

SERFF Tracking #:

CABC-130539588

State Tracking #:

CABC-130539588

Company Tracking #:

16-49

State: Pennsylvania

Filing Company: Capital Advantage Insurance Company

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

Product Name: Rates - CAIC Ind PPOG CareConnect

Project Name/Number: /

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Federal Rate Template		New		Ind_16-49_Revised_CAIC_PP O_FedRatesTemplate_ RateRule_20160922.p df, Ind_16-49_Revised_CAIC_PP O_FedRatesTemplate_ RateRule_20160922.xl s,
2		Rates and PA Plan Design		New		Ind_16-49_Revised_CAIC_PP O_PIDRates_RateRule_ 20160922.pdf, Ind_16-49_Revised_CAIC_PP O_PIDRates_RateRule_ 20160922.xlsx,

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
Product Name:	Rates - CAIC Ind PPOG CareConnect		
Project Name/Number:	/		

Attachment Ind_16-49_Revised_CAIC_PPO_FedRatesTemplate_RateRule_20160922.xls is not a PDF document and cannot be reproduced here.

Attachment Ind_16-49_Revised_CAIC_PPO_PIDRates_RateRule_20160922.xlsx is not a PDF document and cannot be reproduced here.

2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795			
	23-2195219			
	1/1/2017			
	3/31/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	222.33
82795PA0110006	Rating Area 9	No Preference	21	350.12
82795PA0110006	Rating Area 9	No Preference	22	350.12
82795PA0110006	Rating Area 9	No Preference	23	350.12
82795PA0110006	Rating Area 9	No Preference	24	350.12
82795PA0110006	Rating Area 9	No Preference	25	351.52
82795PA0110006	Rating Area 9	No Preference	26	358.52
82795PA0110006	Rating Area 9	No Preference	27	366.93
82795PA0110006	Rating Area 9	No Preference	28	380.58
82795PA0110006	Rating Area 9	No Preference	29	391.78
82795PA0110006	Rating Area 9	No Preference	30	397.39
82795PA0110006	Rating Area 9	No Preference	31	405.79
82795PA0110006	Rating Area 9	No Preference	32	414.19
82795PA0110006	Rating Area 9	No Preference	33	419.44
82795PA0110006	Rating Area 9	No Preference	34	425.05
82795PA0110006	Rating Area 9	No Preference	35	427.85
82795PA0110006	Rating Area 9	No Preference	36	430.65
82795PA0110006	Rating Area 9	No Preference	37	433.45
82795PA0110006	Rating Area 9	No Preference	38	436.25
82795PA0110006	Rating Area 9	No Preference	39	441.85
82795PA0110006	Rating Area 9	No Preference	40	447.45
82795PA0110006	Rating Area 9	No Preference	41	455.86
82795PA0110006	Rating Area 9	No Preference	42	463.91
82795PA0110006	Rating Area 9	No Preference	43	475.11
82795PA0110006	Rating Area 9	No Preference	44	489.12
82795PA0110006	Rating Area 9	No Preference	45	505.57
82795PA0110006	Rating Area 9	No Preference	46	525.18
82795PA0110006	Rating Area 9	No Preference	47	547.24
82795PA0110006	Rating Area 9	No Preference	48	572.45
82795PA0110006	Rating Area 9	No Preference	49	597.30
82795PA0110006	Rating Area 9	No Preference	50	625.31
82795PA0110006	Rating Area 9	No Preference	51	652.97
82795PA0110006	Rating Area 9	No Preference	52	683.43
82795PA0110006	Rating Area 9	No Preference	53	714.24
82795PA0110006	Rating Area 9	No Preference	54	747.51
82795PA0110006	Rating Area 9	No Preference	55	780.77
82795PA0110006	Rating Area 9	No Preference	56	816.83

HIOS Issuer ID*	82795			
	Federal TIN*	23-2195219		
	Rate Effective Date*	1/1/2017		
	Rate Expiration Date*	3/31/2017		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	853.24
82795PA0110006	Rating Area 9	No Preference	58	892.11
82795PA0110006	Rating Area 9	No Preference	59	911.36
82795PA0110006	Rating Area 9	No Preference	60	950.23
82795PA0110006	Rating Area 9	No Preference	61	983.84
82795PA0110006	Rating Area 9	No Preference	62	1005.89
82795PA0110006	Rating Area 9	No Preference	63	1033.55
82795PA0110006	Rating Area 9	No Preference	64	1050.35
82795PA0110006	Rating Area 9	No Preference	65 and over	1050.35
82795PA0110007	Rating Area 9	No Preference	0-20	187.81
82795PA0110007	Rating Area 9	No Preference	21	295.76
82795PA0110007	Rating Area 9	No Preference	22	295.76
82795PA0110007	Rating Area 9	No Preference	23	295.76
82795PA0110007	Rating Area 9	No Preference	24	295.76
82795PA0110007	Rating Area 9	No Preference	25	296.94
82795PA0110007	Rating Area 9	No Preference	26	302.86
82795PA0110007	Rating Area 9	No Preference	27	309.96
82795PA0110007	Rating Area 9	No Preference	28	321.49
82795PA0110007	Rating Area 9	No Preference	29	330.96
82795PA0110007	Rating Area 9	No Preference	30	335.69
82795PA0110007	Rating Area 9	No Preference	31	342.79
82795PA0110007	Rating Area 9	No Preference	32	349.88
82795PA0110007	Rating Area 9	No Preference	33	354.32
82795PA0110007	Rating Area 9	No Preference	34	359.05
82795PA0110007	Rating Area 9	No Preference	35	361.42
82795PA0110007	Rating Area 9	No Preference	36	363.78
82795PA0110007	Rating Area 9	No Preference	37	366.15
82795PA0110007	Rating Area 9	No Preference	38	368.52
82795PA0110007	Rating Area 9	No Preference	39	373.25
82795PA0110007	Rating Area 9	No Preference	40	377.98
82795PA0110007	Rating Area 9	No Preference	41	385.08
82795PA0110007	Rating Area 9	No Preference	42	391.88
82795PA0110007	Rating Area 9	No Preference	43	401.35
82795PA0110007	Rating Area 9	No Preference	44	413.18
82795PA0110007	Rating Area 9	No Preference	45	427.08
82795PA0110007	Rating Area 9	No Preference	46	443.64
82795PA0110007	Rating Area 9	No Preference	47	462.27
82795PA0110007	Rating Area 9	No Preference	48	483.57
82795PA0110007	Rating Area 9	No Preference	49	504.57
82795PA0110007	Rating Area 9	No Preference	50	528.23
82795PA0110007	Rating Area 9	No Preference	51	551.59
82795PA0110007	Rating Area 9	No Preference	52	577.32

