

**State:** Pennsylvania **Filing Company:** Keystone Health Plan West  
**TOI/Sub-TOI:** HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO  
**Product Name:** 1A-DPHMO-15-KHPW  
**Project Name/Number:** 1A-DPHMO-15-KHPW/1A-DPHMO-15-KHPW

## Filing at a Glance

Company: Keystone Health Plan West  
Product Name: 1A-DPHMO-15-KHPW  
State: Pennsylvania  
TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)  
Sub-TOI: HOrg02I.005D Individual - HMO  
Filing Type: Rate - M.U. (Medically underwritten)  
Date Submitted: 08/14/2015  
SERFF Tr Num: HGHM-130144925  
SERFF Status: Assigned  
State Tr Num: HGHM-130144925  
State Status: Received Review in Progress  
Co Tr Num: 1A-DPHMO-15-KHPW  
  
Implementation: 12/01/2015  
Date Requested:  
Author(s): Kevin Luu, Frank Haver, Aaron Syster, Craig Cooper, Gregory Amspacher, Jonathan Wood  
Reviewer(s): Cherri Sanders-Jones (primary)  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:  
Grandfathered - rri = 15.2%

**State:** Pennsylvania **Filing Company:** Keystone Health Plan West  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 1A-DPHMO-15-KHPW  
**Project Name/Number:** 1A-DPHMO-15-KHPW/1A-DPHMO-15-KHPW

## General Information

Project Name: 1A-DPHMO-15-KHPW	Status of Filing in Domicile:
Project Number: 1A-DPHMO-15-KHPW	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: Pennsylvania is the state of domicile
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type: Individual
Overall Rate Impact: 15.2%	Filing Status Changed: 08/17/2015
	State Status Changed: 08/17/2015
Deemer Date:	Created By: Gregory Amspacher
Submitted By: Aaron Syster	Corresponding Filing Tracking Number: HGHM-130176279
	PPACA: Not PPACA-Related
PPACA Notes: null	
Include Exchange Intentions:	No
Filing Description:	
See cover letter and memorandum for details	

## Company and Contact

### Filing Contact Information

Kevin Luu,	kevin.luu@highmark.com
1800 Center Street	717-302-2203 [Phone]
Camp Hill, PA 17011	

### Filing Company Information

Keystone Health Plan West	CoCode: 95048	State of Domicile:
120 5th Avenue Place	Group Code: 812	Pennsylvania
Pittsburgh, PA 15222	Group Name:	Company Type:
(717) 302-3971 ext. [Phone]	FEIN Number: 25-1522457	State ID Number:

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:

HGHM-130144925

State Tracking #:

HGHM-130144925

Company Tracking #:

1A-DPHMO-15-KHPW

**State:** Pennsylvania **Filing Company:** Keystone Health Plan West  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 1A-DPHMO-15-KHPW  
**Project Name/Number:** 1A-DPHMO-15-KHPW/1A-DPHMO-15-KHPW

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		1A-DPHMO-15-KHPW Rates		New		1A-DPHMO-15-KHPW Rates.pdf,

Keystone Health Plan West, Inc.  
 Medically Underwritten Individual HMO  
 Summary of Requested Rates  
 Monthly Attained Age Rates for Form Number M3002  
 Effective December 1, 2015

Medically Underwritten Male - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$640.85	\$850.05	\$1,141.35
19 - 24	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$475.00	\$684.20	\$975.50
25 - 29	\$250.60	\$460.30	\$751.70	\$768.30	\$977.60	\$1,269.00	\$501.20	\$710.50	\$1,001.90
30 - 34	\$295.85	\$505.40	\$796.90	\$937.10	\$1,146.30	\$1,437.70	\$591.70	\$800.90	\$1,092.30
35 - 39	\$362.90	\$572.45	\$863.90	\$1,004.35	\$1,213.55	\$1,504.75	\$725.80	\$935.00	\$1,226.20
40 - 44	\$446.90	\$656.40	\$948.00	\$1,099.90	\$1,309.15	\$1,600.40	\$893.80	\$1,103.05	\$1,394.30
45 - 49	\$575.15	\$784.65	\$1,076.10	\$1,309.55	\$1,518.70	\$1,809.95	\$1,150.30	\$1,359.45	\$1,650.70
50 - 54	\$756.15	\$965.60	\$1,257.10	\$1,630.90	\$1,840.05	\$2,131.30	\$1,512.30	\$1,721.45	\$2,012.70
55 - 59	\$1,014.80	\$1,224.30	\$1,515.75	\$2,024.30	\$2,233.40	\$2,524.80	\$2,029.60	\$2,238.70	\$2,530.10
60 - 64	\$1,391.50	\$1,601.00	\$1,892.50	\$2,588.45	\$2,797.80	\$3,089.05	\$2,783.00	\$2,992.35	\$3,283.60
65+ (Medicare)	\$1,014.80	\$1,224.30	\$1,515.75	\$2,024.30	\$2,233.40	\$2,524.80	\$2,029.60	\$2,238.70	\$2,530.10
65+ (Non-Medicare)	\$1,405.30	\$1,616.95	\$1,911.40	\$2,614.15	\$2,825.55	\$3,119.75	\$2,810.60	\$3,022.00	\$3,316.20

Medically Underwritten Female - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$640.85	\$850.05	\$1,141.35
19 - 24	\$403.35	\$612.90	\$904.40	\$640.85	\$850.05	\$1,141.35	\$806.70	\$1,015.90	\$1,307.20
25 - 29	\$517.70	\$727.15	\$1,018.65	\$768.30	\$977.60	\$1,269.00	\$1,035.40	\$1,244.70	\$1,536.10
30 - 34	\$641.25	\$850.80	\$1,142.25	\$937.10	\$1,146.30	\$1,437.70	\$1,282.50	\$1,491.70	\$1,783.10
35 - 39	\$641.45	\$850.90	\$1,142.40	\$1,004.35	\$1,213.55	\$1,504.75	\$1,282.90	\$1,492.10	\$1,783.30
40 - 44	\$653.00	\$862.45	\$1,153.90	\$1,099.90	\$1,309.15	\$1,600.40	\$1,306.00	\$1,515.25	\$1,806.50
45 - 49	\$734.40	\$943.85	\$1,235.35	\$1,309.55	\$1,518.70	\$1,809.95	\$1,468.80	\$1,677.95	\$1,969.20
50 - 54	\$874.75	\$1,084.25	\$1,375.70	\$1,630.90	\$1,840.05	\$2,131.30	\$1,749.50	\$1,958.65	\$2,249.90
55 - 59	\$1,009.50	\$1,219.05	\$1,510.45	\$2,024.30	\$2,233.40	\$2,524.80	\$2,019.00	\$2,228.10	\$2,519.50
60 - 64	\$1,196.95	\$1,406.50	\$1,698.05	\$2,588.45	\$2,797.80	\$3,089.05	\$2,393.90	\$2,603.25	\$2,894.50
65+ (Medicare)	\$1,009.50	\$1,219.05	\$1,510.45	\$2,024.30	\$2,233.40	\$2,524.80	\$2,019.00	\$2,228.10	\$2,519.50
65+ (Non-Medicare)	\$1,208.85	\$1,420.35	\$1,714.75	\$2,614.15	\$2,825.55	\$3,119.75	\$2,417.70	\$2,629.10	\$2,923.30

Medically Underwritten Male - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$734.95	\$974.80	\$1,309.15
19 - 24	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$544.20	\$784.05	\$1,118.40
25 - 29	\$287.30	\$527.55	\$861.95	\$881.65	\$1,121.55	\$1,455.80	\$574.60	\$814.50	\$1,148.75
30 - 34	\$339.25	\$579.45	\$913.90	\$1,075.60	\$1,315.60	\$1,649.85	\$678.50	\$918.50	\$1,252.75
35 - 39	\$416.45	\$656.60	\$991.00	\$1,153.00	\$1,392.95	\$1,727.15	\$832.90	\$1,072.85	\$1,407.05
40 - 44	\$513.00	\$753.20	\$1,087.60	\$1,262.90	\$1,502.80	\$1,837.00	\$1,026.00	\$1,265.90	\$1,600.10
45 - 49	\$660.50	\$900.50	\$1,235.10	\$1,504.00	\$1,743.80	\$2,078.00	\$1,321.00	\$1,660.80	\$1,895.00
50 - 54	\$868.55	\$1,108.75	\$1,443.10	\$1,873.55	\$2,113.35	\$2,447.55	\$1,737.10	\$1,976.90	\$2,311.10
55 - 59	\$1,166.00	\$1,406.15	\$1,740.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,332.00	\$2,571.70	\$2,906.10
60 - 64	\$1,599.25	\$1,839.40	\$2,173.90	\$2,974.80	\$3,214.65	\$3,548.85	\$3,198.50	\$3,438.35	\$3,772.55
65+ (Medicare)	\$1,166.00	\$1,406.15	\$1,740.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,332.00	\$2,571.70	\$2,906.10
65+ (Non-Medicare)	\$1,615.15	\$1,857.65	\$2,195.40	\$3,004.40	\$3,246.70	\$3,584.15	\$3,230.30	\$3,472.60	\$3,810.05

