.19	\$293.34	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	23	\$286.19	\$293.34	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	24	\$286.19	\$293.34	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	25	\$287.33	\$294.51	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	26	\$293.06	\$300.39	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	27	\$299.93	\$307.43	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	28	\$311.09	\$318.87	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	29	\$320.25	\$328.26	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	30	\$324.83	\$332.95	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	31	\$331.69	\$339.98	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	32	\$338.56	\$347.02	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	33	\$342.86	\$351.43	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	34	\$347.43	\$356.12	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	35	\$349.72	\$358.46	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	36	\$352.01	\$360.81	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	37	\$354.30	\$363.16	
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	38	\$356.59	\$365.50	

36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	39	\$361.17	\$370.20
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	40	\$365.75	\$402.33
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	41	\$372.62	\$411.75
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	42	\$379.20	\$421.67
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	43	\$388.36	\$435.35
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	44	\$399.81	\$452.58
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	45	\$413.26	\$473.18
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	46	\$429.29	\$497.98
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	47	\$447.31	\$526.48
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	48	\$467.92	\$559.63
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	49	\$488.24	\$594.19
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	50	\$511.14	\$626.15
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	51	\$533.74	\$653.83
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	52	\$558.64	\$684.33
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	53	\$583.83	\$715.19
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	54	\$611.02	\$748.50
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	55	\$638.20	\$781.80
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	56	\$667.68	\$817.91
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	57	\$697.45	\$854.38
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	58	\$729.21	\$893.28
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	59	\$744.95	\$912.56
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	60	\$776.72	\$951.48
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	61	\$804.19	\$985.13
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	62	\$822.22	\$1,007.22
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	63	\$844.83	\$1,034.92
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	64	\$858.57	\$1,051.75
36247PA0090003	Rating Area 9	Tobacco User/Non-Tobacco User	65 and over	\$858.57	\$1,051.75

**Highmark Select Resources
Individual Market****Plan Design Summary**

HIOS Plan ID	On/Off Exchange	Product	Metal Level	Plan Design Marketing Name	Service Zone	State Region	Counties Excluded
36247PA0060003	Off	PPO	Bronze	Alliance Flex Blue PPO 6800	W	9	Juniata, Cumberland, Fulton, Franklin
36247PA0090003	Off	PPO	Catastrophic	Major Events Blue PPO 7150	W	9	Juniata, Cumberland, Fulton, Franklin

Highmark Select Resources Inc.
Summary of Requested Rates Effective January 1, 2017

Plan ID (On Exchange)=>	NA		NA	
Plan ID (Off Exchange)=>	36247PA0060003		36247PA0090003	
Form # =>	FL/PPO/HSR/DP-1		CAT/HSR/DP	
Rating Area =>	Area 9		Area 9	
Counties Excluded in Rating Area =>	Juniata, Cumberland, Fulton, Franklin		Juniata, Cumberland, Fulton, Franklin	
Network/Service Zone =>	W		W	
Metal =>	Bronze		Catastrophic	
Plan Name =>	Alliance Flex Blue PPO 6800		Major Events Blue PPO 7150	
Deductible	\$6,800		\$7,150	
Coinsurance =>	70%		100%	
Copays =>	\$95 PCP		NA	
OOP Maximum =>	\$7,150		\$7,150	
Pediatric Dental =>	Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 20	\$198.91	\$198.91	\$181.73	\$181.73
21	\$313.24	\$321.07	\$286.19	\$293.34
22	\$313.24	\$321.07	\$286.19	\$293.34
23	\$313.24	\$321.07	\$286.19	\$293.34
24	\$313.24	\$321.07	\$286.19	\$293.34
25	\$314.49	\$322.35	\$287.33	\$294.51
26	\$320.76	\$328.78	\$293.06	\$300.39
27	\$328.28	\$336.49	\$299.93	\$307.43
28	\$340.49	\$349.00	\$311.09	\$318.87
29	\$350.52	\$359.28	\$320.25	\$328.26
30	\$355.53	\$364.42	\$324.83	\$332.95
31	\$363.05	\$372.13	\$331.69	\$339.98
32	\$370.56	\$379.82	\$338.56	\$347.02
33	\$375.26	\$384.64	\$342.86	\$351.43
34	\$380.27	\$389.78	\$347.43	\$356.12
35	\$382.78	\$392.35	\$349.72	\$358.46
36	\$385.29	\$394.92	\$352.01	\$360.81
37	\$387.79	\$397.48	\$354.30	\$363.16
38	\$390.30	\$400.06	\$356.59	\$365.50
39	\$395.31	\$405.19	\$361.17	\$370.20
40	\$400.32	\$440.35	\$365.75	\$402.33
41	\$407.84	\$450.66	\$372.62	\$411.75
42	\$415.04	\$461.52	\$379.20	\$421.67
43	\$425.07	\$476.50	\$388.36	\$435.35
44	\$437.60	\$495.36	\$399.81	\$452.58
45	\$452.32	\$517.91	\$413.26	\$473.18
46	\$469.86	\$545.04	\$429.29	\$497.98
47	\$489.59	\$576.25	\$447.31	\$526.48
48	\$512.15	\$612.53	\$467.92	\$559.63
49	\$534.39	\$650.35	\$488.24	\$594.19
50	\$559.45	\$685.33	\$511.14	\$626.15
51	\$584.19	\$715.63	\$533.74	\$653.83
52	\$611.44	\$749.01	\$558.64	\$684.33
53	\$639.01	\$782.79	\$583.83	\$715.19
54	\$668.77	\$819.24	\$611.02	\$748.50
55	\$698.53	\$855.70	\$638.20	\$781.80
56	\$730.79	\$895.22	\$667.68	\$817.91
57	\$763.37	\$935.13	\$697.45	\$854.38
58	\$798.14	\$977.72	\$729.21	\$893.28
59	\$815.36	\$998.82	\$744.95	\$912.56
60	\$850.13	\$1,041.41	\$776.72	\$951.48
61	\$880.20	\$1,078.25	\$804.19	\$985.13
62	\$899.94	\$1,102.43	\$822.22	\$1,007.22
63	\$924.68	\$1,132.73	\$844.83	\$1,034.92
64	\$939.72	\$1,151.16	\$858.57	\$1,051.75
65+	\$939.72	\$1,151.16	\$858.57	\$1,051.75

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

Supporting Document Schedules

Satisfied - Item:	Unified Rate Review Template
Comments:	The Part I Template is attached.
Attachment(s):	Unified_Rate_Review_Template 2017 HSR v3.xlsm Unified_Rate_Review_Template 2017 HSR v3.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Part III Unified Rate Review Memorandum - Redacted
Comments:	A redacted version of the Part III Memo is attached for public disclosure.
Attachment(s):	HSRURRTPartIIIREDACTEDv2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Rate Change Summary Request & PA Bulletin
Comments:	The Rate Change Summary Request and PA Bulletin notice are attached.
Attachment(s):	1A-DP-16-HSR PA Bulletin v2.pdf 1A-DP-16-HSR Rate Change Request Summary v2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	PA Actuarial Memorandum - Redacted
Comments:	A revised redacted version of the PA Actuarial Memo is attached for public disclosure.
Attachment(s):	1A-DP-16-HSR Cover Letter & PA Actuarial Memorandum - Redactedv3.pdf 1A-DP-16-HSR Actuarial Memorandum Rate Exhibits v2.xlsx 1A-DP-16-HSR Actuarial Memorandum Rate Exhibits v2.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

HGHM-130540919

State Tracking #:

HGHM-130540919

Company Tracking #:

1A-DP-16-HSR

State:

Pennsylvania

Filing Company:

Highmark Select Resources Inc

TOI/Sub-TOI:

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

Product Name:

1A-DP-16-HSR

Project Name/Number:

1A-DP-16-HSR/1A-DP-16-HSR

Attachment Unified_Rate_Review_Template 2017 HSR v3.xlsm is not a PDF document and cannot be reproduced here.