HIOS Issuer ID*		82795			
Federal TIN*		23-2195219			
Rate Effective Date*		1/1/2017			
Rate Expiration Date*		3/31/2017			
Plan ID*		Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID		Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
	82795PA0110007	Rating Area 9	No Preference	53	603.35
	82795PA0110007	Rating Area 9	No Preference	54	631.45
	82795PA0110007	Rating Area 9	No Preference	55	659.54
	82795PA0110007	Rating Area 9	No Preference	56	690.01
	82795PA0110007	Rating Area 9	No Preference	57	720.77
	82795PA0110007	Rating Area 9	No Preference	58	753.60
	82795PA0110007	Rating Area 9	No Preference	59	769.86
	82795PA0110007	Rating Area 9	No Preference	60	802.69
	82795PA0110007	Rating Area 9	No Preference	61	831.09
	82795PA0110007	Rating Area 9	No Preference	62	849.72
	82795PA0110007	Rating Area 9	No Preference	63	873.08
	82795PA0110007	Rating Area 9	No Preference	64	887.27
	82795PA0110007	Rating Area 9	No Preference	65 and over	887.27
	82795PA0110007	Rating Area 9	No Preference		

2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	4/1/2017			
Rate Expiration Date*	6/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	226.76
82795PA0110006	Rating Area 9	No Preference	21	357.11
82795PA0110006	Rating Area 9	No Preference	22	357.11
82795PA0110006	Rating Area 9	No Preference	23	357.11
82795PA0110006	Rating Area 9	No Preference	24	357.11
82795PA0110006	Rating Area 9	No Preference	25	358.54
82795PA0110006	Rating Area 9	No Preference	26	365.68
82795PA0110006	Rating Area 9	No Preference	27	374.25
82795PA0110006	Rating Area 9	No Preference	28	388.18
82795PA0110006	Rating Area 9	No Preference	29	399.61
82795PA0110006	Rating Area 9	No Preference	30	405.32
82795PA0110006	Rating Area 9	No Preference	31	413.89
82795PA0110006	Rating Area 9	No Preference	32	422.46
82795PA0110006	Rating Area 9	No Preference	33	427.82
82795PA0110006	Rating Area 9	No Preference	34	433.53
82795PA0110006	Rating Area 9	No Preference	35	436.39
82795PA0110006	Rating Area 9	No Preference	36	439.25
82795PA0110006	Rating Area 9	No Preference	37	442.10
82795PA0110006	Rating Area 9	No Preference	38	444.96
82795PA0110006	Rating Area 9	No Preference	39	450.67
82795PA0110006	Rating Area 9	No Preference	40	456.39
82795PA0110006	Rating Area 9	No Preference	41	464.96
82795PA0110006	Rating Area 9	No Preference	42	473.17
82795PA0110006	Rating Area 9	No Preference	43	484.60
82795PA0110006	Rating Area 9	No Preference	44	498.88
82795PA0110006	Rating Area 9	No Preference	45	515.67
82795PA0110006	Rating Area 9	No Preference	46	535.66
82795PA0110006	Rating Area 9	No Preference	47	558.16
82795PA0110006	Rating Area 9	No Preference	48	583.87
82795PA0110006	Rating Area 9	No Preference	49	609.23
82795PA0110006	Rating Area 9	No Preference	50	637.80
82795PA0110006	Rating Area 9	No Preference	51	666.01
82795PA0110006	Rating Area 9	No Preference	52	697.08
82795PA0110006	Rating Area 9	No Preference	53	728.50
82795PA0110006	Rating Area 9	No Preference	54	762.43
82795PA0110006	Rating Area 9	No Preference	55	796.36
82795PA0110006	Rating Area 9	No Preference	56	833.14

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	4/1/2017			
Rate Expiration Date*	6/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	870.28
82795PA0110006	Rating Area 9	No Preference	58	909.92
82795PA0110006	Rating Area 9	No Preference	59	929.56
82795PA0110006	Rating Area 9	No Preference	60	969.20
82795PA0110006	Rating Area 9	No Preference	61	1003.48
82795PA0110006	Rating Area 9	No Preference	62	1025.98
82795PA0110006	Rating Area 9	No Preference	63	1054.19
82795PA0110006	Rating Area 9	No Preference	64	1071.32
82795PA0110006	Rating Area 9	No Preference	65 and over	1071.32
82795PA0110007	Rating Area 9	No Preference	0-20	191.55
82795PA0110007	Rating Area 9	No Preference	21	301.66
82795PA0110007	Rating Area 9	No Preference	22	301.66
82795PA0110007	Rating Area 9	No Preference	23	301.66
82795PA0110007	Rating Area 9	No Preference	24	301.66
82795PA0110007	Rating Area 9	No Preference	25	302.87
82795PA0110007	Rating Area 9	No Preference	26	308.90
82795PA0110007	Rating Area 9	No Preference	27	316.14
82795PA0110007	Rating Area 9	No Preference	28	327.90
82795PA0110007	Rating Area 9	No Preference	29	337.56
82795PA0110007	Rating Area 9	No Preference	30	342.38
82795PA0110007	Rating Area 9	No Preference	31	349.62
82795PA0110007	Rating Area 9	No Preference	32	356.86
82795PA0110007	Rating Area 9	No Preference	33	361.39
82795PA0110007	Rating Area 9	No Preference	34	366.22
82795PA0110007	Rating Area 9	No Preference	35	368.63
82795PA0110007	Rating Area 9	No Preference	36	371.04
82795PA0110007	Rating Area 9	No Preference	37	373.46
82795PA0110007	Rating Area 9	No Preference	38	375.87
82795PA0110007	Rating Area 9	No Preference	39	380.69
82795PA0110007	Rating Area 9	No Preference	40	385.52
82795PA0110007	Rating Area 9	No Preference	41	392.76
82795PA0110007	Rating Area 9	No Preference	42	399.70
82795PA0110007	Rating Area 9	No Preference	43	409.35
82795PA0110007	Rating Area 9	No Preference	44	421.42
82795PA0110007	Rating Area 9	No Preference	45	435.60
82795PA0110007	Rating Area 9	No Preference	46	452.49
82795PA0110007	Rating Area 9	No Preference	47	471.49
82795PA0110007	Rating Area 9	No Preference	48	493.21
82795PA0110007	Rating Area 9	No Preference	49	514.63
82795PA0110007	Rating Area 9	No Preference	50	538.76
82795PA0110007	Rating Area 9	No Preference	51	562.60
82795PA0110007	Rating Area 9	No Preference	52	588.84

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	4/1/2017			
Rate Expiration Date*	6/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110007	Rating Area 9	No Preference	53	615.39
82795PA0110007	Rating Area 9	No Preference	54	644.04
82795PA0110007	Rating Area 9	No Preference	55	672.70
82795PA0110007	Rating Area 9	No Preference	56	703.77
82795PA0110007	Rating Area 9	No Preference	57	735.15
82795PA0110007	Rating Area 9	No Preference	58	768.63
82795PA0110007	Rating Area 9	No Preference	59	785.22
82795PA0110007	Rating Area 9	No Preference	60	818.71
82795PA0110007	Rating Area 9	No Preference	61	847.66
82795PA0110007	Rating Area 9	No Preference	62	866.67
82795PA0110007	Rating Area 9	No Preference	63	890.50
82795PA0110007	Rating Area 9	No Preference	64	904.97
82795PA0110007	Rating Area 9	No Preference	65 and over	904.97