Medically Underwritten Female - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$734.95	\$974.80	\$1,309.15
19 - 24	\$462.85	\$703.05	\$1,037.45	\$734.95	\$974.80	\$1,309.15	\$925.70	\$1,165.55	\$1,499.90
25 - 29	\$594.35	\$834.50	\$1,168.95	\$881.65	\$1,121.55	\$1,455.80	\$1,188.70	\$1,428.60	\$1,762.85
30 - 34	\$736.35	\$976.60	\$1,311.10	\$1,075.60	\$1,315.60	\$1,649.85	\$1,472.70	\$1,712.70	\$2,046.95
35 - 39	\$736.55	\$976.80	\$1,311.25	\$1,153.00	\$1,392.95	\$1,727.15	\$1,473.10	\$1,713.05	\$2,047.25
40 - 44	\$749.90	\$990.10	\$1,324.55	\$1,262.90	\$1,502.80	\$1,837.00	\$1,499.80	\$1,739.70	\$2,073.90
45 - 49	\$843.50	\$1,083.65	\$1,418.10	\$1,504.00	\$1,743.80	\$2,078.00	\$1,687.00	\$1,926.80	\$2,261.00
50 - 54	\$1,005.00	\$1,245.15	\$1,579.60	\$1,873.55	\$2,113.35	\$2,447.55	\$2,010.00	\$2,249.80	\$2,584.00
55 - 59	\$1,160.00	\$1,400.10	\$1,734.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,320.00	\$2,559.70	\$2,894.10
60 - 64	\$1,375.55	\$1,615.70	\$1,950.10	\$2,974.80	\$3,214.65	\$3,548.85	\$2,751.10	\$2,990.95	\$3,325.15
65+ (Medicare)	\$1,160.00	\$1,400.10	\$1,734.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,320.00	\$2,559.70	\$2,894.10
65+ (Non-Medicare)	\$1,389.25	\$1,631.80	\$1,969.40	\$3,004.40	\$3,246.70	\$3,584.15	\$2,778.50	\$3,020.80	\$3,358.25

Medically Underwritten Male - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$829.15	\$1,099.65	\$1,476.90
19 - 24	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$613.60	\$884.10	\$1,261.35
25 - 29	\$324.00	\$594.70	\$972.10	\$995.00	\$1,265.45	\$1,642.70	\$648.00	\$918.45	\$1,295.70
30 - 34	\$382.70	\$653.60	\$1,030.90	\$1,214.25	\$1,484.95	\$1,862.05	\$765.40	\$1,036.10	\$1,413.20
35 - 39	\$469.80	\$740.70	\$1,118.00	\$1,301.60	\$1,572.15	\$1,949.35	\$939.60	\$1,210.15	\$1,587.35
40 - 44	\$579.10	\$849.90	\$1,227.30	\$1,425.95	\$1,696.45	\$2,073.70	\$1,158.20	\$1,428.70	\$1,805.95
45 - 49	\$745.55	\$1,016.45	\$1,393.85	\$1,698.15	\$1,968.85	\$2,346.05	\$1,491.10	\$1,761.80	\$2,139.00
50 - 54	\$980.95	\$1,251.70	\$1,629.10	\$2,116.05	\$2,386.60	\$2,763.75	\$1,961.90	\$2,232.45	\$2,609.60
55 - 59	\$1,317.20	\$1,588.05	\$1,965.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,634.40	\$2,905.00	\$3,282.15
60 - 64	\$1,806.95	\$2,077.85	\$2,455.15	\$3,361.00	\$3,631.50	\$4,008.80	\$3,613.90	\$3,884.40	\$4,261.70
65+ (Medicare)	\$1,317.20	\$1,588.05	\$1,965.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,634.40	\$2,905.00	\$3,282.15
65+ (Non-Medicare)	\$1,825.00	\$2,098.50	\$2,479.60	\$3,394.50	\$3,667.70	\$4,048.65	\$3,650.00	\$3,923.20	\$4,304.15

Medically Underwritten Female - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$829.15	\$1,099.65	\$1,476.90
19 - 24	\$522.35	\$793.30	\$1,170.60	\$829.15	\$1,099.65	\$1,476.90	\$1,044.70	\$1,315.20	\$1,692.45
25 - 29	\$671.00	\$941.80	\$1,319.15	\$995.00	\$1,265.45	\$1,642.70	\$1,342.00	\$1,612.45	\$1,989.70
30 - 34	\$831.55	\$1,102.40	\$1,479.80	\$1,214.25	\$1,484.95	\$1,862.05	\$1,663.10	\$1,933.80	\$2,310.90
35 - 39	\$831.80	\$1,102.75	\$1,480.05	\$1,301.60	\$1,572.15	\$1,949.35	\$1,663.60	\$1,934.15	\$2,311.35
40 - 44	\$846.85	\$1,117.60	\$1,495.00	\$1,425.95	\$1,696.45	\$2,073.70	\$1,693.70	\$1,964.20	\$2,341.45
45 - 49	\$952.60	\$1,223.50	\$1,600.75	\$1,698.15	\$1,968.85	\$2,346.05	\$1,905.20	\$2,175.90	\$2,553.10
50 - 54	\$1,135.10	\$1,406.00	\$1,783.40	\$2,116.05	\$2,386.60	\$2,763.75	\$2,270.20	\$2,540.75	\$2,917.90
55 - 59	\$1,310.35	\$1,581.20	\$1,958.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,620.70	\$2,891.30	\$3,268.45
60 - 64	\$1,554.05	\$1,824.95	\$2,202.30	\$3,361.00	\$3,631.50	\$4,008.80	\$3,108.10	\$3,378.60	\$3,755.90
65+ (Medicare)	\$1,310.35	\$1,581.20	\$1,958.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,620.70	\$2,891.30	\$3,268.45
65+ (Non-Medicare)	\$1,569.50	\$1,842.95	\$2,224.10	\$3,394.50	\$3,667.70	\$4,048.65	\$3,139.00	\$3,412.20	\$3,793.15

KEY:

- S Subscriber
- S/C Subscriber/Child
- S/Cn Subscriber/Children
- S/Sp Subscriber/Spouse
- S/Sp/C Subscriber/Spouse/Child
- S/Sp/Cn Subscriber/Spouse/Children
- SS S/Sp Same Sex Subscriber/Spouse
- SS S/Sp/C Same Sex Subscriber/Spouse/Child
- SS S/Sp/Cn Same Sex Subscriber/Spouse/Children

State: Pennsylvania Filing Company: Keystone Health Plan West  
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
Product Name: 1A-DPHMO-15-KHPW  
Project Name/Number: 1A-DPHMO-15-KHPW/1A-DPHMO-15-KHPW

## Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	1A-DPHMO-15-KHPW.pdf 1A-DPHMO-15-KHPW Exhibits.xlsx
Item Status:	
Status Date:	

**SERFF Tracking #:**

HGHM-130144925

**State Tracking #:**

HGHM-130144925

**Company Tracking #:**

1A-DPHMO-15-KHPW

---

**State:**

Pennsylvania

**Filing Company:**

Keystone Health Plan West

**TOI/Sub-TOI:**

HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

**Product Name:**

1A-DPHMO-15-KHPW

**Project Name/Number:**

1A-DPHMO-15-KHPW/1A-DPHMO-15-KHPW

***Attachment 1A-DPHMO-15-KHPW Exhibits.xlsx is not a PDF document and cannot be reproduced here.***



August 12, 2015

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

Re: Keystone Health Plan West, Inc. Filing # 1A-DPHMO-15-KHPW  
Request to Increase Rates for the Grandfathered Individual HMO Plan

Dear Ms. Fabian-Marks:

For the Pennsylvania Bulletin:

*By filing No. 1A-DPHMO-15-KHPW, Keystone Health Plan West, Inc. (KHPW) requests approval to adjust rates for its Grandfathered Individual HMO Plan. The filing requests an average rate change of 15.2% or \$101.65 per contract per month. This will affect about 1,700 contract-holders and will produce additional premium income of about \$173,000 per month. The requested effective date of the change is December 1, 2015.*

Rates were last adjusted effective December 1, 2014 when the rates were increased by 16.0%. Requested rates are shown in Attachment I.

Should you have any questions regarding this filing, please contact me at (717) 302-3077 or by email at frank.haver@highmark.com. Questions regarding the actuarial memorandum can be addressed directly to Kevin Luu at (717) 302-2203 or via email at kevin.luu@highmark.com.

Sincerely,

Frank Haver, F.S.A., M.A.A.A.  
Director, Actuarial Services

Enclosures

CC: William Sarniak  
Jeffrey Scheib  
Kevin Luu  
Tija Hilton-Phillips

**Keystone Health Plan West, Inc.**  
**Individual Blue HMO**  
**Effective December 1, 2015**  
**ACTUARIAL MEMORANDUM**

Filing Number: 1A-DPHMO-15-KHPW  
Submission Date: August 12, 2015

**RE: KEYSTONE HEALTH PLAN WEST'S APPLICATION FOR APPROVAL OF  
REVISED RATES FOR ITS GRANDFATHERED MEDICALLY UNDERWRITTEN  
INDIVIDUAL HMO EFFECTIVE DECEMBER 1, 2015.**

**I. INTRODUCTION**

Keystone Health Plan West, Inc. (KHPW and "the Plan") hereby makes application for approval of revised rates for its grandfathered medically underwritten Individual HMO effective December 1, 2015. This filing affects policy form number M3002. The Plan is requesting to increase its rates by 15.2%. Base rates were last approved for this plan in filing # 1A-DPHMO-14-KHPW (HGHM-129636271), effective December 1, 2014.