Attachment 1A-DP-16-HSR Actuarial Memorandum Rate Exhibits v2.xlsx is not a PDF document and cannot be reproduced here.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	X	Y				
1	Unified Rate Review v3.3																										
2																											
3	Company Legal Name:	Highmark Select Resources	State:	PA																							
4	HIOS Issuer ID:	36247	Market:	Individual																							
5	Effective Date of Rate Change(s):	01/01/2017																									
6																											
7																											
8	Market Level Calculations (Same for all Plans)																										
9																											
10																											
11	Section I: Experience period data																										
12	Experience Period:	01/01/2015	to	12/31/2015																							
13		Experience Period																									
14	Premiums (net of MLR Rebate) in Experience Period:	Aggregate Amount	PMPM	% of Prem																							
15	Incurred Claims in Experience Period	\$1	\$1.00	100.00%																							
16	Allowed Claims:	\$1	1.00	100.00%																							
17	Index Rate of Experience Period		\$1.00																								
18	Experience Period Member Months	1																									
19																											
20	Section II: Allowed Claims, PMPM basis																										
21		Experience Period	Projection Period:	01/01/2017	to	12/31/2017	Mid-point to Mid-point, Experience to Projection:																24	months			
22		on Actual Experience Allowed			Adj't. from Experience to Annualized Trend				Projections, before credibility Adjustment					Credibility Manual													
23	Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM												
24	Inpatient Hospital	Admits	0.00	\$0.00	\$0.00	1.000	1.000	1.000	1.000	0.00	\$0.00	\$0.00	76.70	\$29,447.42	\$188.22												
25	Outpatient Hospital	Visits	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	2963.80	1,134.26	280.14												
26	Professional	Visits	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	14578.50	139.35	169.29												
27	Other Medical	Visits	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	524.10	322.15	14.07												
28	Capitation	Benefit Period	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	12000.00	0.34	0.34												
29	Prescription Drug	Prescriptions	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	13362.47	117.32	130.64												
30	Total				\$0.00							\$0.00			\$782.71												
31																											
32	Section III: Projected Experience:																										
33	Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)											0.00%	100.00%	\$782.71	\$6,111,366												
34	Paid to Allowed Average Factor in Projection Period													0.600													
35	Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM													\$469.76	\$3,667,882												
36	Projected Risk Adjustments PMPM													-0.13	(1,015)												
37	Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM													\$469.89	\$3,668,897												
38	Projected ACA reinsurance recoveries, net of rein prem, PMPM													0.00	0												
39	Projected Incurred Claims													\$469.89	\$3,668,897												
40	Administrative Expense Load													9.31%	51.06	398,676											
41	Profit & Risk Load													3.00%	16.46	128,498											
42	Taxes & Fees													2.04%	11.17	87,201											
43	Single Risk Pool Gross Premium Avg. Rate, PMPM														\$548.57	\$4,283,273											
44	Index Rate for Projection Period														\$782.71												
45	% increase over Experience Period														54757.49%												
46	% Increase, annualized:														2242.17%												
47	Projected Member Months																7,808										
48																											
49	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.																										
50																											

Product-Plan Data Collection

Company Legal Name: **Highmark Select Resources**
 HIOS Issuer ID: **36247**
 Effective Date of Rate Change(s): **01/01/2017**

State: **PA**
 Market: **Individual**

Product/Plan Level Calculations

Section I: General Product and Plan Information

	Alliance Flex Blue PPO	Major Events Blue PPO
Product	36247PA006	36247PA009
Product ID:	36247PA006	36247PA009
Metal:	Bronze	Catastrophic
AV Metal Value	0.610	0.575
AV Pricing Value	0.693	0.633
Plan Category	New	New
Plan Type:	PPO	PPO
Plan Name	Alliance Flex Blue PPO 6800	Major Events Blue PPO 7150
Plan ID (Standard Component ID):	36247PA0060003	36247PA0090003
Exchange Plan?	No	No
Historical Rate Increase - Calendar Year - 2	0.00%	0.00%
Historical Rate Increase - Calendar Year - 1	0.00%	0.00%
Historical Rate Increase - Calendar Year 0	0.00%	0.00%
Effective Date of Proposed Rates	01/01/2017	01/01/2017
Rate Change % (over prior filing)	29.24%	0.00%
Cum'tive Rate Change % (over 12 mos prior)	29.24%	0.00%
Proj'd Per Rate Change % (over Exper. Period)	#DIV/0!	#DIV/0!
Product Rate Increase %	0.00%	0.00%

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

Plan ID (Standard Component ID):	Total	36247PA0060003	36247PA0090003
Inpatient	#DIV/0!	\$26.77	\$0.00
Outpatient	#DIV/0!	\$50.75	\$0.00
Professional	#DIV/0!	\$14.92	\$0.00
Prescription Drug	#DIV/0!	\$24.50	\$0.00
Other	#DIV/0!	\$1.33	\$0.00
Capitation	#DIV/0!	-\$0.36	\$0.00
Administration	#DIV/0!	\$10.73	\$0.00
Taxes & Fees	#DIV/0!	-\$10.36	\$0.00
Risk & Profit Charge	#DIV/0!	\$5.85	\$0.00
Total Rate Increase	#DIV/0!	\$124.12	\$0.00
Member Cost Share Increase	#DIV/0!	\$174.46	\$0.00

Average Current Rate PMPM	\$411.40	\$424.45	\$0.00
Projected Member Months	7,808	7,568	240

tion III: Experience Period Information

Plan ID (Standard Component ID):	Total	36247PA0060003	36247PA0090003
Plan Adjusted Index Rate	#DIV/0!	\$0.00	\$0.00
Member Months	0	0	0
Total Premium (TP)	\$0	\$0	\$0
EHB Percent of TP, [see instructions]	#DIV/0!	0.00%	0.00%
state mandated benefits portion of TP that are other than EHB	#DIV/0!	0.00%	0.00%
Other benefits portion of TP	#DIV/0!	100.00%	100.00%
Total Allowed Claims (TAC)	\$0	\$0	\$0
EHB Percent of TAC, [see instructions]	#DIV/0!	0.00%	0.00%
state mandated benefits portion of TAC that are other than EHB	#DIV/0!	0.00%	0.00%
Other benefits portion of TAC	#DIV/0!	100.00%	100.00%
Allowed Claims which are not the issuer's obligation:	\$0	\$0	\$0
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		
Portion of above payable by HHS on behalf of insured person, as %	#DIV/0!		
Total Incurred claims, payable with issuer funds	\$0	\$0	\$0
Net Amt of Rein	\$0.00	\$0.00	\$0.00
Net Amt of Risk Adj	\$0.00	\$0.00	\$0.00
Incurred Claims PMPM	#DIV/0!	#DIV/0!	#DIV/0!
Allowed Claims PMPM	#DIV/0!	#DIV/0!	#DIV/0!
EHB portion of Allowed Claims, PMPM	#DIV/0!	#DIV/0!	#DIV/0!

tion IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	36247PA0060003	36247PA0090003
Plan Adjusted Index Rate	\$541.33	\$542.77	\$495.90
Member Months	7,808	7,568	240
Total Premium (TP)	\$4,226,735	\$4,107,718	\$119,017
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$6,102,607	\$5,923,517	\$179,090
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation	\$2,445,503	\$2,369,389	\$76,114
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0		
Portion of above payable by HHS on behalf of insured person, as %	0.00%		
Total Incurred claims, payable with issuer funds	\$3,657,104	\$3,554,128	\$102,976
Net Amt of Rein	\$0	\$0	\$0
Net Amt of Risk Adj	-\$1,015	-\$984	-\$31
Incurred Claims PMPM	\$468.38	\$469.63	\$429.07
Allowed Claims PMPM	\$781.58	\$782.71	\$746.21
EHB portion of Allowed Claims, PMPM	\$781.58	\$782.71	\$746.21

[REDACTED]

Part III Actuarial Memorandum

Highmark Select Resources Inc.

Individual Rate Filing

Effective January 1, 2017

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I. General Information

Document Overview

This document contains the Part III Actuarial Memorandum for Highmark Select Resources Inc.'s ("HSR" or "Highmark" or "Company") individual block of business rate filing ("Filing"), for products with an effective date of January 1, 2017. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

The purpose of the actuarial memorandum is to provide certain information related to the submission, including support for the values entered into the Part I Unified Rate Review Template, which supports compliance with the market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

This information is intended for use by the State of Pennsylvania Department of Insurance, the Center for Consumer Information and Insurance Oversight (CCIO), and their subcontractors to assist in the review of HSR's Filing. However, we recognize that this certification may become a public document. HSR makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this actuarial memorandum that would result in the creation of any duty or liability under any theory of law by HSR.

The results are actuarial projections. Actual experience is likely to differ for a number of reasons, including population changes, claims experience, and random deviations from assumptions.

I.1 Company Identifying Information:

- Company Legal Name: Highmark Select Resources Inc.
- State: The State of Pennsylvania has regulatory authority over these policies.
- HIOS Issuer ID: 36247
- Market: Individual
- Effective Date: January 1, 2017

I.2 Company Contact Information:

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

II. Proposed Rate Increase(s)

All individual market plans being offered by HSR effective January 1, 2017 will be new plans. The rate increase values in Row 27 of Worksheet 1 of the URRT represent an effective increase for plans being mapped into a new plan.

III. Experience Period Premium and Claims

III.1 Paid through Date:

HSR did not offer commercially available individual market plans in 2015; so no relevant experience is available for Worksheet 1. The rates were developed using 100% manual rates, as described below in the Credibility Manual Rate Development section.