2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	7/1/2017			
Rate Expiration Date*	9/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	231.29
82795PA0110006	Rating Area 9	No Preference	21	364.24
82795PA0110006	Rating Area 9	No Preference	22	364.24
82795PA0110006	Rating Area 9	No Preference	23	364.24
82795PA0110006	Rating Area 9	No Preference	24	364.24
82795PA0110006	Rating Area 9	No Preference	25	365.70
82795PA0110006	Rating Area 9	No Preference	26	372.98
82795PA0110006	Rating Area 9	No Preference	27	381.72
82795PA0110006	Rating Area 9	No Preference	28	395.93
82795PA0110006	Rating Area 9	No Preference	29	407.58
82795PA0110006	Rating Area 9	No Preference	30	413.41
82795PA0110006	Rating Area 9	No Preference	31	422.15
82795PA0110006	Rating Area 9	No Preference	32	430.90
82795PA0110006	Rating Area 9	No Preference	33	436.36
82795PA0110006	Rating Area 9	No Preference	34	442.19
82795PA0110006	Rating Area 9	No Preference	35	445.10
82795PA0110006	Rating Area 9	No Preference	36	448.02
82795PA0110006	Rating Area 9	No Preference	37	450.93
82795PA0110006	Rating Area 9	No Preference	38	453.84
82795PA0110006	Rating Area 9	No Preference	39	459.67
82795PA0110006	Rating Area 9	No Preference	40	465.50
82795PA0110006	Rating Area 9	No Preference	41	474.24
82795PA0110006	Rating Area 9	No Preference	42	482.62
82795PA0110006	Rating Area 9	No Preference	43	494.27
82795PA0110006	Rating Area 9	No Preference	44	508.84
82795PA0110006	Rating Area 9	No Preference	45	525.96
82795PA0110006	Rating Area 9	No Preference	46	546.36
82795PA0110006	Rating Area 9	No Preference	47	569.31
82795PA0110006	Rating Area 9	No Preference	48	595.53
82795PA0110006	Rating Area 9	No Preference	49	621.39
82795PA0110006	Rating Area 9	No Preference	50	650.53
82795PA0110006	Rating Area 9	No Preference	51	679.31
82795PA0110006	Rating Area 9	No Preference	52	711.00
82795PA0110006	Rating Area 9	No Preference	53	743.05
82795PA0110006	Rating Area 9	No Preference	54	777.65
82795PA0110006	Rating Area 9	No Preference	55	812.26
82795PA0110006	Rating Area 9	No Preference	56	849.77

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	7/1/2017			
Rate Expiration Date*	9/30/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	887.65
82795PA0110006	Rating Area 9	No Preference	58	928.08
82795PA0110006	Rating Area 9	No Preference	59	948.12
82795PA0110006	Rating Area 9	No Preference	60	988.55
82795PA0110006	Rating Area 9	No Preference	61	1023.51
82795PA0110006	Rating Area 9	No Preference	62	1046.46
82795PA0110006	Rating Area 9	No Preference	63	1075.24
82795PA0110006	Rating Area 9	No Preference	64	1092.71
82795PA0110006	Rating Area 9	No Preference	65 and over	1092.71
82795PA0110007	Rating Area 9	No Preference	0-20	195.38
82795PA0110007	Rating Area 9	No Preference	21	307.68
82795PA0110007	Rating Area 9	No Preference	22	307.68
82795PA0110007	Rating Area 9	No Preference	23	307.68
82795PA0110007	Rating Area 9	No Preference	24	307.68
82795PA0110007	Rating Area 9	No Preference	25	308.91
82795PA0110007	Rating Area 9	No Preference	26	315.06
82795PA0110007	Rating Area 9	No Preference	27	322.45
82795PA0110007	Rating Area 9	No Preference	28	334.45
82795PA0110007	Rating Area 9	No Preference	29	344.29
82795PA0110007	Rating Area 9	No Preference	30	349.22
82795PA0110007	Rating Area 9	No Preference	31	356.60
82795PA0110007	Rating Area 9	No Preference	32	363.99
82795PA0110007	Rating Area 9	No Preference	33	368.60
82795PA0110007	Rating Area 9	No Preference	34	373.52
82795PA0110007	Rating Area 9	No Preference	35	375.98
82795PA0110007	Rating Area 9	No Preference	36	378.45
82795PA0110007	Rating Area 9	No Preference	37	380.91
82795PA0110007	Rating Area 9	No Preference	38	383.37
82795PA0110007	Rating Area 9	No Preference	39	388.29
82795PA0110007	Rating Area 9	No Preference	40	393.22
82795PA0110007	Rating Area 9	No Preference	41	400.60
82795PA0110007	Rating Area 9	No Preference	42	407.68
82795PA0110007	Rating Area 9	No Preference	43	417.52
82795PA0110007	Rating Area 9	No Preference	44	429.83
82795PA0110007	Rating Area 9	No Preference	45	444.29
82795PA0110007	Rating Area 9	No Preference	46	461.52
82795PA0110007	Rating Area 9	No Preference	47	480.90
82795PA0110007	Rating Area 9	No Preference	48	503.06
82795PA0110007	Rating Area 9	No Preference	49	524.90
82795PA0110007	Rating Area 9	No Preference	50	549.52
82795PA0110007	Rating Area 9	No Preference	51	573.82
82795PA0110007	Rating Area 9	No Preference	52	600.59

HIOS Issuer ID*		82795			
Federal TIN*		23-2195219			
Rate Effective Date*		7/1/2017			
Rate Expiration Date*		9/30/2017			
Plan ID*		Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID		Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
	82795PA0110007	Rating Area 9	No Preference	53	627.67
	82795PA0110007	Rating Area 9	No Preference	54	656.90
	82795PA0110007	Rating Area 9	No Preference	55	686.13
	82795PA0110007	Rating Area 9	No Preference	56	717.82
	82795PA0110007	Rating Area 9	No Preference	57	749.82
	82795PA0110007	Rating Area 9	No Preference	58	783.97
	82795PA0110007	Rating Area 9	No Preference	59	800.89
	82795PA0110007	Rating Area 9	No Preference	60	835.04
	82795PA0110007	Rating Area 9	No Preference	61	864.58
	82795PA0110007	Rating Area 9	No Preference	62	883.96
	82795PA0110007	Rating Area 9	No Preference	63	908.27
	82795PA0110007	Rating Area 9	No Preference	64	923.03
	82795PA0110007	Rating Area 9	No Preference	65 and over	923.03
	82795PA0110007	Rating Area 9	No Preference		