**II. RATE DEVELOPMENT**

Exhibit I presents the rate development per contract per month (PCPM) for the projected rating period. Exhibit II-B develops the experience period income at current rates shown in Exhibit I, Line 2. Exhibit I, Line 3 shows the experience period pure premium. The experience period pure premium is trended to the projected rating period at an annual factor of 12.7% (Exhibit I, Line 4).

An amount for hospital incentives and drug rebates is added in Exhibit I, Line 6. An administrative expense amount is added in Exhibit I, Line 7 and includes an amount for the Patient Centered Outcomes Research Fee (PCOR) mandated by PPACA. Commission expense is added in Exhibit I, Line 9.

Exhibit I, Line 10 reflects the PPACA Transitional Reinsurance Fee. Together, PCOR and the Reinsurance Fee account for 0.5% of the requested average rate. Other retention items are added in Exhibit I, Lines 11a – 11d.

An amount for the vision benefit is included in Exhibit I, Line 12.

The required premium figure (Exhibit I, Line 13) is compared to the income at current rates PCPM to arrive at the calculated percentage increase of 15.2% in Exhibit I, Line 14.

The determination of each element of the calculation is described in the sections below. To minimize the number of printed pages only summary exhibits are shown for Exhibits II-B, IV and V; however, the detailed exhibits are included in the electronic version of the filing.

### **III. REQUESTED RATES**

Based on the assumptions in the rate development above, an average rate adjustment of 15.2% is requested to cover projected claims, administrative expenses and other retention items over the rating period. Final rates are rounded to the nearest \$0.05.

The rates for traditional subscriber/spouse contracts are set to exactly match the male subscriber plus the female subscriber rate for the same age to eliminate rounding errors. The rates for all same sex contract types were calculated by removing the single rate for the opposite sex and adding in the single rate for the same sex at each age band.

The requested rates are shown in the Summary of Requested Rates in Attachment I.

### **IV. INCURRED CLAIMS**

Incurred claims for the period April 1, 2014 through March 31, 2015, paid through April 30, 2015, were used as the base period. These incurred claims were completed using monthly factors from the Corporate Reserve System. The ultimate incurred claims PCPM is shown in Exhibit I, Line 3.

### **V. TREND FACTOR**

Trend data is shown in Exhibit III. Since premium rates reflect age and gender, Exhibit III has been adjusted to remove the impact of age and gender. The Plan used Exhibit III and a regression tool developed by the Plan's valuation actuaries to estimate the future trend rate. The regression tool removes components of trend that are more explainable from the observed trend rates and then uses regression analysis to isolate the underlying trend rate. Some of the more explainable variables include high dollar claims, work days, provider contracting, demographics, and seasonality. The total trend is the sum of the explainable components and the estimated underlying trend rate. A total trend factor of 12.7% is requested. The valuation regression tool as well as twelve-, six-, and three-month trends were reviewed, and the final requested trend is based on actuarial judgment.

### **VI. ADMINISTRATIVE EXPENSE**

Historical and projected administrative expenses are presented in Exhibit VII. Requested administrative expenses for this filing are based on assumptions developed in KHPW's internal financial forecast. The estimated 12/1/2015 – 11/30/2016 administrative expenses are \$38.63 PCPM as shown in Exhibit I, Line 7.

### **VII. COMMISSION EXPENSE**

Projected commission expenses for this filing are based on actual 2014 commissions. The calculation divides the 2014 commission amount of \$105,606 by the 2014 contract months to produce a commission of \$2.49 PCPM as shown in Exhibit I, Line 9. Historical commission expenses can be seen on the financial experience exhibit (Exhibit VIII).

## **VIII. PPACA RELATED FEES**

Under the Patient Protection and Affordable Care Act (PPACA), KHPW is required to pay a transitional reinsurance fee. The transitional reinsurance fee, as calculated in Exhibit IX, is \$3.65 on a PCPM basis. This is based on the Plan's assessment of \$3.67 PMPM for 2015 and \$2.25 PMPM for 2016, multiplied by the member to contract ratio and weighted by member months in the rating period.

## **IX. OTHER RETENTION ITEMS**

A 2.0% risk and contingency charge is included as shown in Exhibit I, Line 11a.

The federal income tax, investment income credit, and federal insurer tax are all assumed to be zero as shown in Exhibit I, Lines 11b – 11d.

## **X. VISION EXPENSE**

The vision benefit was previously filed in endorsement VE-3 and approved by the Department on February 26, 2008. The vision benefit is being provided by Davis Vision at a capitated rate of \$0.50 PMPM. The most recent member per contract ratio is used to convert the \$0.50 PMPM to \$0.77 PCPM as shown in Exhibit I, Line 12.

## **XI. FINANCIAL EXPERIENCE**

A financial history is shown in Exhibit VIII.



---

Kevin Q. Luu, A.S.A., M.A.A.A.  
Actuarial Manager, Individual Markets  
Highmark Inc.  
August 12, 2015

**Keystone Health Plan West, Inc.**  
**Individual Blue HMO**  
**Supplemental Exhibits**

Attachment I	Requested Rates
Attachment II	Summary of Requested Rate Change
Exhibit I	Rate Development
Exhibit II-A	Current Rates
Exhibit II-B	Experience Period Income at Current Rates
Exhibit III	Incurred Claims and Exposure
Exhibit IV	Rating Period Income at Current Rates
Exhibit V	Preliminary Rates
Exhibit VI	Rate Change
Exhibit VII	Administrative Expenses
Exhibit VIII	Financial History
Exhibit IX	PPACA Related Fee Development

Keystone Health Plan West, Inc.  
 Medically Underwritten Individual HMO  
 Summary of Requested Rates  
 Monthly Attained Age Rates for Form Number M3002  
 Effective December 1, 2015

Medically Underwritten Male - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$640.85	\$850.05	\$1,141.35
19 - 24	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$475.00	\$684.20	\$975.50
25 - 29	\$250.60	\$460.30	\$751.70	\$768.30	\$977.60	\$1,269.00	\$501.20	\$710.50	\$1,001.90
30 - 34	\$295.85	\$505.40	\$796.90	\$937.10	\$1,146.30	\$1,437.70	\$591.70	\$800.90	\$1,092.30
35 - 39	\$362.90	\$572.45	\$863.90	\$1,004.35	\$1,213.55	\$1,504.75	\$725.80	\$935.00	\$1,226.20
40 - 44	\$446.90	\$656.40	\$948.00	\$1,099.90	\$1,309.15	\$1,600.40	\$893.80	\$1,103.05	\$1,394.30
45 - 49	\$575.15	\$784.65	\$1,076.10	\$1,309.55	\$1,518.70	\$1,809.95	\$1,150.30	\$1,359.45	\$1,650.70
50 - 54	\$756.15	\$965.60	\$1,257.10	\$1,630.90	\$1,840.05	\$2,131.30	\$1,512.30	\$1,721.45	\$2,012.70
55 - 59	\$1,014.80	\$1,224.30	\$1,515.75	\$2,024.30	\$2,233.40	\$2,524.80	\$2,029.60	\$2,238.70	\$2,530.10
60 - 64	\$1,391.50	\$1,601.00	\$1,892.50	\$2,588.45	\$2,797.80	\$3,089.05	\$2,783.00	\$2,992.35	\$3,283.60
65+ (Medicare)	\$1,014.80	\$1,224.30	\$1,515.75	\$2,024.30	\$2,233.40	\$2,524.80	\$2,029.60	\$2,238.70	\$2,530.10
65+ (Non-Medicare)	\$1,405.30	\$1,616.95	\$1,911.40	\$2,614.15	\$2,825.55	\$3,119.75	\$2,810.60	\$3,022.00	\$3,316.20