III.2 Premiums (net of MLR Rebate) in Experience Period:

Not Applicable. No experience to report.

III.3 Allowed and Paid Claims Incurred During the Experience Period:

Not Applicable. No experience to report.

IV. Benefit Categories

HSR did not offer commercially available individual market plans in 2015; so no relevant experience is available for Worksheet 1, Section II of the URRT.

V. Projection Factors

Please see the Credibility Manual Rate Development section, just below, for a discussion of the projection factors.

VI. Credibility Manual Rate Development

VI.1 Source and Appropriateness of Experience Data Used

The experience period for this filing is claims incurred between January 1, 2015 and December 31, 2015 with claims paid through January 2016. Since HSR did not offer commercially available individual market plans in 2015, the experience period manual claims for this filing are based on claims from HSR's parent company, Highmark Inc. d/b/a Highmark Blue Shield. This population provides an appropriate claim base because it is large, represents a similar service area as the products being offered in this filing, and includes many of the members expected to enroll in HSR in 2017. The base period experience includes only plans that are compliant with the Affordable Care Act (ACA.) However, due to a modified service area and reduced plan offerings adjustments are needed to reflect changes in the insured population expected in 2017.

The data provided by benefit category in the Credibility Manual section of Worksheet 1, Section II closely adheres to the preferred definitions of the Benefit Categories included in the URRT instructions, including the “Other Medical” category. The “Other Medical” category units reflect visits for PDN/home health, trips for ambulance and procedures for DME/prosthetics. Prescription drugs utilization were converted to a “per 30-day” script count.

VI.2 Changes in the Morbidity of the Population Insured

We applied an adjustment of approximately 29.7% to reflect the anticipated changes in the average morbidity of the covered population (beyond allowable rating factors). This morbidity adjustment reflects multiple changes, including blending of the ACA pool with new members from multiple sources (including uninsured and the employer markets) and differences in the service areas between the base Highmark Blue Shield population and the HSR population.

VI.3 Changes in Benefits

The following benefits were added to comply with the new state benchmark:

- Hospice – respite care of 7 days per six consecutive months
- Artificial Insemination and related medication
- Addition of visit limits on Habilitative Services

No explicit adjustments were made to the experience to account for these benefits.

Additionally, HSR is removing its Non-EHB Adult Vision benefit.

VI.4 Changes in Demographics

We project that the average rating factor (age, tobacco load and area combined) will increase by about 4.6% due to the change in the population. This is primarily due to the expectation that the new members from the group and/or uninsured populations to be slightly older than the population in the underlying experience. This increases the projected allowed claims (utilization) by the same amount.

VI.5 Trend Factors (cost/utilization)

This development of the CY2017 rates reflects an annual trend rate of 11.5% (5.0% cost, 6.2% utilization). These trends reflect HSR’s expectations regarding increases in in-network contractual reimbursement. The annual trend estimates include the impact of trends in both projected in-network and out-of-network costs. These estimates measure and normalize for benefit leverage, population aging, and historical changes for fee schedules, as well as company-wide utilization management programs, and external trend drivers.

The trend represents a blended average for all types of service and is applied to the aggregate experience for pricing. These trends represent assumed community-wide expectations. Claim variations due to the specific projected enrolled population in this single risk pool are reflected in the morbidity adjustment.

We reflected anticipated changes in the average utilization of services due to differences in average cost sharing requirements during the experience period and average cost sharing requirements in the projection period: -4.0%.

VII. Credibility of Experience

HSR did not offer commercially available individual market plans in 2015; so no relevant experience is available for Worksheet 1. Our results are based 100% on the manual rate as described in section VI above. The experience section of Worksheet 1 has been populated with 1's and 0's to allow for finalization. This causes a validation warning indicating that "Market Experience Total PMPM (Cell H30) is not equal to Allowed Claims (Cell G16)". This warning was ignored.

VIII. Paid to Allowed Ratio

The paid to allowed ratio of 0.600 is a weighted average of the 2017 plan level paid to allowed ratios. Plan level paid to allowed factors were developed using an internal model based on claims experience that resembles Highmark's small group and individual populations.

IX. Risk Adjustment and Reinsurance

IX.1 Projected Risk Adjustments PMPM:

HSR is only offering two plans in 2017. These plans are both new. Given that there is no history in place to base a projection on, the projected risk adjustment has been set to 0. This is shown net of the risk adjuster fee (\$0.13 PMPM) in worksheet1 consistent with the single risk pool regulations.

IX.2 Projected ACA Reinsurance Recoveries Net of Reinsurance:

The Federal reinsurance Program will be terminated prior to the rating period. HSR has no additional private reinsurance.

X. Non-Benefit Expenses and Profit & Risk

X.1 Administrative Expense Load:

The proposed rates reflect internal administrative costs including commissions and quality improvement administrative expenses. This cost was developed by HSR based on its standard expense allocation methods.

X.2 Profit (or Contribution to Surplus) & Risk Margin:

The proposed rates reflect a 3% risk/contribution to surplus margin for all products and plans.

X.3 Taxes and Fees:

The following fees were added:

- \$0.20 Per Member Per Month for the Patient Centered Outcomes Research Fee
- 0% for the Health Insurance Provider Fee
- 2.0% for the PA Premium Tax

XI. Projected Loss Ratio

The anticipated medical loss ratio is about 87.4% relative to total premium less taxes and fees. This loss ratio is calculated consistently with the federally prescribed MLR methodology.

XII. Single Risk Pool

HSR did not offer commercially available individual market plans in 2015 and thus has no experience to report for the single risk pool. The projected membership and their corresponding premiums and claims are representative of the 2017 projected single risk pool.

XIII. Index Rate

Please see Exhibit I for the numerical development of the projected index rate. The index rates as shown on Worksheet 1 of the URRT are simply the average allowed claims for the Essential Health Benefits for the experience and projected populations, respectively. For the experience period, only non-grandfathered plans are included. The projection period Index Rate is not adjusted for reinsurance or risk-adjustment programs or any other fee.

XIV. Market Adjusted Index Rate

Please see Exhibit I for a numerical demonstration of the Market Adjusted Index Rate development. The Market Adjusted Index Rate is the Index Rate further adjusted for risk adjustment, reinsurance, and the exchange fee. The Risk Adjustment factor is developed by taking one minus the expected risk transfer (net of the fee) and dividing by the projected incurred claims before reinsurance and risk adjustment. The Federal Reinsurance Program factor is developed by taking one minus the expected reinsurance recovery (net of the reinsurance premium) and dividing by the projected incurred claims, before reinsurance recoveries, net of reinsurance premium. The Exchange User Fee factor is developed by adding the expected average exchange fee PMPM and the projected incurred claims after risk

adjuster and reinsurance, then dividing by the projected incurred claims after risk adjuster and reinsurance. These adjustments were developed as factors in accordance with the Part III instructions.

XV. Plan Adjusted Index Rates

A Plan Adjusted Index Rate is developed by taking the Market Adjusted Index Rate and adding a plan's actuarial value, relative benefit richness, relative network, any non EHB benefits, and retention. Please see Exhibit II for the development of the Plan Adjusted Index Rate for each plan. All plans are offering the same non-EHB benefits, and the administrative expenses and profit and risk load factors do not vary by plan.

XVI. Calibration

XVI.1 Age Curve Calibration:

The projected weighted average age factor for billable members is 1.733. This factor is calculated by dividing the all members age factor of 1.739 by the ratio of all members to billable members (1.003). Each Plan Adjusted Index Rate represents the rate for an average member with an age factor of 1.733. Please note that no member will pay these rates because the age factor of 1.733 is not found on the HHS Age Curve. It only represents the average age factor of the projected population. The nearest age to that factor is for age 49, which has a factor of 1.706. Please see Exhibit I for the development of the calibration factor.

XVI.2 Geographic Factor Calibration:

The projected weighted average geographic factor is 1.02. Each Plan Adjusted Index Rate represents the rate for an average member with a geographic factor of 1.02. Please see Exhibit I for the development of the calibration factor.

XVII. Consumer Adjusted Premium Rate Development

The plan adjusted index rate represents the rate for a non-smoker average age and average geographic member. Multiplying by the Combined Calibration Factor found in Exhibit I results in the value for a 49 year old non-smoker in a 1.0 geographical area. The standard HHS Age Curve along with the filed tobacco factors and geography factors can be used to calculate any rate found in the QHP rate template.

XVIII. AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review Template were based the Federal AV Calculator. Some plans did require an adjustment to the inputs entered into the AV calculator. Screen shots and certifications for these plans were submitted to the state of Pennsylvania for their review.