2017 Rates Table Template v6.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.		
		If you are a community rating state, select Family Option under Age and fill in all columns.		
		If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.		
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.		
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.		
HIOS Issuer ID*	82795			
	Federal TIN*	23-2195219		
	Rate Effective Date*	10/1/2017		
	Rate Expiration Date*	12/31/2017		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	0-20	235.92
82795PA0110006	Rating Area 9	No Preference	21	371.52
82795PA0110006	Rating Area 9	No Preference	22	371.52
82795PA0110006	Rating Area 9	No Preference	23	371.52
82795PA0110006	Rating Area 9	No Preference	24	371.52
82795PA0110006	Rating Area 9	No Preference	25	373.01
82795PA0110006	Rating Area 9	No Preference	26	380.44
82795PA0110006	Rating Area 9	No Preference	27	389.35
82795PA0110006	Rating Area 9	No Preference	28	403.84
82795PA0110006	Rating Area 9	No Preference	29	415.73
82795PA0110006	Rating Area 9	No Preference	30	421.68
82795PA0110006	Rating Area 9	No Preference	31	430.59
82795PA0110006	Rating Area 9	No Preference	32	439.51
82795PA0110006	Rating Area 9	No Preference	33	445.08
82795PA0110006	Rating Area 9	No Preference	34	451.03
82795PA0110006	Rating Area 9	No Preference	35	454.00
82795PA0110006	Rating Area 9	No Preference	36	456.97
82795PA0110006	Rating Area 9	No Preference	37	459.94
82795PA0110006	Rating Area 9	No Preference	38	462.91
82795PA0110006	Rating Area 9	No Preference	39	468.86
82795PA0110006	Rating Area 9	No Preference	40	474.80
82795PA0110006	Rating Area 9	No Preference	41	483.72
82795PA0110006	Rating Area 9	No Preference	42	492.26
82795PA0110006	Rating Area 9	No Preference	43	504.15
82795PA0110006	Rating Area 9	No Preference	44	519.01
82795PA0110006	Rating Area 9	No Preference	45	536.47
82795PA0110006	Rating Area 9	No Preference	46	557.28
82795PA0110006	Rating Area 9	No Preference	47	580.69
82795PA0110006	Rating Area 9	No Preference	48	607.44
82795PA0110006	Rating Area 9	No Preference	49	633.81
82795PA0110006	Rating Area 9	No Preference	50	663.53
82795PA0110006	Rating Area 9	No Preference	51	692.88
82795PA0110006	Rating Area 9	No Preference	52	725.21
82795PA0110006	Rating Area 9	No Preference	53	757.90
82795PA0110006	Rating Area 9	No Preference	54	793.20
82795PA0110006	Rating Area 9	No Preference	55	828.49
82795PA0110006	Rating Area 9	No Preference	56	866.76

HIOS Issuer ID*	82795			
Federal TIN*	23-2195219			
Rate Effective Date*	10/1/2017			
Rate Expiration Date*	12/31/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110006	Rating Area 9	No Preference	57	905.39
82795PA0110006	Rating Area 9	No Preference	58	946.63
82795PA0110006	Rating Area 9	No Preference	59	967.07
82795PA0110006	Rating Area 9	No Preference	60	1008.31
82795PA0110006	Rating Area 9	No Preference	61	1043.97
82795PA0110006	Rating Area 9	No Preference	62	1067.38
82795PA0110006	Rating Area 9	No Preference	63	1096.73
82795PA0110006	Rating Area 9	No Preference	64	1114.55
82795PA0110006	Rating Area 9	No Preference	65 and over	1114.55
82795PA0110007	Rating Area 9	No Preference	0-20	199.28
82795PA0110007	Rating Area 9	No Preference	21	313.82
82795PA0110007	Rating Area 9	No Preference	22	313.82
82795PA0110007	Rating Area 9	No Preference	23	313.82
82795PA0110007	Rating Area 9	No Preference	24	313.82
82795PA0110007	Rating Area 9	No Preference	25	315.08
82795PA0110007	Rating Area 9	No Preference	26	321.35
82795PA0110007	Rating Area 9	No Preference	27	328.88
82795PA0110007	Rating Area 9	No Preference	28	341.12
82795PA0110007	Rating Area 9	No Preference	29	351.16
82795PA0110007	Rating Area 9	No Preference	30	356.19
82795PA0110007	Rating Area 9	No Preference	31	363.72
82795PA0110007	Rating Area 9	No Preference	32	371.25
82795PA0110007	Rating Area 9	No Preference	33	375.96
82795PA0110007	Rating Area 9	No Preference	34	380.98
82795PA0110007	Rating Area 9	No Preference	35	383.49
82795PA0110007	Rating Area 9	No Preference	36	386.00
82795PA0110007	Rating Area 9	No Preference	37	388.51
82795PA0110007	Rating Area 9	No Preference	38	391.02
82795PA0110007	Rating Area 9	No Preference	39	396.04
82795PA0110007	Rating Area 9	No Preference	40	401.06
82795PA0110007	Rating Area 9	No Preference	41	408.59
82795PA0110007	Rating Area 9	No Preference	42	415.81
82795PA0110007	Rating Area 9	No Preference	43	425.85
82795PA0110007	Rating Area 9	No Preference	44	438.41
82795PA0110007	Rating Area 9	No Preference	45	453.16
82795PA0110007	Rating Area 9	No Preference	46	470.73
82795PA0110007	Rating Area 9	No Preference	47	490.50
82795PA0110007	Rating Area 9	No Preference	48	513.10
82795PA0110007	Rating Area 9	No Preference	49	535.38
82795PA0110007	Rating Area 9	No Preference	50	560.48
82795PA0110007	Rating Area 9	No Preference	51	585.27
82795PA0110007	Rating Area 9	No Preference	52	612.58

HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795			
	23-2195219			
	10/1/2017			
	12/31/2017			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan
82795PA0110007	Rating Area 9	No Preference	53	640.19
82795PA0110007	Rating Area 9	No Preference	54	670.01
82795PA0110007	Rating Area 9	No Preference	55	699.82
82795PA0110007	Rating Area 9	No Preference	56	732.14
82795PA0110007	Rating Area 9	No Preference	57	764.78
82795PA0110007	Rating Area 9	No Preference	58	799.61
82795PA0110007	Rating Area 9	No Preference	59	816.87
82795PA0110007	Rating Area 9	No Preference	60	851.71
82795PA0110007	Rating Area 9	No Preference	61	881.83
82795PA0110007	Rating Area 9	No Preference	62	901.60
82795PA0110007	Rating Area 9	No Preference	63	926.40
82795PA0110007	Rating Area 9	No Preference	64	941.45
82795PA0110007	Rating Area 9	No Preference	65 and over	941.45