Medically Underwritten Female - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$237.50	\$446.90	\$738.45	\$640.85	\$850.05	\$1,141.35	\$640.85	\$850.05	\$1,141.35
19 - 24	\$403.35	\$612.90	\$904.40	\$640.85	\$850.05	\$1,141.35	\$806.70	\$1,015.90	\$1,307.20
25 - 29	\$517.70	\$727.15	\$1,018.65	\$768.30	\$977.60	\$1,269.00	\$1,035.40	\$1,244.70	\$1,536.10
30 - 34	\$641.25	\$850.80	\$1,142.25	\$937.10	\$1,146.30	\$1,437.70	\$1,282.50	\$1,491.70	\$1,783.10
35 - 39	\$641.45	\$850.90	\$1,142.40	\$1,004.35	\$1,213.55	\$1,504.75	\$1,282.90	\$1,492.10	\$1,783.30
40 - 44	\$653.00	\$862.45	\$1,153.90	\$1,099.90	\$1,309.15	\$1,600.40	\$1,306.00	\$1,515.25	\$1,806.50
45 - 49	\$734.40	\$943.85	\$1,235.35	\$1,309.55	\$1,518.70	\$1,809.95	\$1,468.80	\$1,677.95	\$1,969.20
50 - 54	\$874.75	\$1,084.25	\$1,375.70	\$1,630.90	\$1,840.05	\$2,131.30	\$1,749.50	\$1,958.65	\$2,249.90
55 - 59	\$1,009.50	\$1,219.05	\$1,510.45	\$2,024.30	\$2,233.40	\$2,524.80	\$2,019.00	\$2,228.10	\$2,519.50
60 - 64	\$1,196.95	\$1,406.50	\$1,698.05	\$2,588.45	\$2,797.80	\$3,089.05	\$2,393.90	\$2,603.25	\$2,894.50
65+ (Medicare)	\$1,009.50	\$1,219.05	\$1,510.45	\$2,024.30	\$2,233.40	\$2,524.80	\$2,019.00	\$2,228.10	\$2,519.50
65+ (Non-Medicare)	\$1,208.85	\$1,420.35	\$1,714.75	\$2,614.15	\$2,825.55	\$3,119.75	\$2,417.70	\$2,629.10	\$2,923.30

Medically Underwritten Male - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$734.95	\$974.80	\$1,309.15
19 - 24	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$544.20	\$784.05	\$1,118.40
25 - 29	\$287.30	\$527.55	\$861.95	\$881.65	\$1,121.55	\$1,455.80	\$574.60	\$814.50	\$1,148.75
30 - 34	\$339.25	\$579.45	\$913.90	\$1,075.60	\$1,315.60	\$1,649.85	\$678.50	\$918.50	\$1,252.75
35 - 39	\$416.45	\$656.60	\$991.00	\$1,153.00	\$1,392.95	\$1,727.15	\$832.90	\$1,072.85	\$1,407.05
40 - 44	\$513.00	\$753.20	\$1,087.60	\$1,262.90	\$1,502.80	\$1,837.00	\$1,026.00	\$1,265.90	\$1,600.10
45 - 49	\$660.50	\$900.50	\$1,235.10	\$1,504.00	\$1,743.80	\$2,078.00	\$1,321.00	\$1,660.80	\$1,895.00
50 - 54	\$868.55	\$1,108.75	\$1,443.10	\$1,873.55	\$2,113.35	\$2,447.55	\$1,737.10	\$1,976.90	\$2,311.10
55 - 59	\$1,166.00	\$1,406.15	\$1,740.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,332.00	\$2,571.70	\$2,906.10
60 - 64	\$1,599.25	\$1,839.40	\$2,173.90	\$2,974.80	\$3,214.65	\$3,548.85	\$3,198.50	\$3,438.35	\$3,772.55
65+ (Medicare)	\$1,166.00	\$1,406.15	\$1,740.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,332.00	\$2,571.70	\$2,906.10
65+ (Non-Medicare)	\$1,615.15	\$1,857.65	\$2,195.40	\$3,004.40	\$3,246.70	\$3,584.15	\$3,230.30	\$3,472.60	\$3,810.05

Medically Underwritten Female - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$272.10	\$512.25	\$846.70	\$734.95	\$974.80	\$1,309.15	\$734.95	\$974.80	\$1,309.15
19 - 24	\$462.85	\$703.05	\$1,037.45	\$734.95	\$974.80	\$1,309.15	\$925.70	\$1,165.55	\$1,499.90
25 - 29	\$594.35	\$834.50	\$1,168.95	\$881.65	\$1,121.55	\$1,455.80	\$1,188.70	\$1,428.60	\$1,762.85
30 - 34	\$736.35	\$976.60	\$1,311.10	\$1,075.60	\$1,315.60	\$1,649.85	\$1,472.70	\$1,712.70	\$2,046.95
35 - 39	\$736.55	\$976.80	\$1,311.25	\$1,153.00	\$1,392.95	\$1,727.15	\$1,473.10	\$1,713.05	\$2,047.25
40 - 44	\$749.90	\$990.10	\$1,324.55	\$1,262.90	\$1,502.80	\$1,837.00	\$1,499.80	\$1,739.70	\$2,073.90
45 - 49	\$843.50	\$1,083.65	\$1,418.10	\$1,504.00	\$1,743.80	\$2,078.00	\$1,687.00	\$1,926.80	\$2,261.00
50 - 54	\$1,005.00	\$1,245.15	\$1,579.60	\$1,873.55	\$2,113.35	\$2,447.55	\$2,010.00	\$2,249.80	\$2,584.00
55 - 59	\$1,160.00	\$1,400.10	\$1,734.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,320.00	\$2,559.70	\$2,894.10
60 - 64	\$1,375.55	\$1,615.70	\$1,950.10	\$2,974.80	\$3,214.65	\$3,548.85	\$2,751.10	\$2,990.95	\$3,325.15
65+ (Medicare)	\$1,160.00	\$1,400.10	\$1,734.55	\$2,326.00	\$2,565.70	\$2,900.10	\$2,320.00	\$2,559.70	\$2,894.10
65+ (Non-Medicare)	\$1,389.25	\$1,631.80	\$1,969.40	\$3,004.40	\$3,246.70	\$3,584.15	\$2,778.50	\$3,020.80	\$3,358.25

Medically Underwritten Male - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$829.15	\$1,099.65	\$1,476.90
19 - 24	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$613.60	\$884.10	\$1,261.35
25 - 29	\$324.00	\$594.70	\$972.10	\$995.00	\$1,265.45	\$1,642.70	\$648.00	\$918.45	\$1,295.70
30 - 34	\$382.70	\$653.60	\$1,030.90	\$1,214.25	\$1,484.95	\$1,862.05	\$765.40	\$1,036.10	\$1,413.20
35 - 39	\$469.80	\$740.70	\$1,118.00	\$1,301.60	\$1,572.15	\$1,949.35	\$939.60	\$1,210.15	\$1,587.35
40 - 44	\$579.10	\$849.90	\$1,227.30	\$1,425.95	\$1,696.45	\$2,073.70	\$1,158.20	\$1,428.70	\$1,805.95
45 - 49	\$745.55	\$1,016.45	\$1,393.85	\$1,698.15	\$1,968.85	\$2,346.05	\$1,491.10	\$1,761.80	\$2,139.00
50 - 54	\$980.95	\$1,251.70	\$1,629.10	\$2,116.05	\$2,386.60	\$2,763.75	\$1,961.90	\$2,232.45	\$2,609.60
55 - 59	\$1,317.20	\$1,588.05	\$1,965.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,634.40	\$2,905.00	\$3,282.15
60 - 64	\$1,806.95	\$2,077.85	\$2,455.15	\$3,361.00	\$3,631.50	\$4,008.80	\$3,613.90	\$3,884.40	\$4,261.70
65+ (Medicare)	\$1,317.20	\$1,588.05	\$1,965.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,634.40	\$2,905.00	\$3,282.15
65+ (Non-Medicare)	\$1,825.00	\$2,098.50	\$2,479.60	\$3,394.50	\$3,667.70	\$4,048.65	\$3,650.00	\$3,923.20	\$4,304.15

Medically Underwritten Female - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$306.80	\$577.55	\$954.95	\$829.15	\$1,099.65	\$1,476.90	\$829.15	\$1,099.65	\$1,476.90
19 - 24	\$522.35	\$793.30	\$1,170.60	\$829.15	\$1,099.65	\$1,476.90	\$1,044.70	\$1,315.20	\$1,692.45
25 - 29	\$671.00	\$941.80	\$1,319.15	\$995.00	\$1,265.45	\$1,642.70	\$1,342.00	\$1,612.45	\$1,989.70
30 - 34	\$831.55	\$1,102.40	\$1,479.80	\$1,214.25	\$1,484.95	\$1,862.05	\$1,663.10	\$1,933.80	\$2,310.90
35 - 39	\$831.80	\$1,102.75	\$1,480.05	\$1,301.60	\$1,572.15	\$1,949.35	\$1,663.60	\$1,934.15	\$2,311.35
40 - 44	\$846.85	\$1,117.60	\$1,495.00	\$1,425.95	\$1,696.45	\$2,073.70	\$1,693.70	\$1,964.20	\$2,341.45
45 - 49	\$952.60	\$1,223.50	\$1,600.75	\$1,698.15	\$1,968.85	\$2,346.05	\$1,905.20	\$2,175.90	\$2,553.10
50 - 54	\$1,135.10	\$1,406.00	\$1,783.40	\$2,116.05	\$2,386.60	\$2,763.75	\$2,270.20	\$2,540.75	\$2,917.90
55 - 59	\$1,310.35	\$1,581.20	\$1,958.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,620.70	\$2,891.30	\$3,268.45
60 - 64	\$1,554.05	\$1,824.95	\$2,202.30	\$3,361.00	\$3,631.50	\$4,008.80	\$3,108.10	\$3,378.60	\$3,755.90
65+ (Medicare)	\$1,310.35	\$1,581.20	\$1,958.50	\$2,627.55	\$2,898.15	\$3,275.30	\$2,620.70	\$2,891.30	\$3,268.45
65+ (Non-Medicare)	\$1,569.50	\$1,842.95	\$2,224.10	\$3,394.50	\$3,667.70	\$4,048.65	\$3,139.00	\$3,412.20	\$3,793.15