XIX. AV Pricing Values

Please see Exhibit II for the portion of each AV pricing value that is attributable to each of the allowable modifiers. The utilization due to differences in cost sharing is based on the factors adopted by the risk adjustment methodology, which we found to be reasonable. No differences due to health status are in these adjustments.

XX. Membership Projections

Membership projections are from HSR's current forecast for 2017. These projections reflect expected changes in market share due to an expected increase in market competition.

HSR is only offering Bronze and Catastrophic plans off of the exchange in 2017 and expects the vast majority of its population to be in the Bronze offering.

XXI. Terminated Products

Not Applicable. HSR did not offer individual market plans in 2015.

XXII. Plan Type

The Plan types listed in Worksheet 2, Section I of the Part I Unified Rate Review Template describe HSR's plans adequately. No differences are needed.

XXIII. Warning Alerts

The following validation warnings occurred when finalizing the URRT workbook:

Wksh 1 - Market Experience Total PMPM (Cell H30) is not equal to Allowed Claims (Cell G16): Please see the explanation given in section VII above.

XXIV. Actuarial Certification

I, [REDACTED], am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared to accompany HSR's rate filing for the individual combined market on and off the Pennsylvania Exchange.

I hereby certify that the projected index rate is, to the best of my knowledge and understanding:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice

- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient.

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. The allowable modifiers used to generate plan-level rates were:

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- The benefits provided under the plan that are in addition to the essential health benefits. These estimated benefits were pooled with similar benefits within the single risk pool and the claims experience from those benefits was utilized to determine rate variations.
- Administrative costs, excluding Exchange user fees.
- With respect to catastrophic plans, the expected impact of the specific eligibility categories for those plans.

I certify that the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

I certify that the benefits included in HSR's plans are substantially equivalent to the Essential Health Benefits (EHBs) in the State of Pennsylvania's benchmark plans. I certify that any benefit substitutions are:

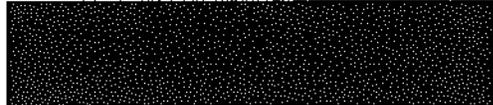
- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and
- Are based on an analysis performed in accordance with generally accepted actuarial principles and methodologies.

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review Template were based on the Federal AV

Calculator. If any adjustments were required outside of the AV Calculator, appropriate certification has been provided to CMS or to the state through the QHP application process.

I certify that the geographic rating factors reflect only differences in the cost of delivery (which can include unit cost and provider practice pattern differences) and do not include difference for population morbidity by geographic area.

The Part I Unified Rate Review Template does not demonstrate the process used by HSR to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Signed: 

Title: Actuarial Manager, Individual Markets

Date: May 9, 2016

Exhibit I
Highmark Select Resources Inc.

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

CY2017 Projected Period Average Members	651
CY2017 Projected Allowed Claims	\$782.71
Non-EHB - Adult Vision	\$0.00
CY2017 Index Rate (Allowed Claims for EHB Only)	\$782.71
Market-Wide Adjustment	
Risk Adjustment (Net of Risk Adjuster Fee)	1.000
Transitional Reinsurance Program (Net of Reinsurance Premium)	1.000
Exchange User Fee	1.000
CY2017 Market Adjusted Index Rate	\$782.92
Calibration	
Calibration from Plan Adjusted Index Rate to Age 49, 1.0 Area, Non-Smoker	
(a) Average Age Factor	1.733
(b) Age 49 (Nearest Age on HHS Age Curve) Age Factor	1.706
(c) Average Geographic Factor	1.020
Combined Calibration Factor $1/[(a/b)*c]$	0.965

Exhibit II
Highmark Select Resources Inc.

Unified Rate Review Template (URRT) AV Pricing Value Development
Market Adjusted Index Rate PM/PM = \$782.92

HIOS Plan ID	Metal Level	Plan Design Marketing Name	Plan Premium PM/PM	URRT AV Pricing Value	Portion of URRT AV Pricing Value Attributable to each Allowable Modifier ⁽¹⁾	(v)
				(i)	(ii)	(iv)
36247PA0060003	Bronze	Alliance Flex Blue PPO 6900	\$542.77	0.693	1.000	1.167
36247PA0090003	Catastrophic	Major Events Blue PPO 7150	\$495.90	0.633	1.000	1.167

⁽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.



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ACTUARIAL MEMORANDUM

Highmark Select Resources

Individual Rate Filing - January 1, 2017

I, [REDACTED] am a member of the American Academy of Actuaries and meet its qualification standards for preparing individual rate filings. As a consulting actuary, I was requested by Highmark Select Resources ("HSR") to review the development of the market-wide base rate for the individual market off the Pennsylvania Exchange. The confidential material presented in this filing was prepared for the specific purpose of submitting the rating formula for the Pennsylvania Insurance Department and may not be appropriate for other purposes. This filing represents premium rates for individuals sold or renewed effective January 1, 2017. The rates are guaranteed until December 31, 2017.

To the best of my knowledge and judgment, the following are true with respect to this filing:

1. Premium rates are established in accordance with generally accepted actuarial principles and the applicable Actuarial Standards of Practice. They are not excessive, inadequate, or unfairly discriminatory. Rates are reasonable in relationship to the benefits provided. However, it is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent that actual experience is different from the assumptions used in developing the rates, the actual results will also deviate from the projected amounts.
2. In compliance with all applicable Pennsylvania and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
3. The rating factors and rating methodology are reasonable and consistent with HSR's business plan at the time of the filing.

[REDACTED]

[REDACTED]

Fellow, Society of Actuaries
Member, American Academy of Actuaries
May 10, 2016

Pennsylvania Bulletin Information – HSR

Highmark Select Resources, Inc. (HGHM-130540919); Proposed Rates for the Individual ACA Product Portfolio in Central Pennsylvania Region

By Filing # 1A-DP-16-HSR (SERFF # HGHM-130540919), Highmark Select Resources, Inc. (HSR), NAIC # 10131, requests approval to adjust rates for its ACA-compliant individual market PPO plans in the central Pennsylvania region. The filing requests an average rate change of 25.4% or \$111 per member per month. The rate increases range from 13.9% to 35.0% (\$67 to \$142 PMPM). This will affect 1,298 members or 763 policyholders and will increase annual premium income by an estimated \$1.7 million. HSR did not offer plans in 2015, therefore there is no experience period revenue to report. The rate change will be effective on January 1, 2017.

Highmark Select Resources – Individual Plans

Rate request filing ID # 1A-DP-16-HSR HGHM-130540919 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Requested average rate change:	25.4%
Range of requested rate change:	13.9% - 35.0%
Effective date:	01/01/2017
People impacted:	1,298
Available in:	Rating area – 9

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	NA
Claims	NA
Administrative expenses	NA
Company made (before taxes)	NA

How it plans to spend your premium

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

Claims:	86%
Administrative:	9%
Taxes & fees:	2%
Profit:	3%

The company expects its annual medical costs to increase **11.5%**.

Explanation of requested rate change

The premium rate increase for Highmark Select resources is set adequately to cover the rising medical and pharmacy costs.

The primary drivers of the rate increase are the experience of the ACA single risk pool membership is emerging higher than assumed in the prior rate filing, trend, and the expiration of the federal transitional reinsurance program.



May 11, 2016

Ms. Johanna Fabian-Marks, Special Deputy & Acting Director
Bureau of Life, Accident & Health Insurance
Office of Insurance Product Regulation and Market Enforcement
Commonwealth of Pennsylvania
Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Re: Highmark Select Resources, Inc. Filing # 1A-DP-16-HSR (SERFF # HGHM-130540919)
2017 Individual Market Rates

This constitutes Notice pursuant to Section 707 of the Pennsylvania Right-to-Know Law that the attached Highmark Select Resources, Inc. (HSR) 2017 Individual Market Rates contains Trade Secret and Confidential Proprietary Information. Therefore, HSR must, prior to the release of any portion of this Filing, be notified of any request by a third party for access to this Filing, and the Trade Secret and/or Confidential Proprietary Information identified by HSR should be redacted before release.

Dear Ms. Fabian-Marks:

This Filing includes the Highmark Select Resources Individual Market rates and the supporting rate development for policies with effective dates on or after January 2017.

Company Name & NAIC #: Highmark Select Resources, Inc, NAIC #10131 (“HSR”)

Market (Individual or Small Group): Individual

On or Off Exchange: HSR will sell plans off of the exchange.

Effective date of coverage: January 1, 2017

Average rate change requested: 25.4%

Range of rate change requested: 13.9% - 35.0%

Product(s) (Indemnity, HMO, POS (HMOs only), PPO, or EPO): PPO

Rating Areas: HSR will offer products in rating area 9

Metal Levels and Catastrophic Plans: HSR Bronze and Catastrophic plans in the Individual Market.