2017 Rates Table Template v6.0	All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.				
	If you are a community rating state, select Family Option under Age and fill in all columns.				
	If you are not community rating state, select 0-20 under Age and provide an Individual Rate for every age band.				
	If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.				
	To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.				
HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795				
	23-2195219				
	1/1/2017				
	12/31/2017				
<div><div>Plan ID*</div><div>Required: Enter the 14-character Plan ID</div></div> <div><div>Rating Area ID*</div><div>Required: Select the Rating Area ID</div></div> <div><div>Tobacco*</div><div>Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</div></div> <div><div>Age*</div><div>Required: Select the age of a subscriber eligible for the rate</div></div> <div><div>Individual Rate*</div><div>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</div></div> <div><div>Individual Tobacco Rate*</div><div>Required: Enter the rate of an Individual tobacco enrollee on a plan</div></div>					
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	0-20	231.79	231.79
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	21	365.03	374.16
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	22	365.03	374.16
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	23	365.03	374.16
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	24	365.03	374.16
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	25	366.49	375.65
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	26	373.79	383.14
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	27	382.55	392.12
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	28	396.79	406.71
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	29	408.47	418.68
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	30	414.31	424.67
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	31	423.07	433.65
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	32	431.83	442.63
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	33	437.31	448.24
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	34	443.15	454.23
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	35	446.07	457.22
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	36	448.99	460.21
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	37	451.91	463.21
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	38	454.83	466.2
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	39	460.67	472.18
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	40	466.51	501.5
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	41	475.27	510.91
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	42	483.67	519.94
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	43	495.35	532.5
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	44	509.95	548.19
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	45	527.1	579.81
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	46	547.55	602.3
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	47	570.54	627.6
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	48	596.82	656.51
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	49	622.74	685.02
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	50	651.94	749.74
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	51	680.78	782.9
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	52	712.54	819.42
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	53	744.66	856.36
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	54	779.34	896.24

HIOS Issuer ID* Federal TIN* Rate Effective Date* Rate Expiration Date*	82795				
	23-2195219				
	1/1/2017				
	12/31/2017				
<div><div>Plan ID*</div><div>Rating Area ID*</div><div>Tobacco*</div><div>Age*</div><div>Individual Rate*</div><div>Individual Tobacco Rate*</div></div>					
<div><div>Required: Enter the 14-character Plan ID</div><div>Required: Select the Rating Area ID</div><div>Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</div><div>Required: Select the age of a subscriber eligible for the rate</div><div>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</div><div>Required: Enter the rate of an Individual tobacco enrollee on a plan</div></div>					
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	55	814.02	976.82
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	56	851.62	1021.94
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	57	889.58	1067.49
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	58	930.1	1116.12
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	59	950.17	1140.21
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	60	990.69	1238.36
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	61	1025.73	1282.17
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	62	1048.73	1310.91
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	63	1077.57	1346.96
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	64	1095.08	1368.86
82795PA0120001	Rating Area 9	Tobacco User/Non-Tobacco User	65 and over	1095.08	1368.86

Capital Advantage Insurance Company
Individual
Plan Design Summary

HIOS Plan ID	On/Off Exchange	Product	Metal	Plan Design Marketing Name	Network	Rating Area	Counties Excluded
82795PA0120001	Off	PPO	Silver	Silver CareConnect 3000/0/35	PPO	9	Franklin, Fulton, Juniata, Lebanon

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

January 1, 2017

Ending date of Rates:

December 31, 2017

	HIOS Plan ID (On Exchange)=>	82795PA0120001		
	HIOS Plan ID (Off Exchange)=>	82795PA0120001		
	Form # =>	CAIC-Ind-PPOG-C-v0117		
	Rating Area =>	9		
	Counties Excluded in Rating Area =>	Franklin, Fulton, Juniata, Lebanon		
	Network =>	PPO		
	Metal =>	Silver		
	Plan Name =>	Silver CareConnect 3000/0/35		
	Deductible =>	\$3000 Med/Rx Combined		
	Coinsurance =>	0%		
	Copays =>	\$35/\$55/\$200 PCP/SPC/ER		
	OOP Maximum =>	\$7150 Med/Rx Combined		
	Pediatric Dental (Yes/No) =>	Yes		
	Age Band	Non-Tobacco	Tobacco	
0	0 - 20	\$231.79	\$231.79	
21	21	\$365.03	\$374.16	
22	22	\$365.03	\$374.16	
23	23	\$365.03	\$374.16	
24	24	\$365.03	\$374.16	
25	25	\$366.49	\$375.65	
26	26	\$373.79	\$383.14	
27	27	\$382.55	\$392.12	
28	28	\$396.79	\$406.71	
29	29	\$408.47	\$418.68	
30	30	\$414.31	\$424.67	
31	31	\$423.07	\$433.65	
32	32	\$431.83	\$442.63	
33	33	\$437.31	\$448.24	
34	34	\$443.15	\$454.23	
35	35	\$446.07	\$457.22	
36	36	\$448.99	\$460.21	
37	37	\$451.91	\$463.21	
38	38	\$454.83	\$466.20	
39	39	\$460.67	\$472.18	
40	40	\$466.51	\$501.50	
41	41	\$475.27	\$510.91	
42	42	\$483.67	\$519.94	
43	43	\$495.35	\$532.50	
44	44	\$509.95	\$548.19	
45	45	\$527.10	\$579.81	
46	46	\$547.55	\$602.30	
47	47	\$570.54	\$627.60	
48	48	\$596.82	\$656.51	
49	49	\$622.74	\$685.02	
50	50	\$651.94	\$749.74	
51	51	\$680.78	\$782.90	
52	52	\$712.54	\$819.42	
53	53	\$744.66	\$856.36	
54	54	\$779.34	\$896.24	
55	55	\$814.02	\$976.82	
56	56	\$851.62	\$1,021.94	
57	57	\$889.58	\$1,067.49	
58	58	\$930.10	\$1,116.12	
59	59	\$950.17	\$1,140.21	
60	60	\$990.69	\$1,238.36	
61	61	\$1,025.73	\$1,282.17	
62	62	\$1,048.73	\$1,310.91	
63	63	\$1,077.57	\$1,346.96	
64+	64+	\$1,095.08	\$1,368.86	

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

[illegible]

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

[illegible]

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
Product Name:	Rates - CAIC Ind PPOG CareConnect		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	CFJ
Comments:	
Attachment(s):	Ind_16-49_Revised_CAIC_PPO_CFJ_Supporting_20160922.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Exhibits
Comments:	
Attachment(s):	Ind_16-49_Revised_CAIC_PPO_PIDRateExhibits_Supporting_20160922.pdf Ind_16-49_Revised_CAIC_PPO_PIDRateExhibits_Supporting_20160922.xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Redacted Actuarial Memos
Comments:	
Attachment(s):	Ind_16-49_Revised_CAIC_PPO_PIDActMemoRedacted_Supporting_20160922.pdf Ind_16-49_Revised_CAIC_PPO_FedActMemoRedacted_Supporting_20160922.pdf
Item Status:	
Status Date:	

Satisfied - Item:	URRT pdf
Comments:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Redacted Cover Letter
Comments:	
Attachment(s):	Ind_16-49_Revised_CAIC_PPO_RateCvLtrRedacted_Supporting_20160922.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	CABC-130539588	State Tracking #:	CABC-130539588	Company Tracking #:	16-49
<hr/>					
State:	Pennsylvania		Filing Company:	Capital Advantage Insurance Company	
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense				
Product Name:	Rates - CAIC Ind PPOG CareConnect				
Project Name/Number:	/				

Attachment Ind_16-49_Revised_CAIC_PPO_PIDRateExhibits_Supporting_20160922.xlsx is not a PDF document and cannot be reproduced here.