KEY:

- S Subscriber
- S/C Subscriber/Child
- S/Cn Subscriber/Children
- S/Sp Subscriber/Spouse
- S/Sp/C Subscriber/Spouse/Child
- S/Sp/Cn Subscriber/Spouse/Children
- SS S/Sp Same Sex Subscriber/Spouse
- SS S/Sp/C Same Sex Subscriber/Spouse/Child
- SS S/Sp/Cn Same Sex Subscriber/Spouse/Children

**Keystone Health Plan West, Inc.**  
**Medically Underwritten Individual HMO**  
**Summary of Requested Rate Change**  
**Effective December 1, 2015**

<u>Plan</u>	<u>Projected Income Before Rate Increase</u>	<u>Projected Income After Rate Increase</u>	<u>Amount of Change Requested</u>	<u>Average Increase Per Contract Month</u>	<u>Requested Percent Change</u>	<u>Rating Period Projected Contract Months</u>
Medically Underwritten	\$13,669,007	\$15,746,696	\$2,077,689	\$101.65	15.2%	20,439

**Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO  
Projected Rating Period Experience  
Effective December 1, 2015**

	Annual Factors	PCPM
1. Projected contract months for the period December 1, 2015 - November 30, 2016		20,439
2. Income at Current Rates PCPM (Exhibit II-B)		\$698.63
3. Pure Premium PCPM for the period April 1, 2014 - March 31, 2015, paid through April 2015		\$619.93
4. Trend factor from October 1, 2014 to June 1, 2016 (mid-points)	12.7%	
5. Projected Pure Premium PCPM for the period December 1, 2015 to November 30, 2016		\$756.63
6. Drug Rebates and Hospital Incentives		(\$13.30)
7. Administrative Expense PCPM (Exhibit VII)		<u>\$38.63</u>
8. Total Projected Underwriting Expense PCPM		\$781.95
9. Commission Expense PCPM		\$2.49
10. Reinsurance Fee PCPM		\$3.65
11a. Risk and Contingency Charge	2.00%	\$16.10
11b. Federal Income Tax Factor	0.00%	\$0.00
11c. Investment Income Credit	0.00%	\$0.00
11d. Federal Insurer Tax	0.00%	\$0.00
12. Vision Benefit		\$0.77
13. Required Premium PCPM		\$804.94
<b>14. Calculated percentage increase</b>		<b>15.2%</b>

Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO

Current Rates as of 12/1/2014

Medically Underwritten Male - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$206.15	\$387.95	\$641.00	\$556.30	\$737.90	\$990.75	\$556.30	\$737.90	\$990.75
19 - 24	\$206.15	\$387.95	\$641.00	\$556.30	\$737.90	\$990.75	\$412.30	\$593.90	\$846.75
25 - 29	\$217.55	\$399.55	\$652.50	\$666.95	\$848.60	\$1,101.55	\$435.10	\$616.75	\$869.70
30 - 34	\$256.80	\$438.70	\$691.75	\$813.45	\$995.05	\$1,248.00	\$513.60	\$695.20	\$948.15
35 - 39	\$315.00	\$496.90	\$749.90	\$871.80	\$1,053.45	\$1,306.20	\$630.00	\$811.65	\$1,064.40
40 - 44	\$387.95	\$569.80	\$822.90	\$954.80	\$1,136.40	\$1,389.25	\$775.90	\$957.50	\$1,210.35
45 - 49	\$499.25	\$681.10	\$934.10	\$1,136.75	\$1,318.30	\$1,571.15	\$998.50	\$1,180.05	\$1,432.90
50 - 54	\$656.40	\$838.20	\$1,091.25	\$1,415.75	\$1,597.25	\$1,850.10	\$1,312.80	\$1,494.30	\$1,747.15
55 - 59	\$880.90	\$1,062.75	\$1,315.75	\$1,757.20	\$1,938.70	\$2,191.65	\$1,761.80	\$1,943.30	\$2,196.25
60 - 64	\$1,207.90	\$1,389.75	\$1,642.80	\$2,246.90	\$2,428.65	\$2,681.45	\$2,415.80	\$2,597.55	\$2,850.35
65+ (Medicare)	\$880.90	\$1,062.75	\$1,315.75	\$1,757.20	\$1,938.70	\$2,191.65	\$1,761.80	\$1,943.30	\$2,196.25
65+ (Non-Medicare)	\$1,219.90	\$1,403.60	\$1,659.20	\$2,269.25	\$2,452.75	\$2,708.10	\$2,439.80	\$2,623.30	\$2,878.65

Medically Underwritten Female - Tier 1									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$206.15	\$387.95	\$641.00	\$556.30	\$737.90	\$990.75	\$556.30	\$737.90	\$990.75
19 - 24	\$350.15	\$532.05	\$785.05	\$556.30	\$737.90	\$990.75	\$700.30	\$881.90	\$1,134.75
25 - 29	\$449.40	\$631.20	\$884.25	\$666.95	\$848.60	\$1,101.55	\$898.80	\$1,080.45	\$1,333.40
30 - 34	\$556.65	\$738.55	\$991.55	\$813.45	\$995.05	\$1,248.00	\$1,113.30	\$1,294.90	\$1,547.85
35 - 39	\$556.80	\$738.65	\$991.65	\$871.80	\$1,053.45	\$1,306.20	\$1,113.60	\$1,295.25	\$1,548.00
40 - 44	\$566.85	\$748.65	\$1,001.65	\$954.80	\$1,136.40	\$1,389.25	\$1,133.70	\$1,315.30	\$1,568.15
45 - 49	\$637.50	\$819.30	\$1,072.35	\$1,136.75	\$1,318.30	\$1,571.15	\$1,275.00	\$1,456.55	\$1,709.40
50 - 54	\$759.35	\$941.20	\$1,194.20	\$1,415.75	\$1,597.25	\$1,850.10	\$1,518.70	\$1,700.20	\$1,953.05
55 - 59	\$876.30	\$1,058.20	\$1,311.15	\$1,757.20	\$1,938.70	\$2,191.65	\$1,752.60	\$1,934.10	\$2,187.05
60 - 64	\$1,039.00	\$1,220.90	\$1,474.00	\$2,246.90	\$2,428.65	\$2,681.45	\$2,078.00	\$2,259.75	\$2,512.55
65+ (Medicare)	\$876.30	\$1,058.20	\$1,311.15	\$1,757.20	\$1,938.70	\$2,191.65	\$1,752.60	\$1,934.10	\$2,187.05
65+ (Non-Medicare)	\$1,049.35	\$1,232.95	\$1,488.50	\$2,269.25	\$2,452.75	\$2,708.10	\$2,098.70	\$2,282.20	\$2,537.55

Medically Underwritten Male - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$236.20	\$444.65	\$735.00	\$638.00	\$846.20	\$1,136.40	\$638.00	\$846.20	\$1,136.40
19 - 24	\$236.20	\$444.65	\$735.00	\$638.00	\$846.20	\$1,136.40	\$472.40	\$680.60	\$970.80
25 - 29	\$249.40	\$457.95	\$748.20	\$765.35	\$973.55	\$1,263.70	\$498.80	\$707.00	\$997.15
30 - 34	\$294.50	\$503.00	\$793.30	\$933.70	\$1,142.00	\$1,432.15	\$589.00	\$797.30	\$1,087.45
35 - 39	\$361.50	\$569.95	\$860.25	\$1,000.85	\$1,209.15	\$1,499.25	\$723.00	\$931.30	\$1,221.40
40 - 44	\$445.30	\$653.80	\$944.10	\$1,096.25	\$1,304.50	\$1,594.60	\$890.60	\$1,098.85	\$1,388.95
45 - 49	\$573.35	\$781.70	\$1,072.15	\$1,305.55	\$1,513.70	\$1,803.80	\$1,146.70	\$1,354.85	\$1,644.95
50 - 54	\$753.95	\$962.45	\$1,252.70	\$1,626.35	\$1,834.50	\$2,124.60	\$1,507.90	\$1,716.05	\$2,006.15
55 - 59	\$1,012.15	\$1,220.60	\$1,510.90	\$2,019.10	\$2,227.15	\$2,517.45	\$2,024.30	\$2,232.35	\$2,522.65
60 - 64	\$1,388.25	\$1,596.70	\$1,887.05	\$2,582.30	\$2,790.50	\$3,080.60	\$2,776.50	\$2,984.70	\$3,274.80
65+ (Medicare)	\$1,012.15	\$1,220.60	\$1,510.90	\$2,019.10	\$2,227.15	\$2,517.45	\$2,024.30	\$2,232.35	\$2,522.65
65+ (Non-Medicare)	\$1,402.05	\$1,612.55	\$1,905.75	\$2,608.00	\$2,818.30	\$3,111.25	\$2,804.10	\$3,014.40	\$3,307.35