Current number of covered lives and of policyholders: 1,298 lives, 763 policy holders

Number of plans offered in 2017: 2

Corresponding contract form #, SERFF and Binder ID#s:

The corresponding SERFF binder number is HGHM-PA17-125059916 affecting the following HSR products and forms:

Product Name / Type	Contract Form & SERFF#
Alliance Flex Blue PPO	FL/PPO/HSR/DP-1; HGHM-130518148
Major Events Blue PPO	CAT/HSR/DP; HGHM-130518171

HIOS Issuer ID # and submission tracking #: HIOS Issuer ID #36247, HSR Filing #1A-DP-16-HSR (SERFF Filing # HGHM-130540919)

Request for Confidentiality

Please note that the rates and the supporting rate development contained in this Filing are competitively sensitive, are not in the public domain, and constitute business confidential proprietary/trade secret information that would cause harm to the competitive position of HSR if disclosed to the public.

Public disclosure of any information contained in this Filing would allow HSR competitors to better understand or discover its confidential and proprietary rating, pricing and/or marketing practices, would undermine competition in the Individual market and could have negative consequences for the operation of HSR' business. Therefore, HSR asserts that this Filing, in its entirety, constitutes Trade Secret and Confidential Proprietary Information and should not be disclosed.

It is our understanding that the Department does not intend to publish the confidential & proprietary information contained in this Filing or to otherwise permit this Filing and its confidential information, other than the redacted information and final approved rates, to be disclosed or released.

Furthermore and pursuant to the Pennsylvania Right-to-Know Law ("RTKL"), HSR must be notified prior to release of information contained in this Filing and be given the opportunity to respond to requests for such information. Should the Department receive such request or require the release of information contained in this Filing for its own purposes, HSR asserts its right to release a redacted version of the Filing. In accordance with the RTKL, please contact the HSR

RTKL representative identified below prior to release of any information contained in this Filing:

Lisa Martinelli, Esq.
HSR RTKL Representative
Chief Privacy Officer
Highmark Health
120 Fifth Avenue, Suite 1814
Pittsburgh, PA 15222

Furthermore, it should be noted that HSR is equally concerned that even if this information is released in aggregate form, it still may be easy to identify the carrier that submitted it.

U.S. House of Representatives v. Burwell

Please note that the rate development in this filing is contingent upon the continued availability of federal cost-sharing subsidies under the ACA in 2017. If federal cost-sharing subsidies in their current form are not available, substantial changes to this filing may be required.

Should you have any questions regarding the attached Filing, please feel free to contact me at (717) 302-2143 or via e-mail at: jeffrey.scheib@highmark.com.

Sincerely,



Jeffrey Scheib, ASA, MAAA
Vice President, Actuarial Services
Highmark Inc.

cc: William Sarniak
Frank Haver
Greg Devine, Esq.
Tija Hilton-Phillips, Esq.

Actuarial Memorandum

1. Basic Information and Data

A. Company Information

Company Name & NAIC #: Highmark Select Resources Inc., NAIC #10131 ("HSR")

Market (Individual or Small Group): Individual

On or Off Exchange: HSR will sell plans off of the exchange.

Effective date of coverage: January 1, 2017

Average rate change requested: 25.4%

Range of rate change requested: 13.9% - 35.0%

Product(s) (Indemnity, HMO, POS (HMOs only), PPO, or EPO): PPO

Rating Areas: HSR will offer products in rating area 9

Metal Levels and Catastrophic Plans: HSR will sell Bronze and Catastrophic plans in the Individual Market.

Current number of covered lives and of policyholders: 1,298 covered lives, 763 policy holders

Number of plans offered in 2017: 2

Corresponding contract form #, SERFF and Binder ID#s:

The corresponding SERFF binder number is HGHM-PA17-125059916 affecting the following HSR products and forms:

Product Name / Type	Contract Form & SERFF#
Alliance Flex Blue PPO	FL/PPO/HSR/DP-1; HGHM-130518148
Major Events Blue PPO	CAT/HSR/DP; HGHM-130518171

HIOS Issuer ID # and submission tracking #: HIOS Issuer ID #36247, HSR Filing #1A-DP-16-HSR (SERFF Filing # HGHM-130540919)

Rate History and Proposed Variations in Rate Changes

The three most recent rate changes in Pennsylvania for Highmark are as follows:

Year	Avg. Increase	SERFF ID#
2016	NA – Initial ACA Filing	HGHM-130063170

Average Rate Change

The SERFF Rate Review Detail Screen presents the “percent rate change requested” as 25.4%. This value is consistent with Table 10, cell AC13. Table 11, Cell AZ13 calculates an increase in the 21-year-old non-smoker rate of 26.3%. Table 10 calculates the member weighted average rate for 2016 and the member requested weighted average rate for 2017 and calculates the difference in those values. Table 11 calculates the increase for each plan and then member weights the increases. HSR feels the methodology on Table 10 is more accurate and is using this value in its communications.

B. Membership Count

Please see Table 1 for the age breakdown and total number of members for the periods shown.

C. Benefit/Cost Sharing Changes

The plans being offered are new plans.

The screenshots from the HHS AV calculator, showing the plan benefits and the resulting actuarial value, are in Attachment B. Also, the PA Plan Design Summary and Rate Tables with the HIOS Plan IDs are submitted in SERFF Rate/Rule Schedule Tab.

D. Experience Period Claims and Premium

There is no data in Table 2 as HSR was not offered in 2015.

E. Credibility of Data

HSR did not offer any products in 2015. The 2017 rates are based on experience from Highmark, Inc.’s Central Pennsylvania portfolio adjusted for the expected 2017 HSR population. This experience was chosen as it is large and reasonably represents the population expected to buy HSR products.

Table 2b. is populated with the corresponding Highmark data as follows:

- The Earned Premium represents actual revenues earned in the experience period.
- Incurred Claims represent claims paid by Highmark net of expected CSR recoveries.
- The Allowed Claims represent our best estimate of the total claims prior to member cost sharing incurred during the experience period. The Allowed Claims include:
 - One month of run out from the end of the experience period,
 - Claims processed outside of the Company’s claims system (e.g., claim settlement costs), and
 - Our best estimate of claims incurred but not paid as of the end of the run out period.

- There are no non-EHB benefits represented in the allowed charges in Table 2.
- Prescription Drug Rebates are used to reduce the level of Incurred Claims in the experience period.
- Total EHB capitation includes amounts for the pediatric vision benefit.
- Total Non-EHB capitation includes amounts for our adult vision benefit.
- Estimated Risk Adjustment was left blank as it was not utilized in the development of rates.
- Estimated Reinsurance Recoveries were left blank as it was not utilized in development of the rates.

F. Trend Identification

Table 3b identifies the proposed annual medical and prescription drug allowed claims cost and utilization trends. The definitions of service categories, cost, and utilization in Table 3b are consistent with the URRT instructions. The URRT was populated with values of 1.0 as a manual rate was used.

The cost trends presented in Table 3b reflect Highmark's expectations regarding increases in in-network contractual reimbursement, as well as projected out-of-network costs. These estimates measure and normalize for benefit leverage, population aging, and historical changes for fee schedules, as well as company-wide utilization management programs, and external trend drivers.

The trend components represent a blended average for all types of service and are applied to the aggregate experience for pricing, and as such Table 3b shows the same trend components for each service category. A separate regression study was developed by the Highmark valuation team that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in a significant portion of 2014 and thru 2015 in the same metal level. The analysis took into consideration seasonality and removed outlier months. The resulting trend was compared to the group business and any industry available ACA data.

To be consistent with URRT methodologies anticipated changes in the average utilization of services due to differences in average cost sharing requirements from the experience period to the projection period are reflected in the Utilization trend component shown in Worksheet I, Section 2. Table 3b is populated consistent with this requirement.

G. Historical Experience

As this product was new in 2016, it has no historical experience.

2. Rate Development & Change

A. Development of Projected Index Rate, Market-Adjusted Index Rate, & Total Allowed Claims

The development of the Projected Index Rate, Projected Market-Adjusted Index Rate, and Projected Total Allowed Claims, shown in Table 5, closely follows that utilized the development presented in

Worksheet 1 of the URRT, a discussion of which can be found in the Part III Actuarial Memorandum submitted in the Rate Filing Justification. Some of the items separately identified in Table 5 include:

- The Change in Demographics adjustment reflects the change in age and geography factors we expect from the experience period to the projection period.
- The Change in Network adjustment reflects the change in the allowed claims we anticipate due to network contracting changes between the experience period and the projection period.
- There is no explicit Change in Benefits adjustment.
- The Change in Other adjustment reflects improved contracting with our pharmacy benefits provider.