Capital BlueCross

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

Rate Increase Considerations:

Primary drivers of requested change

- Historical claim experience
- Loss of federal reinsurance program in 2017

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

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

Tax Changes

- Suspension of Health Insurer Tax in 2017

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	-	10	180
<18	-	-	-
18-24	-	1	18
25-29	-	-	-
30-34	-	-	-
35-39	-	-	-
40-44	-	-	-
45-49	-	2	36
50-54	-	3	54
55-59	-	2	36
60-63	-	2	36
64+	-	-	-

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
\$ -	\$ -	#DIV/0!	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	5.00%	1.90%	7.00%	20.50%
Outpatient Hospital	5.00%	1.90%	7.00%	34.81%
Professional	5.00%	1.90%	7.00%	25.59%
Other Medical	5.00%	1.90%	7.00%	2.23%
Capitation			3.00%	0.00%
Prescription Drugs	13.50%	0.05%	13.56%	16.87%
Total Annual Trend			8.11%	100.00%
2 Year Trend Projection Factor			1.169	

* 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	\$ 66,406,990.00	\$ 3,943,081.30	1.0000	\$ 3,943,081.30	15,858	\$ 248.65	\$ 12,471,339.00	\$ 55,279.52	\$ 5,146,170.21	\$ 324.52
Feb-13		\$ 3,697,710.39	1.0000	\$ 3,697,710.39	16,182	\$ 228.51		\$ 57,324.18	\$ 4,625,667.73	\$ 285.85
Mar-13		\$ 4,262,644.10	1.0000	\$ 4,262,644.10	16,561	\$ 257.39		\$ 61,717.01	\$ 4,871,375.41	\$ 294.15
Apr-13		\$ 4,779,461.59	1.0000	\$ 4,779,461.59	16,989	\$ 281.33		\$ 60,187.12	\$ 5,321,237.24	\$ 313.22
May-13		\$ 5,041,527.49	1.0000	\$ 5,041,527.49	17,367	\$ 290.29		\$ 68,144.29	\$ 5,317,285.20	\$ 306.17
Jun-13		\$ 4,513,608.45	1.0000	\$ 4,513,608.45	17,535	\$ 257.41		\$ 60,226.40	\$ 4,744,058.92	\$ 270.55
Jul-13		\$ 5,037,786.99	1.0000	\$ 5,037,786.99	17,725	\$ 284.22		\$ 68,782.49	\$ 5,224,879.11	\$ 294.77
Aug-13		\$ 5,260,957.43	1.0000	\$ 5,260,957.43	17,961	\$ 292.91		\$ 68,969.97	\$ 5,232,140.26	\$ 291.31
Sep-13		\$ 5,583,910.29	1.0000	\$ 5,583,910.29	18,178	\$ 307.18		\$ 71,452.00	\$ 5,507,153.88	\$ 302.96
Oct-13		\$ 5,427,513.28	1.0000	\$ 5,427,513.28	18,355	\$ 295.70		\$ 68,722.29	\$ 5,281,973.90	\$ 287.77
Nov-13		\$ 5,863,956.31	1.0000	\$ 5,863,956.31	18,505	\$ 316.88		\$ 71,484.38	\$ 5,583,419.45	\$ 301.72
Dec-13		\$ 6,119,566.87	1.0000	\$ 6,119,566.87	19,068	\$ 320.93		\$ 73,197.30	\$ 5,314,668.07	\$ 278.72
Jan-14	\$ 34,597,855.00	\$ 3,206,010.09	0.9978	\$ 3,213,016.97	13,791	\$ 232.98	\$ 7,682,495.00	\$ 12,657.31	\$ 3,514,797.95	\$ 254.86
Feb-14		\$ 2,840,263.77	0.9977	\$ 2,846,885.05	13,310	\$ 213.89		\$ 38,588.81	\$ 2,873,115.94	\$ 215.86
Mar-14		\$ 3,618,095.81	0.9977	\$ 3,626,267.25	12,792	\$ 283.48		\$ 31,551.07	\$ 3,761,115.89	\$ 294.02
Apr-14		\$ 3,067,249.97	0.9979	\$ 3,073,640.00	10,853	\$ 283.21		\$ 15,941.72	\$ 3,723,425.15	\$ 343.08
May-14		\$ 2,454,438.00	0.9975	\$ 2,460,570.00	10,674	\$ 230.52		\$ 19,157.30	\$ 3,088,383.54	\$ 289.34
Jun-14		\$ 2,514,497.01	0.9977	\$ 2,520,191.00	10,477	\$ 240.55		\$ 16,832.61	\$ 3,111,781.69	\$ 297.01
Jul-14		\$ 2,602,365.81	0.9976	\$ 2,608,553.00	10,306	\$ 253.11		\$ 20,353.73	\$ 3,182,624.15	\$ 308.81
Aug-14		\$ 2,964,213.21	0.9977	\$ 2,970,922.00	10,154	\$ 292.59		\$ 19,590.92	\$ 3,515,772.38	\$ 346.25
Sep-14		\$ 2,663,569.44	0.9976	\$ 2,670,012.00	10,014	\$ 266.63		\$ 131,770.06	\$ 3,119,602.61	\$ 311.52
Oct-14		\$ 2,943,553.37	0.9976	\$ 2,950,697.00	9,893	\$ 298.26		\$ 21,706.02	\$ 3,523,636.66	\$ 356.17
Nov-14		\$ 2,619,800.26	0.9972	\$ 2,627,170.00	9,753	\$ 269.37		\$ 19,282.03	\$ 3,135,222.56	\$ 321.46
Dec-14		\$ 3,633,785.90	0.9973	\$ 3,643,525.00	9,660	\$ 377.18		\$ 90,759.88	\$ 4,143,782.21	\$ 428.96
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

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
#####	#####	#####	116,225	\$ 7,844,405.00	#####	\$ -	#####	\$ -	\$ -	\$ 4,507,139.92	\$ 3,986,384.25
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 463.58
Loss Ratio											109.41%

*Express Prescription Drug Rebates as a negative number

Table 2c. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
#####	#####	#####	116,225	#####	#####	\$ -	\$ 885,992.00	\$ -	\$ -	\$ 4,507,139.92	\$ 3,986,384.25
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 463.58
Loss Ratio											109.41%

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.00%	1.90%	7.00%	20.50%
Outpatient Hospital	5.00%	1.90%	7.00%	34.81%
Professional	5.00%	1.90%	7.00%	25.59%
Other Medical	5.00%	1.90%	7.00%	2.23%
Capitation			3.00%	0.00%
Prescription Drugs	13.50%	0.05%	13.56%	16.87%
Total Annual Trend			8.11%	100.00%
2 Year Trend Projection			1.169	