Medically Underwritten Female - Tier 2									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$236.20	\$444.65	\$735.00	\$638.00	\$846.20	\$1,136.40	\$638.00	\$846.20	\$1,136.40
19 - 24	\$401.80	\$610.30	\$900.55	\$638.00	\$846.20	\$1,136.40	\$803.60	\$1,011.80	\$1,302.00
25 - 29	\$515.95	\$724.40	\$1,014.70	\$765.35	\$973.55	\$1,263.70	\$1,031.90	\$1,240.10	\$1,530.25
30 - 34	\$639.20	\$847.75	\$1,138.10	\$933.70	\$1,142.00	\$1,432.15	\$1,278.40	\$1,486.70	\$1,776.85
35 - 39	\$639.35	\$847.90	\$1,138.25	\$1,000.85	\$1,209.15	\$1,499.25	\$1,278.70	\$1,487.00	\$1,777.10
40 - 44	\$650.95	\$859.45	\$1,149.80	\$1,096.25	\$1,304.50	\$1,594.60	\$1,301.90	\$1,510.15	\$1,800.25
45 - 49	\$732.20	\$940.65	\$1,231.00	\$1,305.55	\$1,513.70	\$1,803.80	\$1,464.40	\$1,672.55	\$1,962.65
50 - 54	\$872.40	\$1,080.85	\$1,371.20	\$1,626.35	\$1,834.50	\$2,124.60	\$1,744.80	\$1,952.95	\$2,243.05
55 - 59	\$1,006.95	\$1,215.35	\$1,505.70	\$2,019.10	\$2,227.15	\$2,517.45	\$2,013.90	\$2,221.95	\$2,512.25
60 - 64	\$1,194.05	\$1,402.50	\$1,692.80	\$2,582.30	\$2,790.50	\$3,080.60	\$2,388.10	\$2,596.30	\$2,886.40
65+ (Medicare)	\$1,006.95	\$1,215.35	\$1,505.70	\$2,019.10	\$2,227.15	\$2,517.45	\$2,013.90	\$2,221.95	\$2,512.25
65+ (Non-Medicare)	\$1,205.95	\$1,416.50	\$1,709.55	\$2,608.00	\$2,818.30	\$3,111.25	\$2,411.90	\$2,622.20	\$2,915.15

Medically Underwritten Male - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$266.30	\$501.35	\$828.95	\$719.75	\$954.55	\$1,282.05	\$719.75	\$954.55	\$1,282.05
19 - 24	\$266.30	\$501.35	\$828.95	\$719.75	\$954.55	\$1,282.05	\$532.60	\$767.40	\$1,094.90
25 - 29	\$281.25	\$516.25	\$843.85	\$863.70	\$1,098.50	\$1,425.95	\$562.50	\$797.30	\$1,124.75
30 - 34	\$332.20	\$567.35	\$894.90	\$1,054.05	\$1,289.00	\$1,616.35	\$664.40	\$899.35	\$1,226.70
35 - 39	\$407.80	\$642.95	\$970.50	\$1,129.85	\$1,364.70	\$1,692.15	\$815.60	\$1,050.45	\$1,377.90
40 - 44	\$502.70	\$737.75	\$1,065.35	\$1,237.80	\$1,472.60	\$1,800.10	\$1,005.40	\$1,240.20	\$1,567.70
45 - 49	\$647.20	\$882.35	\$1,209.95	\$1,474.10	\$1,709.05	\$2,036.50	\$1,294.40	\$1,529.35	\$1,856.80
50 - 54	\$851.50	\$1,086.55	\$1,414.15	\$1,836.85	\$2,071.70	\$2,399.10	\$1,703.00	\$1,937.85	\$2,265.25
55 - 59	\$1,143.40	\$1,378.50	\$1,706.15	\$2,280.85	\$2,515.75	\$2,843.15	\$2,286.80	\$2,521.70	\$2,849.10
60 - 64	\$1,568.55	\$1,803.70	\$2,131.20	\$2,917.55	\$3,152.35	\$3,479.85	\$3,137.10	\$3,371.90	\$3,699.40
65+ (Medicare)	\$1,143.40	\$1,378.50	\$1,706.15	\$2,280.85	\$2,515.75	\$2,843.15	\$2,286.80	\$2,521.70	\$2,849.10
65+ (Non-Medicare)	\$1,584.20	\$1,821.60	\$2,152.45	\$2,946.60	\$3,183.75	\$3,514.45	\$3,168.40	\$3,405.55	\$3,736.25

Medically Underwritten Female - Tier 3									
	S	S/C	S/Cn	S/Sp	S/Sp/C	S/Sp/Cn	SS S/Sp	SS S/Sp/C	SS S/Sp/Cn
< 19	\$266.30	\$501.35	\$828.95	\$719.75	\$954.55	\$1,282.05	\$719.75	\$954.55	\$1,282.05
19 - 24	\$453.45	\$688.65	\$1,016.15	\$719.75	\$954.55	\$1,282.05	\$906.90	\$1,141.70	\$1,469.20
25 - 29	\$582.45	\$817.55	\$1,145.10	\$863.70	\$1,098.50	\$1,425.95	\$1,164.90	\$1,399.70	\$1,727.15
30 - 34	\$721.85	\$956.95	\$1,284.55	\$1,054.05	\$1,289.00	\$1,616.35	\$1,443.70	\$1,678.65	\$2,006.00
35 - 39	\$722.05	\$957.25	\$1,284.75	\$1,129.85	\$1,364.70	\$1,692.15	\$1,444.10	\$1,678.95	\$2,006.40
40 - 44	\$735.10	\$970.15	\$1,297.75	\$1,237.80	\$1,472.60	\$1,800.10	\$1,470.20	\$1,705.00	\$2,032.50
45 - 49	\$826.90	\$1,062.05	\$1,389.55	\$1,474.10	\$1,709.05	\$2,036.50	\$1,653.80	\$1,888.75	\$2,216.20
50 - 54	\$985.35	\$1,220.50	\$1,548.10	\$1,836.85	\$2,071.70	\$2,399.10	\$1,970.70	\$2,205.55	\$2,532.95
55 - 59	\$1,137.45	\$1,372.55	\$1,700.10	\$2,280.85	\$2,515.75	\$2,843.15	\$2,274.90	\$2,509.80	\$2,837.20
60 - 64	\$1,349.00	\$1,584.15	\$1,911.70	\$2,917.55	\$3,152.35	\$3,479.85	\$2,698.00	\$2,932.80	\$3,260.30
65+ (Medicare)	\$1,137.45	\$1,372.55	\$1,700.10	\$2,280.85	\$2,515.75	\$2,843.15	\$2,274.90	\$2,509.80	\$2,837.20
65+ (Non-Medicare)	\$1,362.40	\$1,599.80	\$1,930.65	\$2,946.60	\$3,183.75	\$3,514.45	\$2,724.80	\$2,961.95	\$3,292.65

KEY: S Subscriber  
 S/C Subscriber/Child  
 S/Cn Subscriber/Children  
 S/Sp Subscriber/Spouse  
 S/Sp/C Subscriber/Spouse/Child  
 S/Sp/Cn Subscriber/Spouse/Children  
 SS S/Sp Same Sex Subscriber/Spouse  
 SS S/Sp/C Same Sex Subscriber/Spouse/Child  
 SS S/Sp/Cn Same Sex Subscriber/Spouse/Children

**Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO**

**Experience Period Income at Current Rates**

	<b>Exp. Period Enrollment Distribution</b>	<b>Average Rate</b>
Male Tier 1 - MU	62.14%	\$635.41
Female Tier 1 - MU	33.07%	\$836.04
Male Tier 2 - MU	3.62%	\$521.76
Female Tier 2 - MU	0.75%	\$812.31
Male Tier 3 - MU	0.30%	\$517.57
Female Tier 3 - MU	0.11%	\$645.28
	<b>100.00%</b>	<b>\$698.63</b>

Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO

Incurred Claims and Exposure

Date	Payments	Allowances	Completion Factor	Ultimate Payments	Age/Gender Factors	Adjusted Payments	Contracts	Adj. Paid Monthly PCPM	Adj. Paid 3 Month Moving Avg. PCPM	3 Month Trend	Adj. Paid 6 Month Moving Avg. PCPM	6 Month Trend	Adj. Paid 12 Month Moving Avg. PCPM	12 Month Trend
Jan-10	\$3,224,651	\$3,607,989	1.0000	\$3,224,651	1.0164	\$3,172,498	9,511	\$333.56						
Feb-10	\$3,216,840	\$3,472,015	1.0000	\$3,216,840	1.0175	\$3,161,537	9,332	\$338.78						
Mar-10	\$3,515,924	\$3,788,891	1.0000	\$3,515,924	1.0202	\$3,446,197	9,151	\$376.59	\$349.37					
Apr-10	\$3,342,879	\$3,612,649	1.0000	\$3,342,879	1.0204	\$3,276,207	9,003	\$363.90	\$359.60					
May-10	\$3,196,097	\$3,408,801	1.0000	\$3,196,097	1.0221	\$3,126,979	8,869	\$352.57	\$364.48					
Jun-10	\$3,219,262	\$3,443,061	1.0000	\$3,219,262	1.0247	\$3,141,565	8,735	\$359.65	\$358.73		\$353.93			
Jul-10	\$3,497,017	\$3,701,378	1.0000	\$3,497,017	1.0267	\$3,406,206	8,577	\$397.13	\$369.53		\$364.45			
Aug-10	\$2,998,633	\$3,203,554	1.0000	\$2,998,633	1.0295	\$2,912,587	8,445	\$344.89	\$367.29		\$365.85			
Sep-10	\$2,898,506	\$3,101,163	1.0000	\$2,898,506	1.0322	\$2,808,145	8,256	\$340.13	\$361.06		\$359.87			
Oct-10	\$2,993,299	\$3,194,787	1.0000	\$2,993,299	1.0325	\$2,898,963	8,064	\$359.49	\$348.06		\$359.09			
Nov-10	\$3,093,326	\$3,290,105	1.0000	\$3,093,326	1.0305	\$3,001,726	7,852	\$382.29	\$360.29		\$363.90			
Dec-10	\$2,846,082	\$3,054,051	1.0000	\$2,846,082	1.0302	\$2,762,585	7,646	\$361.31	\$367.68		\$364.25		\$358.81	
Jan-11	\$3,061,989	\$3,402,216	1.0000	\$3,061,989	1.0346	\$2,959,683	7,403	\$399.80	\$380.94		\$363.86		\$364.17	
Feb-11	\$2,859,981	\$3,094,354	1.0000	\$2,859,981	1.0367	\$2,758,804	7,256	\$380.21	\$380.23		\$369.86		\$367.73	
Mar-11	\$3,759,163	\$3,985,743	1.0000	\$3,759,163	1.0360	\$3,628,581	7,126	\$509.20	\$429.06	22.81%	\$397.17		\$377.26	
Apr-11	\$2,709,925	\$2,908,668	1.0000	\$2,709,925	1.0379	\$2,610,899	7,003	\$372.83	\$420.78	17.01%	\$400.18		\$378.20	
May-11	\$2,958,138	\$3,152,930	1.0000	\$2,958,138	1.0378	\$2,850,308	6,899	\$413.15	\$432.27	18.60%	\$405.48		\$383.22	
Jun-11	\$2,926,172	\$3,107,165	1.0000	\$2,926,172	1.0379	\$2,819,372	6,787	\$415.41	\$400.24	11.57%	\$415.02	17.26%	\$387.87	
Jul-11	\$2,585,560	\$2,762,941	1.0000	\$2,585,560	1.0410	\$2,483,815	6,645	\$373.79	\$401.04	8.53%	\$411.16	12.82%	\$385.93	
Aug-11	\$3,170,042	\$3,358,009	1.0000	\$3,170,042	1.0415	\$3,043,695	6,542	\$465.25	\$417.89	13.78%	\$425.26	16.24%	\$395.83	
Sep-11	\$3,015,441	\$3,207,255	1.0000	\$3,015,441	1.0437	\$2,889,170	6,416	\$450.31	\$429.36	18.91%	\$414.41	15.16%	\$405.28	
Oct-11	\$3,242,240	\$3,453,018	1.0000	\$3,242,240	1.0448	\$3,103,121	6,325	\$490.61	\$468.60	34.63%	\$433.92	20.84%	\$416.11	
Nov-11	\$2,918,962	\$3,117,666	1.0000	\$2,918,962	1.0473	\$2,787,095	6,240	\$446.65	\$462.54	28.38%	\$439.64	20.81%	\$421.65	
Dec-11	\$2,630,376	\$2,810,310	1.0000	\$2,630,376	1.0494	\$2,506,546	6,141	\$408.17	\$448.88	22.08%	\$438.89	20.49%	\$426.34	18.82%
Jan-12	\$2,940,940	\$3,229,492	1.0000	\$2,940,940	1.0487	\$2,804,380	6,034	\$464.76	\$439.75	15.44%	\$454.51	24.91%	\$431.73	18.55%
Feb-12	\$3,122,906	\$3,347,036	1.0000	\$3,122,906	1.0488	\$2,977,700	5,929	\$502.23	\$457.83	20.41%	\$460.24	24.44%	\$441.87	20.16%
Mar-12	\$2,830,517	\$3,080,938	1.0000	\$2,830,517	1.0503	\$2,695,079	5,836	\$461.80	\$476.27	11.00%	\$462.24	16.38%	\$437.14	15.87%
Apr-12	\$2,566,469	\$2,754,498	1.0000	\$2,566,469	1.0499	\$2,444,475	5,756	\$424.68	\$463.29	10.10%	\$451.23	12.76%	\$442.15	16.91%
May-12	\$2,722,800	\$2,913,907	1.0000	\$2,722,800	1.0516	\$2,589,263	5,678	\$456.02	\$447.53	3.53%	\$452.80	11.67%	\$445.91	16.36%
Jun-12	\$2,613,314	\$2,804,943	1.0000	\$2,613,314	1.0521	\$2,483,789	5,610	\$442.74	\$441.07	10.20%	\$459.05	10.61%	\$448.49	15.63%
Jul-12	\$2,455,939	\$2,626,157	1.0000	\$2,455,939	1.0535	\$2,331,202	5,522	\$422.17	\$440.47	9.83%	\$452.11	9.96%	\$453.37	17.47%
Aug-12	\$2,598,708	\$2,760,111	1.0000	\$2,598,708	1.0546	\$2,464,068	5,452	\$451.96	\$438.92	5.03%	\$443.31	4.24%	\$452.16	14.23%
Sep-12	\$2,311,542	\$2,471,979	1.0000	\$2,311,542	1.0548	\$2,191,367	5,379	\$407.39	\$427.24	-0.49%	\$434.30	4.80%	\$448.89	10.76%
Oct-12	\$2,703,112	\$2,866,114	1.0000	\$2,703,112	1.0524	\$2,568,597	5,240	\$490.19	\$449.51	-4.07%	\$444.89	2.53%	\$448.20	7.71%
Nov-12	\$2,427,967	\$2,580,366	1.0000	\$2,427,967	1.0482	\$2,316,414	5,108	\$453.49	\$449.95	-2.72%	\$444.29	1.06%	\$448.74	6.42%
Dec-12	\$2,304,816	\$2,449,803	1.0000	\$2,304,816	1.0473	\$2,200,737	5,004	\$439.80	\$461.55	2.82%	\$443.85	1.13%	\$451.81	5.97%
Jan-13	\$2,852,715	\$3,112,433	1.0000	\$2,852,715	1.0467	\$2,725,534	4,890	\$557.37	\$482.78	9.79%	\$465.57	2.43%	\$458.51	6.20%
Feb-13	\$2,390,363	\$2,569,574	1.0000	\$2,390,363	1.0472	\$2,282,536	4,798	\$475.73	\$490.66	7.17%	\$469.61	2.04%	\$455.76	3.14%
Mar-13	\$2,835,443	\$2,985,499	1.0000	\$2,835,488	1.0471	\$2,707,931	4,721	\$573.59	\$535.50	12.44%	\$497.35	7.60%	\$464.01	6.15%
Apr-13	\$2,679,712	\$2,834,846	1.0000	\$2,679,754	1.0454	\$2,563,370	4,638	\$552.69	\$533.58	15.17%	\$507.44	12.46%	\$474.29	7.27%
May-13	\$2,343,790	\$2,510,304	1.0000	\$2,343,802	1.0457	\$2,241,374	4,579	\$489.49	\$539.01	20.44%	\$514.20	13.56%	\$477.13	7.00%
Jun-13	\$2,474,313	\$2,612,535	1.0000	\$2,474,324	1.0475	\$2,362,172	4,516	\$523.07	\$521.88	18.32%	\$528.85	15.21%	\$483.82	7.88%
Jul-13	\$2,316,311	\$2,468,980	1.0000	\$2,316,322	1.0471	\$2,212,166	4,449	\$497.23	\$503.23	14.25%	\$518.74	14.74%	\$490.63	8.22%
Aug-13	\$2,343,420	\$2,497,812	1.0000	\$2,343,433	1.0475	\$2,237,124	4,382	\$510.53	\$510.34	16.27%	\$524.98	18.42%	\$495.79	9.65%
Sep-13	\$2,034,041	\$2,169,527	1.0000	\$2,034,042	1.0500	\$1,937,271	4,310	\$449.48	\$486.00	13.75%	\$504.33	16.13%	\$500.67	11.54%
Oct-13	\$2,252,861	\$2,405,844	1.0000	\$2,252,861	1.0516	\$2,142,361	4,253	\$503.73	\$487.97	8.56%	\$495.77	11.44%	\$501.89	11.98%
Nov-13	\$2,133,706	\$2,276,419	1.0000	\$2,133,708	1.0525	\$2,027,300	4,188	\$484.07	\$478.94	6.44%	\$495.00	11.41%	\$505.04	12.55%
Dec-13	\$2,143,186	\$2,271,178	1.0000	\$2,143,187	1.0512	\$2,038,743	4,072	\$500.67	\$496.16	7.50%	\$490.96	10.61%	\$510.78	13.05%
Jan-14	\$2,196,804	\$2,395,331	1.0000	\$2,196,804	1.0471	\$2,097,936	3,889	\$539.45	\$507.37	5.09%	\$497.36	6.83%	\$508.58	10.92%
Feb-14	\$2,510,222	\$2,645,659	1.0000	\$2,510,313	1.0478	\$2,395,816	3,825	\$626.36	\$554.26	12.96%	\$515.12	9.69%	\$520.31	14.16%
Mar-14	\$2,506,212	\$2,633,249	1.0000	\$2,506,292	1.0482	\$2,390,985	3,750	\$637.60	\$600.55	12.15%	\$546.07	9.80%	\$524.01	12.93%
Apr-14	\$2,234,115	\$2,372,804	0.9999	\$2,234,302	1.0480	\$2,131,877	3,653	\$583.60	\$616.20	15.48%	\$559.64	10.29%	\$525.71	10.84%
May-14	\$2,566,071	\$2,695,542	0.9996	\$2,567,000	1.0455	\$2,455,334	3,559	\$689.89	\$636.58	18.10%	\$593.93	15.51%	\$541.07	13.40%
Jun-14	\$1,922,040	\$2,044,040	0.9995	\$1,923,057	1.0483	\$1,834,451	3,523	\$520.71	\$598.20	14.62%	\$599.41	13.34%	\$541.27	11.87%
Jul-14	\$2,173,349	\$2,292,472	0.9993	\$2,174,899	1.0487	\$2,073,997	3,484	\$595.29	\$602.29	19.69%	\$609.45	17.49%	\$549.46	11.99%
Aug-14	\$1,953,372	\$2,075,795	0.9989	\$1,955,585	1.0517	\$1,859,390	3,451	\$538.80	\$551.52	8.07%	\$595.05	13.35%	\$552.37	11.41%
Sep-14	\$1,907,575	\$2,023,210	0.9981	\$1,911,113	1.0544	\$1,812,451	3,408	\$531.82	\$555.53	14.31%	\$577.26	14.46%	\$560.66	11.98%
Oct-14	\$2,209,935	\$2,342,470	0.9976	\$2,215,323	1.0555	\$2,098,898	3,371	\$622.63	\$564.10	15.60%	\$583.50	17.70%	\$570.87	13.75%
Nov-14	\$1,768,270	\$1,876,284	0.9959	\$1,775,507	1.0574	\$1,679,085	3,341	\$502.57	\$552.41	15.34%	\$551.96	11.51%	\$574.00	13.65%
Dec-14	\$2,092,250	\$2,206,278	0.9934	\$2,106,151	1.0538	\$1,998,649	3,237	\$617.44	\$580.62	17.02%	\$567.83	15.66%	\$584.33	14.40%
Jan-15	\$1,755,765	\$1,915,161	0.9870	\$1,778,838	1.0158	\$1,751,093	2,582	\$678.19	\$592.67	16.81%	\$577.59	16.13%	\$594.45	16.89%
Feb-15	\$1,422,720	\$1,528,106	0.9669	\$1,471,371	1.0023	\$1,467,977	2,350	\$624.67	\$638.72	15.24%	\$590.96	14.72%	\$593.17	14.00%
Mar-15	\$1,372,282	\$1,464,281	0.8796	\$1,560,111	1.0000	\$1,560,111	2,228	\$700.23	\$667.48	11.14%	\$616.97	12.98%	\$595.05	13.56%

**Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO**

**Rating Period Income at Current Rates**

	<b>Snapshot Enrollment Distribution</b>	<b>Average Rate</b>
Male Tier 1 - MU	66.07%	\$605.98
Female Tier 1 - MU	29.13%	\$829.22
Male Tier 2 - MU	3.82%	\$520.74
Female Tier 2 - MU	0.63%	\$818.42
Male Tier 3 - MU	0.27%	\$431.95
Female Tier 3 - MU	0.09%	\$774.48
	<b>100.00%</b>	<b>668.77</b>

<b>Income at Current Rates PCPM (Snapshot)</b>	<b>\$668.77</b>
<b>Projected Contract Months (12/15 - 11/16)</b>	<b>20,439</b>
<b>Projected Member Months (12/15 - 11/16)</b>	<b>31,319</b>
<b>Projected Income at Current Rates</b>	<b>\$13,669,007</b>

**Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO**

**Summary of Preliminary Rates**

	<b>Snapshot Enrollment Distribution</b>	<b>Average Rate</b>
Male Tier 1 - MU	66.07%	\$698.08
Female Tier 1 - MU	29.13%	\$955.26
Male Tier 2 - MU	3.82%	\$599.89
Female Tier 2 - MU	0.63%	\$942.82
Male Tier 3 - MU	0.27%	\$497.61
Female Tier 3 - MU	0.09%	\$892.20
	<b>100.00%</b>	<b>\$770.42</b>



**Keystone Health Plan West, Inc.  
Medically Underwritten Individual HMO**

**Administrative Expenses**

<b>Year</b>	<b>Total Operating Expenses*</b>	<b>Contract Months</b>	<b>Operating Expenses PCPM</b>
<b>2010</b>	\$3,123,673	103,441	\$30.20
<b>2011</b>	\$2,186,101	80,783	\$27.06
<b>2012</b>	\$2,029,462	66,548	\$30.50
<b>2013</b>	\$1,928,049	53,796	\$35.84
<b>2014</b>	\$1,838,683	42,491	\$43.27
<b>2015 (Forecasted)</b>	\$964,154	25,459	\$37.87
<b>2016 (Forecasted)</b>	\$776,452	20,066	\$38.69
<b>12/01/2015 to 11/30/2016 Projection</b>	\$789,469	20,439	\$38.63

\* Less Act 68 Charges, Commission Expenses, and Reinsurance Fee

**Keystone Health Plan West, Inc.**  
**Medically Underwritten Individual HMO**

**Financial Experience**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Projected 12/1/15 - 11/30/16</b>
Gross Subscription Fees	\$43,529,015	\$37,846,535	\$32,999,755	\$29,477,660	\$25,899,502	\$15,746,696
Prior Year Revenue Adjustment	\$0	\$0	\$0	(\$3,113)	\$81,426	
Subsequent Year Revenue Adjustment	\$0	\$0	\$3,113	(\$81,426)	\$0	
Adjusted Subscription Fees	\$43,529,015	\$37,846,535	\$33,002,867	\$29,393,122	\$25,980,928	\$15,746,696
Claims Incurred	\$37,529,319	\$35,250,155	\$31,103,628	\$27,992,469	\$25,662,612	\$14,558,534
Prior Year Claim Adjustment	\$302,739	\$323,021	\$287,924	\$418,301	\$130,662	
Subsequent Year Claim Adjustment	(\$323,021)	(\$287,924)	(\$418,301)	(\$130,662)	\$0	
Adjusted Incurred Claims	\$37,509,037	\$35,285,252	\$30,973,250	\$28,280,108	\$25,793,274	\$14,558,534
Administrative Expense	\$3,133,542	\$2,188,345	\$2,033,380	\$1,950,196	\$1,932,217	\$827,087
Commissions	\$884,918	\$307,409	\$192,536	\$134,617	\$105,606	\$48,627
Total Operating Expense	\$4,018,460	\$2,495,754	\$2,225,916	\$2,084,813	\$2,037,823	\$875,714
Total Underwriting Expense	\$41,527,497	\$37,781,006	\$33,199,166	\$30,364,921	\$27,831,096	\$15,434,248
Underwriting Gain/(Loss)	\$2,001,518	\$65,529	(\$196,299)	(\$971,799)	(\$1,850,168)	\$312,449
Average Contracts During the Period	8,620	6,732	5,546	4,483	3,541	1,703

**Keystone Health Plan West, Inc.**  
**Medically Underwritten Individual HMO**

Month	Projected Contracts	Projected Members	Reinsurance Fee		Insurer Tax	
			PMPM	\$	PCPM	%
Dec-15	1,874	2,872	\$3.67	\$10,538	\$5.62	0.0%
Jan-16	1,843	2,824	\$2.25	\$6,354	\$3.45	0.0%
Feb-16	1,812	2,776	\$2.25	\$6,247	\$3.45	0.0%
Mar-16	1,781	2,729	\$2.25	\$6,140	\$3.45	0.0%
Apr-16	1,750	2,681	\$2.25	\$6,033	\$3.45	0.0%
May-16	1,719	2,634	\$2.25	\$5,926	\$3.45	0.0%
Jun-16	1,688	2,586	\$2.25	\$5,819	\$3.45	0.0%
Jul-16	1,657	2,539	\$2.25	\$5,712	\$3.45	0.0%
Aug-16	1,626	2,491	\$2.25	\$5,605	\$3.45	0.0%
Sep-16	1,595	2,443	\$2.25	\$5,498	\$3.45	0.0%
Oct-16	1,564	2,396	\$2.25	\$5,391	\$3.45	0.0%
Nov-16	1,533	2,348	\$2.25	\$5,284	\$3.45	0.0%
Dec-15	1,874	2,872				
11mo 16	18,565	28,447				
Total	20,439	31,319	\$2.38	\$74,545	\$3.65	0.0%

Member to Contract Ratio 1.53