Note that the URRT develops the Index Rate and the Plan Adjusted Index Rate using the projected distribution of members by plan, whereas Table 5 uses a recent distribution of members by plan. Any comparison between the URRT values and the Table 5 values will show variances to the extent that there are variances in the assumed underlying membership distributions.

B. Retention Items

Table 6 has been completed with the requested retention elements for the proposed rates for the rating period. The amounts presented separately sum to the total administrative expenses and taxes and fees presented in the rate development. Administrative costs reflect internal costs that HSR is projected to incur in the projected experience period, and are developed from standard expense allocation methods. Agent/broker fees and commissions reflect our anticipated costs for these items in the experience period.

Note the following regarding plan level retention items:

- The Profit/Contingency for all plans is set to 3%.
- The Health Insurer Provider Fee does not apply to the Individual Market for 2017.
- The administrative expenses do not vary by plan
- 2% Pennsylvania Premium Tax was included
- The \$0.20 PMPM PCORI fee was factored into the administrative expense percentage of premium.
- Expenses for Quality Improvement Initiatives are included in the general and claims admin percentage and were not broken out separately.

C. Normalized Market-Adjusted Projected Allowed Total Claims

The normalization factors presented in Table 7 are each determined from the underlying membership demographics expected in the projected rating period. The 2016 values are pulled from the prior year's filing, while the 2017 values represent our projection for 2017 assumed in the 2017 rate development.

D. Components of Rate Change

Table 8 presents the components of change in the proposed 2017 Calibrated Plan Adjusted Index Rate (PMPM). The 2016 base period allowed claims as developed from the 2016 rate filing are in cell C62.

The large variance between rows A and H is mostly caused by the template using the 2 year trend factor from the data tab, while this filing is completely built off of the data in the manual data tab.

Table 9 presents the data elements supporting the calculations in Table 8. Note the following differences between the Table 9 values presented for 2016 and the values from the 2016 URRT:

- The trend factor is pulling from the wrong exhibit.
- Taxes and Fees shown in Table 9 differ from the Taxes and Fees from the URRT as the Table 9 separates out the Exchange User Fee into a separate line item. In the URRT the Exchange User Fee is included in the Taxes and Fees line item.

The 2016 values are populated using the 2016 filed factors adjusted for the membership mix as of February 1, 2016.

3. Plan Rate Development

Table 10 shows the plan rate development for 2017. This table shows the plans that HSR intends to offer in 2017, as well as plans from the 2016 portfolio that will be discontinued. The calibrated plan adjusted index rates for 2016 are calculated according to the instructions. The 2017 rating factors are consistent with the factors found in Attachment I of the Part III URRT memorandum with the pricing effect further broken out into pricing AV, benefit richness, and tobacco surcharge adjustment. Admin effect is also broken into admin costs, taxes and fees, and profit or contingency.

Note that the HHS Actuarial Value Calculator was unable to accommodate all of HSR's benefit designs. Plans needing certification are marked in column I of Table 10. Screen shots of all of the AV calculations and the appropriate certifications are included in Attachment B.

For discontinuing plans where members are being mapped into a new plan, an effective rate increase is calculated by comparing the 2016 rate of the discontinuing plan to the 2017 rate of the plan the members are being mapped to. Some discontinuing plans are being listed multiple times since these plans have different mappings based on the exchange status as well as the county in which the members live. Note that many members are being mapped to HHIC, which is another company within the Highmark family. For these scenarios, rates and membership are not shown as it would cause inaccuracies in the increase calculations.

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

As mentioned in Section 1.A above, the change in 21-year-old non-tobacco premium PMPM calculated in this table is 26.3% which is not consistent with the SERFF Rate Review Detail Screen "percent rate change requested" for the reasons cited above.

Please note that HSR is offering new plans that have no enrollment on February 1, 2016. Due to the nature of the template, rates are not populated for these plans. A full listing of rates by age, area, and tobacco status can be found in the Rate Pages exhibit submitted as a separate document.

5. Plan Factors

A. Age and Tobacco Factors

Please see Table 12 for HSR's age and tobacco factors.

B. Geographic Factors

Please see Table 13 for HSR's geographic factors. HSR's factors for the rating period are unchanged from the currently approved factors. Note that rating areas 1 through 8 are left blank as HSR does not offer plans in these regions.

C. Network Factors

Please see Table 14 for HSR's network rating factors.

D. Service Area Composition

HSR offers plans in a single service area. The Plan Design Summary exhibit uploaded as a separate document contains the service area details.

6. Actuarial Certifications

I, [REDACTED], am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of HSR to accompany its rate filing (for calendar year 2017) for the Individual Market on and off the Pennsylvania Exchange.

I hereby certify that the projected index rate is, to the best of my knowledge and understanding:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient.

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. The allowable modifiers used to generate plan-level rates were:

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- The benefits provided under the plan that are in addition to the essential health benefits. These estimated benefits were pooled with similar benefits within the single risk pool and the claims experience from those benefits was utilized to determine rate variations.
- Administrative costs, excluding Exchange user fees.

I certify that all factor, benefit and other changes from the prior approved filing have been disclosed in the 2017 PA Actuarial Memorandum Rate Exhibits.

I certify that the benefits included in Highmark's plans are substantially equivalent to the Essential Health Benefits (EHBs) in the State of Pennsylvania's benchmark plans. I certify that any benefit substitutions are:

- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and
- Are based on an analysis performed in accordance with generally accepted actuarial principles and methodologies.

I certify that new plans are not considered modifications of existing plans (per the uniform modification standards in 45 CFR 147.106).

I certify that the AV Metal Values included in Table 10 were based entirely on the Federal AV Calculator or one of the approved alternative approaches.

I certify that the geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.

I certify that the information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2017 Part II Rate Filing Justification.

[Redacted Signature]

[Redacted Name]

Title: Manager, Actuarial Services

Date: 5/11/2016

Highmark Select Resources Inc.
Individual Market Product Portfolio

Supplemental Exhibits

Attachment A	Milliman Certification
Attachment B	Screenshots of HHS AV calculator and Actuarial Certification for Approach 1 AVs [Redacted]



ACTUARIAL MEMORANDUM

Highmark Select Resources

Individual Rate Filing - January 1, 2017

I, [REDACTED] am a member of the American Academy of Actuaries and meet its qualification standards for preparing individual rate filings. As a consulting actuary, I was requested by Highmark Select Resources ("HSR") to review the development of the market-wide base rate for the individual market off the Pennsylvania Exchange. The confidential material presented in this filing was prepared for the specific purpose of submitting the rating formula for the Pennsylvania Insurance Department and may not be appropriate for other purposes. This filing represents premium rates for individuals sold or renewed effective January 1, 2017. The rates are guaranteed until December 31, 2017.

To the best of my knowledge and judgment, the following are true with respect to this filing:

1. Premium rates are established in accordance with generally accepted actuarial principles and the applicable Actuarial Standards of Practice. They are not excessive, inadequate, or unfairly discriminatory. Rates are reasonable in relationship to the benefits provided. However, it is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent that actual experience is different from the assumptions used in developing the rates, the actual results will also deviate from the projected amounts.
2. In compliance with all applicable Pennsylvania and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
3. The rating factors and rating methodology are reasonable and consistent with HSR's business plan at the time of the filing.

[REDACTED]

[REDACTED]
Fellow, Society of Actuaries
Member, American Academy of Actuaries
May 10, 2016

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (as of Feb. 1, 2016)	Projected Rating Period
Total	-	14,666	7,807
<18		1,851	992
18-24		976	475
25-29		834	436
30-34		1,039	598
35-39		998	534
40-44		1,025	513
45-49		1,265	704
50-54		1,649	857
55-59		1,995	1101
60-63		2,422	1265
64+		612	332

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											#DIV/0!
Loss Ratio											#DIV/0!