<- Annualized Trend Factors on URRT

* Express Cost, Utilization, and Weight as percentages

Table 4b. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-13		#####	1.0000	\$ 3,943,081.30	15,858	\$ 248.65		\$ 55,279.52	#####	\$ 324.52
Feb-13		#####	1.0000	\$ 3,697,710.39	16,182	\$ 228.51		\$ 57,324.18	#####	\$ 285.85
Mar-13		#####	1.0000	\$ 4,262,644.10	16,561	\$ 257.39		\$ 61,717.01	#####	\$ 294.15
Apr-13		#####	1.0000	\$ 4,779,461.59	16,989	\$ 281.33		\$ 60,187.12	#####	\$ 313.22
May-13		#####	1.0000	\$ 5,041,527.49	17,367	\$ 290.29		\$ 68,144.29	#####	\$ 306.17
Jun-13		#####	1.0000	\$ 4,513,608.45	17,535	\$ 257.41		\$ 60,226.40	#####	\$ 270.55
Jul-13		#####	1.0000	\$ 5,037,786.99	17,725	\$ 284.22		\$ 68,782.49	#####	\$ 294.77
Aug-13		#####	1.0000	\$ 5,260,957.43	17,961	\$ 292.91		\$ 68,969.97	#####	\$ 291.31
Sep-13		#####	1.0000	\$ 5,583,910.29	18,178	\$ 307.18		\$ 71,452.00	#####	\$ 302.96
Oct-13		#####	1.0000	\$ 5,427,513.28	18,355	\$ 295.70		\$ 68,722.29	#####	\$ 287.77
Nov-13		#####	1.0000	\$ 5,863,956.31	18,505	\$ 316.88		\$ 71,484.38	#####	\$ 301.72
Dec-13	#####	#####	1.0000	\$ 6,119,566.87	19,068	\$ 320.93	#####	\$ 73,197.30	#####	\$ 278.72
Jan-14		#####	0.9978	\$ 3,213,016.97	13,791	\$ 232.98		\$ 12,657.31	#####	\$ 254.86
Feb-14		#####	0.9977	\$ 2,846,885.05	13,310	\$ 213.89		\$ 38,588.81	#####	\$ 215.86
Mar-14		#####	0.9977	\$ 3,626,267.25	12,792	\$ 283.48		\$ 31,551.07	#####	\$ 294.02
Apr-14		#####	0.9979	\$ 3,073,640.00	10,853	\$ 283.21		\$ 15,941.72	#####	\$ 343.08
May-14		#####	0.9975	\$ 2,460,570.00	10,674	\$ 230.52		\$ 19,157.30	#####	\$ 289.34
Jun-14		#####	0.9977	\$ 2,520,191.00	10,477	\$ 240.55		\$ 16,832.61	#####	\$ 297.01
Jul-14		#####	0.9976	\$ 2,608,553.00	10,306	\$ 253.11		\$ 20,353.73	#####	\$ 308.81
Aug-14		#####	0.9977	\$ 2,970,922.00	10,154	\$ 292.59		\$ 19,590.92	#####	\$ 346.25
Sep-14		#####	0.9976	\$ 2,670,012.00	10,014	\$ 266.63		\$131,770.06	#####	\$ 311.52
Oct-14		#####	0.9976	\$ 2,950,697.00	9,893	\$ 298.26		\$ 21,706.02	#####	\$ 356.17
Nov-14		#####	0.9972	\$ 2,627,170.00	9,753	\$ 269.37		\$ 19,282.03	#####	\$ 321.46
Dec-14	#####	#####	0.9973	\$ 3,643,525.00	9,660	\$ 377.18	#####	\$ 90,759.88	#####	\$ 428.96
Jan-15		#####	0.9981	\$ 3,123,023.00	9,850	\$ 317.06		\$ 19,927.08	#####	\$ 397.63
Feb-15		#####	0.9980	\$ 3,424,311.00	9,950	\$ 344.15		\$ 16,956.95	#####	\$ 416.63
Mar-15		#####	0.9980	\$ 3,586,427.00	9,901	\$ 362.23		\$119,895.70	#####	\$ 429.88
Apr-15		#####	0.9961	\$ 3,844,096.00	9,819	\$ 391.50		\$ 84,378.11	#####	\$ 454.25
May-15		#####	0.9932	\$ 3,408,521.00	9,758	\$ 349.31		\$ 75,597.31	#####	\$ 412.83
Jun-15		#####	0.9906	\$ 4,120,358.00	9,690	\$ 425.22		\$ 71,809.54	#####	\$ 484.48
Jul-15		#####	0.9887	\$ 3,503,030.00	9,620	\$ 364.14		\$ 69,693.68	#####	\$ 418.54
Aug-15		#####	0.9861	\$ 3,690,651.00	9,577	\$ 385.37		\$ 60,514.99	#####	\$ 433.05
Sep-15		#####	0.9822	\$ 4,067,684.00	9,537	\$ 426.52		\$ 93,069.34	#####	\$ 471.54
Oct-15		#####	0.9721	\$ 4,938,790.00	9,553	\$ 516.99		\$114,382.05	#####	\$ 551.57
Nov-15		#####	0.9559	\$ 4,442,912.00	9,511	\$ 467.13		\$ 62,381.29	#####	\$ 497.17
Dec-15	#####	#####	0.9393	\$ 4,597,835.00	9,459	\$ 486.08	#####	\$ 97,385.77	#####	\$ 509.90

* 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)	\$ 467.86	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.169	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 546.79	
Single Risk Pool Adjustment Factors		<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Morbidity	1.309	
Change in Other	0.916	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Demographics	1.000	
Change in Network	0.910	
Change in Benefits	1.105	
Change in Other	0.911	
Adjusted Projected Allowed EHB Claims PMPM	\$ 655.58	<- 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	0.78744792	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	516.2338828	
Market-wide Adjustments		
Projected Paid Net Risk Adjustment PMPM	\$ 0.13	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 516.36	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 655.74	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 516.36	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 655.74	