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital			0.00%	
Outpatient Hospital			0.00%	
Professional			0.00%	
Other Medical			0.00%	
Capitation				
Prescription Drugs			0.00%	
Total Annual Trend			0.00%	0.00%
2 Year Trend Projection Factor			1.000	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-13				#DIV/0!		#DIV/0!				#DIV/0!
Feb-13				#DIV/0!		#DIV/0!				#DIV/0!
Mar-13				#DIV/0!		#DIV/0!				#DIV/0!
Apr-13				#DIV/0!		#DIV/0!				#DIV/0!
May-13				#DIV/0!		#DIV/0!				#DIV/0!
Jun-13				#DIV/0!		#DIV/0!				#DIV/0!
Jul-13				#DIV/0!		#DIV/0!				#DIV/0!
Aug-13				#DIV/0!		#DIV/0!				#DIV/0!
Sep-13				#DIV/0!		#DIV/0!				#DIV/0!
Oct-13				#DIV/0!		#DIV/0!				#DIV/0!
Nov-13				#DIV/0!		#DIV/0!				#DIV/0!
Dec-13				#DIV/0!		#DIV/0!				#DIV/0!
Jan-14				#DIV/0!		#DIV/0!				#DIV/0!
Feb-14				#DIV/0!		#DIV/0!				#DIV/0!
Mar-14				#DIV/0!		#DIV/0!				#DIV/0!
Apr-14				#DIV/0!		#DIV/0!				#DIV/0!
May-14				#DIV/0!		#DIV/0!				#DIV/0!
Jun-14				#DIV/0!		#DIV/0!				#DIV/0!
Jul-14				#DIV/0!		#DIV/0!				#DIV/0!
Aug-14				#DIV/0!		#DIV/0!				#DIV/0!
Sep-14				#DIV/0!		#DIV/0!				#DIV/0!
Oct-14				#DIV/0!		#DIV/0!				#DIV/0!
Nov-14				#DIV/0!		#DIV/0!				#DIV/0!
Dec-14				#DIV/0!		#DIV/0!				#DIV/0!
Jan-15				#DIV/0!		#DIV/0!				#DIV/0!
Feb-15				#DIV/0!		#DIV/0!				#DIV/0!
Mar-15				#DIV/0!		#DIV/0!				#DIV/0!
Apr-15				#DIV/0!		#DIV/0!				#DIV/0!
May-15				#DIV/0!		#DIV/0!				#DIV/0!
Jun-15				#DIV/0!		#DIV/0!				#DIV/0!
Jul-15				#DIV/0!		#DIV/0!				#DIV/0!
Aug-15				#DIV/0!		#DIV/0!				#DIV/0!
Sep-15				#DIV/0!		#DIV/0!				#DIV/0!
Oct-15				#DIV/0!		#DIV/0!				#DIV/0!
Nov-15				#DIV/0!		#DIV/0!				#DIV/0!
Dec-15				#DIV/0!		#DIV/0!				#DIV/0!

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

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Table 2b. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
#####	#####	#####	159,060	\$ 3,482,850.53	#####	\$ -	#####	\$ 200,415.60	\$ 79,530.00		
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 507.81
Loss Ratio											158.04%

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	4.99%	4.05%	9.24%	24.00%
Outpatient Hospital	4.99%	4.05%	9.24%	35.72%
Professional	4.99%	4.05%	9.24%	21.55%
Other Medical	4.99%	4.05%	9.24%	1.79%
Capitation			-36.02%	0.25%
Prescription Drugs	4.99%	4.05%	9.24%	16.66%
Total Annual Trend			9.13%	100.00%
2 Year Trend Projection			1.191	

← Annualized Trend Factors on URRT

* Express Cost, Utilization, and Weight as percentages

Table 2c. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											#DIV/0!
Loss Ratio											#DIV/0!

**Express Prescription Drug Rebates as a negative number*

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Table 4b. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-13				#DIV/0!		#DIV/0!				#DIV/0!
Feb-13				#DIV/0!		#DIV/0!				#DIV/0!
Mar-13				#DIV/0!		#DIV/0!				#DIV/0!
Apr-13				#DIV/0!		#DIV/0!				#DIV/0!
May-13				#DIV/0!		#DIV/0!				#DIV/0!
Jun-13				#DIV/0!		#DIV/0!				#DIV/0!
Jul-13				#DIV/0!		#DIV/0!				#DIV/0!
Aug-13				#DIV/0!		#DIV/0!				#DIV/0!
Sep-13				#DIV/0!		#DIV/0!				#DIV/0!
Oct-13				#DIV/0!		#DIV/0!				#DIV/0!
Nov-13				#DIV/0!		#DIV/0!				#DIV/0!
Dec-13				#DIV/0!		#DIV/0!				#DIV/0!
Jan-14				#DIV/0!		#DIV/0!				#DIV/0!
Feb-14				#DIV/0!		#DIV/0!				#DIV/0!
Mar-14				#DIV/0!		#DIV/0!				#DIV/0!
Apr-14				#DIV/0!		#DIV/0!				#DIV/0!
May-14				#DIV/0!		#DIV/0!				#DIV/0!
Jun-14				#DIV/0!		#DIV/0!				#DIV/0!
Jul-14				#DIV/0!		#DIV/0!				#DIV/0!
Aug-14				#DIV/0!		#DIV/0!				#DIV/0!
Sep-14				#DIV/0!		#DIV/0!				#DIV/0!
Oct-14				#DIV/0!		#DIV/0!				#DIV/0!
Nov-14				#DIV/0!		#DIV/0!				#DIV/0!
Dec-14				#DIV/0!		#DIV/0!				#DIV/0!
Jan-15				#DIV/0!		#DIV/0!				#DIV/0!
Feb-15				#DIV/0!		#DIV/0!				#DIV/0!
Mar-15				#DIV/0!		#DIV/0!				#DIV/0!
Apr-15				#DIV/0!		#DIV/0!				#DIV/0!
May-15				#DIV/0!		#DIV/0!				#DIV/0!
Jun-15				#DIV/0!		#DIV/0!				#DIV/0!
Jul-15				#DIV/0!		#DIV/0!				#DIV/0!
Aug-15				#DIV/0!		#DIV/0!				#DIV/0!
Sep-15				#DIV/0!		#DIV/0!				#DIV/0!
Oct-15				#DIV/0!		#DIV/0!				#DIV/0!
Nov-15				#DIV/0!		#DIV/0!				#DIV/0!
Dec-15				#DIV/0!		#DIV/0!				#DIV/0!

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

PA Rate Template Part II Rate Development and Change

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

2015 Total Allowed EHB Claims PMPM + EHB Capitation PMPM (net of prescription drug rebates)	\$ 499.40	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.191	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 594.76	
<u>Single Risk Pool Adjustment Factors</u>		
Change in Morbidity	1.297	<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Other	1.014	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Demographics	1.046	
Change in Network	0.980	
Change in Benefits	1.000	
Change in Other	0.990	
Adjusted Projected Allowed EHB Claims PMPM	\$ 782.71	<- Index Rate for Projection Period on URRT - Individual (Small Group 1st Qtr)
Adjusted Projected Allowed EHB Claims PMPM [will only populate for small group filings]	\$ -	<- Index Rate for Projection Period on URRT - Small Group
Projected Paid to Allowed Ratio	0.600173756	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	469.7594498	
<u>Market-wide Adjustments</u>		
Projected Paid Net Risk Adjustment PMPM	\$ 0.13	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 469.89	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 782.92	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 469.89	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 782.92	

Table 6. Retention

<u>Retention Items - Express in percentages</u>		
Administrative Expenses	9%	
General and Claims	8.92%	
Agent/Broker Fees and Commissions	0.39%	
Quality Improvement Initiatives	0.00%	
Taxes and Fees	2.04%	
PCORI Fees (Enter \$ amount here: \$)	0.04%	
Pa Premium Tax (if applicable)	2.00%	
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	14%	
Projected Required Revenue PMPM	\$ 548.57	<- Single Pool Gross Premium Avg. Rate, PMPM on URRT

Table 8. Components of Rate Change

Rate Components	2016	2017	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	244.8988136	307.0970716	\$62.20	25.4%
B. Base period allowed claims before normalization	\$ 457.71	\$ 499.40	\$41.69	17%
C. Normalization factor component of change	\$ (200.39)	-209.6932748	-\$9.30	-\$0.04
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 257.32	\$ 289.71	\$ 32.39	13%
D2. URRT Trend	\$ 34.61	\$ -	\$ (34.61)	-14%
D3. URRT Morbidity	\$ (11.61)	\$ 86.11	\$ 97.72	40%
D4. URRT Other	\$ 8.53	\$ 5.44	\$ (3.09)	-1%
D5. Normalized URRT RA/RI on an allowed basis	\$ (9.00)	\$ 0.13	\$ 9.13	4%
D6. Normalized Exchange User Fee on an allowed basis	\$ 8.55	\$ -	\$ (8.55)	-3%
D7. Subtotal - Sum(D1:D6)	\$ 288.40	\$ 381.38	\$ 92.98	38%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (24.01)	-13.34844868	\$ 10.66	4%
E2. Pricing AV	\$ (72.08)	\$ (147.15)	\$ (75.07)	-31%
E3. Benefit Richness	\$ 9.76	\$ -	\$ (9.76)	-4%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (86.33)	\$ (160.50)	\$ (74.17)	-30%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 23.37	\$ 28.58	\$ 5.21	2%
F2. Taxes and Fees	\$ 12.71	\$ 6.25	\$ (6.46)	-3%
F3. Profit and/or Contingency	\$ 6.12	\$ 9.21	\$ 3.09	1%
F4. Subtotal - Sum(F1:F3)	\$ 42.20	\$ 44.05	\$ 1.84	1%
G. Change in Miscellaneous Items			\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 244.28	\$ 264.93	\$ 20.65	8%

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

	January	April	July	October	Total Single Risk Pool
# of Member Months Renewing in Quarter					-
Percent of Members Months Renewing in Quarter	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Base Allowed Claims	\$ 782.71	\$ 782.71	\$ 782.71	\$ 782.71	\$ 782.71
Months of Trend	-	3	6	9	#DIV/0!
Annual Trend	0.00%	0.00%	0.00%	0.00%	0.00%
Single Risk Pool Projected Allowed Claims	\$ 782.71	\$ 782.71	\$ 782.71	\$ 782.71	\$ -

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

<u>Normalization Factors</u>	2016	2017
Average Age Factor	1.667	1.733
Average Geographic Factor	1.035	1.020
Average Tobacco Factor	1.013	1.011
Average Benefit Richness (induced demand)	1.040	1.000
Average Network Factor	0.978	0.965
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 513.00	\$ 782.92
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 288.41	\$ 454.18

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

	2016	2017	
Paid-to-Allowed	0.700950296	0.600173756	
URRT Trend (2-Year Trend Factor)	1.13451227	1.00	<- URRT W1, S2
URRT Morbidity	0.960228174	1.297	<- URRT W1, S2
URRT "Other"	1.030428084	1.014	<- URRT W1, S2
Risk Adjustment	\$ 4.52	\$ 0.13	<- URRT W1, S3
Reinsurance	\$ (15.75)	\$ -	<- URRT W1, S3
Exchange User Fee	\$ 10.66	\$ -	<- URRT W1, S3
Capitation	\$ 0.84	\$ 0.34	<- URRT W1, S2
Network	0.917	0.965	
Pricing AV	0.727	0.600173756	
Benefit Richness	1.051	1	
Catastrophic Eligibility	1.000	1	
Administrative Expenses	9.54%	9.31%	
Taxes and Fees	5.19%	2.04%	
Profit and/or Contingency	2.50%	3.00%	

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PA Rate Template Part III

Table 10. Plan Rates

Carrier Name: Highmark Select Resources Inc.
 Plan Type(s): PPO
 Market Segment: Individual ACA
 Rate Effective Date: 01/01/2017
 Market Adjusted Index Rate: \$ 782.92

Plan Number	HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, EPO, Indemnity, Other)	1/1/16 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2017	1/1/17 Plan Marketing Name (If 1/1/16 Plan Discontinued)	Metallic Tier	Metallic Tier Actuarial Value	Standard AV, Approach (1), Approach (2)	Exchange On/Off or Off
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Totals

0.610

Plan 1	36247PA0060003	PPO		N	Alliance Flex Blue PPO 6800	Bronze	0.6096	Approach (1)	Off
Plan 2	36247PA0090003	PPO		N	Major Events Blue PPO 7150	Catastrophic	0.575	Approach (1)	Off
Plan 3	36247PA0060002	PPO	Alliance Flex Blue PPO 1000	D	Alliance Flex Blue PPO 6800	Bronze	0.6096	Approach (1)	Off
Plan 4	36247PA0060001	PPO	Alliance Flex Blue PPO 2100	D	Alliance Flex Blue PPO 6800	Bronze	0.6096	Approach (1)	Off
Plan 5	36247PA0060002	PPO	Alliance Flex Blue PPO 1000	D	HHIC Alliance PPO 1000				
Plan 6	36247PA0060001	PPO	Alliance Flex Blue PPO 2100	D	HHIC Alliance PPO 2300				

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PA Rate Table
Table 10. Plan

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Date:
 Market Adjusted:

Calibration	
Age Calibration Factor	1.732781022
Geographic Calibration Factor	1.020
Aggregate Calibration Factor	1.767

45 CFR Part 156.8 (d) (2) Allowable Factors

Plan Number	Pricing AV (company-determined AV)	Benefit Richness (induced demand)	Benefits in addition to EHB	Provider Network	Catastrophic Eligibility	Tobacco Surcharge Adjustment	Pure Premium	Admin Costs	Taxes & Fees (not including Exchange fees)	Profit or Contingency
Totals	0.600	1.000	1.000	1.000	1.000	0.989	\$ 464.92	9.3%	2.0%	3.0%
Plan 1	0.600	1.000	1.000	1.000	1.000	0.989	\$464.92	9.3%	2.0%	3.0%
Plan 2	0.575	1.000	1.000	1.036	0.920	0.989	\$424.77	9.3%	2.0%	3.0%
Plan 3	0.600	1.000	1.000	1.000	1.000	0.989	\$464.92	9.3%	2.0%	3.0%
Plan 4	0.600	1.000	1.000	1.000	1.000	0.989	\$464.92	9.3%	2.0%	3.0%
Plan 5							\$0.00			
Plan 6							\$0.00			

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PA Rate Table
Table 10. Plan

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Date:
 Market Adjusted Index:

Plan Number	Total Covered Lives @ 2/1/2016	Total Policyholders @ 2/1/2016	2016 Calibrated Plan Adjusted Index Rate PMPM	2017 Calibrated Plan Adjusted Index Rate PMPM	Change Compared to Prior 12 months	% of Total Covered Lives
Totals	1,298	763	\$ 244.90	\$ 307.10	25.40%	
Plan 1	-	-	\$ -	\$307.10	#DIV/0!	0.0%
Plan 2	-	-	\$ -	\$280.58	#DIV/0!	0.0%
Plan 3	539	290	\$ 269.54	\$307.10	13.9%	41.5%
Plan 4	759	473	\$ 227.40	\$307.10	35.0%	58.5%
Plan 5	-	-	\$ -	\$0.00	#DIV/0!	0.0%
Plan 6	-	-	\$ -	\$0.00	#DIV/0!	0.0%

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PA Rate Template Part IV

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

Carrier Name: Highmark Select Resources Inc.
 Plan Type(s): PPO
 Market Segment: Individual ACA
 Rate Effective Date: 01/01/2017

Plan Number	HIOS Plan ID (Standard Component)	1/1/16 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2017	1/1/17 Plan Marketing Name (If 1/1/16 Plan Discontinued)	Metallic Tier	Exchange On/Off or Off
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Totals These cells auto-fill using the data entered in Table 9.

Plan 1	36247PA0060003	0	N	Alliance Flex Blue PPO 6800	Bronze	Off
Plan 2	36247PA0090003	0	N	Major Events Blue PPO 7150	Catastrophic	Off
Plan 3	36247PA0060002	Alliance Flex Blue PPO 10	D	Alliance Flex Blue PPO 6800	Bronze	Off
Plan 4	36247PA0060001	Alliance Flex Blue PPO 21	D	Alliance Flex Blue PPO 6800	Bronze	Off
Plan 5	36247PA0060002	Alliance Flex Blue PPO 10	D	HHIC Alliance PPO 1000		0
Plan 6	36247PA0060001	Alliance Flex Blue PPO 21	D	HHIC Alliance PPO 2300		0

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PA Rate Te
Table 11. Pla

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Da

Plan Number	2/1/16 Number of Covered Lives									
	1	2	3	4	5	6	7	8	9	Total
Totals	-	-	-	-	-	-	-	-	1,298	1,298
Plan 1	-	-	-	-	-	-	-	-	-	-
Plan 2	-	-	-	-	-	-	-	-	-	-
Plan 3	-	-	-	-	-	-	-	-	539	539
Plan 4	-	-	-	-	-	-	-	-	759	759
Plan 5	-	-	-	-	-	-	-	-	-	-
Plan 6	-	-	-	-	-	-	-	-	-	-

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PA Rate Te
Table 11. Pla

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Da

2016 21-year-old Non-Tobacco Premium PMPM (in small group market, average monthly premium weighted for quarterly trend)										
Plan Number	1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249.80	\$ 249.80
Plan 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274.93	\$ 274.93
Plan 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231.95	\$ 231.95
Plan 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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PA Rate Te
Table 11. Pla

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Da

Plan Number

2017 21-year-old Non-Tobacco Premium PMPM (in small group market, average monthly premium weighted for quarterly trend)										
	1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313.24	\$ 313.24
Plan 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313.24	\$ 313.24
Plan 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313.24	\$ 313.24
Plan 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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PA Rate Te

Table 11. Pla

Carrier Name:
 Plan Type(s):
 Market Segment:
 Rate Effective Da

Change in 21-year-old Non-Tobacco Premium PMPM										
Plan Number	1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
Totals	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.3%	26.3%
Plan 1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan 2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan 3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	13.9%
Plan 4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.0%	35.0%
Plan 5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan 6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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