Table 6. Retention

Retention Items - Express in percentages		
Administrative Expenses	11%	
General and Claims	9.15%	
Agent/Broker Fees and Commissions	1.57%	
Quality Improvement Initiatives	0.30%	
Taxes and Fees	2.74%	
PCORI Fees (Enter \$ amount here: \$)	0.03%	
Pa Premium Tax (if applicable)	2.00%	
Federal Income Tax	0.70%	
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	0.00%	
Profit/Contingency	0%	
Total Retention	14%	
Projected Required Revenue PMPM	\$ 598.67	<- 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)	262.62	365.0302165	\$102.41	39.0%
B. Base period allowed claims before normalization	\$ 369.94	\$ 467.86	\$97.93	37%
C. Normalization factor component of change	\$ (105.19)	-149.1968459	-\$44.01	-\$0.17
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 264.75	\$ 318.67	\$ 53.92	21%
D2. URRT Trend	\$ 44.66	\$ 53.76	\$ 9.10	3%
D3. URRT Morbidity	\$ 36.29	\$ 114.98	\$ 78.69	30%
D4. URRT Other	\$ (29.05)	\$ (40.88)	\$ (11.83)	-5%
D5. Normalized URRT RA/RI on an allowed basis	\$ 13.51	\$ 0.11	\$ (13.39)	-5%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0%
D7. Subtotal - Sum(D1:D6)	\$ 330.16	\$ 446.63	\$ 116.48	44%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (36.32)	-49.12974422	\$ (12.81)	-5%
E2. Pricing AV	\$ (85.21)	\$ (82.51)	\$ 2.71	1%
E3. Benefit Richness	\$ -	\$ -	\$ -	0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (121.53)	\$ (131.64)	\$ (10.11)	-4%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 26.92	\$ 40.20	\$ 13.28	5%
F2. Taxes and Fees	\$ 21.09	\$ 9.98	\$ (11.11)	-4%
F3. Profit and/or Contingency	\$ 5.25	\$ -	\$ (5.25)	-2%
F4. Subtotal - Sum(F1:F3)	\$ 53.26	\$ 50.18	\$ (3.08)	-1%
G. Change in Miscellaneous Items	\$ -	\$ -	\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 261.88	\$ 365.18	\$ 103.29	39%

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	\$ 655.58	\$ 655.58	\$ 655.58	\$ 655.58	\$ 655.58
Months of Trend	-	3	6	9	#DIV/0!
Annual Trend	8.11%	8.11%	8.11%	8.11%	8.11%
Single Risk Pool Projected Allowed Claims	\$ 655.58	\$ 668.48	\$ 681.63	\$ 695.04	\$ -

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2016	2017
Average Age Factor	1.570	1.640
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.000	1.006
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	0.890	0.890
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 448.93	\$ 655.74
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 321.28	\$ 446.63

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

	2016	2017
Paid-to-Allowed	0.71	0.78744792
URRT Trend (2-Year Trend Factor)	1.168695627	1.17 <- URRT W1, S2
URRT Morbidity	1.117285204	1.309 <- URRT W1, S2
URRT "Other"	0.915958407	0.916 <- URRT W1, S2
Risk Adjustment	\$ 0.15	\$ 0.13 <- URRT W1, S3
Reinsurance	\$ 13.25	\$ - <- URRT W1, S3
Exchange User Fee	\$ -	\$ - <- URRT W1, S3
Capitation	\$ -	\$ - <- URRT W1, S2
Network	0.890	0.89
Pricing AV	0.710	0.792435087
Benefit Richness	1.000	1
Catastrophic Eligibility	1.000	1
Administrative Expenses	10.25%	11.01%
Taxes and Fees	8.03%	2.73%
Profit and/or Contingency	2.00%	0.00%

PA Rate Template Part III
Table 10. Plan Rates

[illegible]

		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	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	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							0.719			0.792	1.000	1.000	1.000	1.000	0.994	\$ 516.29	11.0%	2.7%	0.0%	10	4	\$ 262.62	\$ 365.03	39.00%		
Plan 1	82795PA0120001	PPO	CareConnect 3000.0 PH ACA M			Silver	0.71916315	Standard	Off	0.792	1.000	1.000	1.000	1.000	0.994	\$516.29	11.0%	2.7%	0.0%	-	10	-	\$ 262.62	\$365.03	39.0%	100.0%
Plan 2																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 3																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 4																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 5																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 6																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 7																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 8																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 9																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 10																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 11																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 12																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 13																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 14																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 15																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 16																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 17																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 18																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 19																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 20																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 21																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 22																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 23																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 24																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 25																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 26																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 27																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 28																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 29																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 30																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 31																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 32																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 33																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 34																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 35																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
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Plan 38																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 39																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 40																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 41																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 42																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 43																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 44																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 45																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 46																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 47																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 48																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 49																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
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Plan 51																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 52																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
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Plan 55																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 56																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 57																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 58																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 59																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 60																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 61																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 62																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 63																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 64																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 65																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 66																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
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Plan 69																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 70																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 71																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 72																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 73																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 74																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 75																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 76																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 77																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 78																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 79																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 80																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 81																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 82																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 83																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 84																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 85																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 86																\$0.00				-	-	\$ -	\$0.00	#DIV/0!	0.0%	
Plan 87									</																	

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

Capital Advantage Insurance Company
PPO
Individual
1/1/2017

These cells auto-fill using the data entered in Table 9.						
Plan 1	82759PA0120001	CareConnect 3000.0 FH	M	0	Silver	Off
Plan 2	0	0	0	0		0
Plan 3	0	0	0	0		0
Plan 4	0	0	0	0		0
Plan 5	0	0	0	0		0
Plan 6	0	0	0	0		0
Plan 7	0	0	0	0		0
Plan 8	0	0	0	0		0
Plan 9	0	0	0	0		0
Plan 10	0	0	0	0		0
Plan 11	0	0	0	0		0
Plan 12	0	0	0	0		0
Plan 13	0	0	0	0		0
Plan 14	0	0	0	0		0
Plan 15	0	0	0	0		0
Plan 16	0	0	0	0		0
Plan 17	0	0	0	0		0
Plan 18	0	0	0	0		0
Plan 19	0	0	0	0		0
Plan 20	0	0	0	0		0
Plan 21	0	0	0	0		0
Plan 22	0	0	0	0		0
Plan 23	0	0	0	0		0
Plan 24	0	0	0	0		0
Plan 25	0	0	0	0		0
Plan 26	0	0	0	0		0
Plan 27	0	0	0	0		0
Plan 28	0	0	0	0		0
Plan 29	0	0	0	0		0
Plan 30	0	0	0	0		0
Plan 31	0	0	0	0		0
Plan 32	0	0	0	0		0
Plan 33	0	0	0	0		0
Plan 34	0	0	0	0		0
Plan 35	0	0	0	0		0
Plan 36	0	0	0	0		0
Plan 37	0	0	0	0		0
Plan 38	0	0	0	0		0
Plan 39	0	0	0	0		0
Plan 40	0	0	0	0		0
Plan 41	0	0	0	0		0
Plan 42	0	0	0	0		0
Plan 43	0	0	0	0		0
Plan 44	0	0	0	0		0
Plan 45	0	0	0	0		0
Plan 46	0	0	0	0		0
Plan 47	0	0	0	0		0
Plan 48	0	0	0	0		0
Plan 49	0	0	0	0		0
Plan 50	0	0	0	0		0
Plan 51	0	0	0	0		0
Plan 52	0	0	0	0		0
Plan 53	0	0	0	0		0
Plan 54	0	0	0	0		0
Plan 55	0	0	0	0		0
Plan 56	0	0	0	0		0
Plan 57	0	0	0	0		0
Plan 58	0	0	0	0		0
Plan 59	0	0	0	0		0
Plan 60	0	0	0	0		0
Plan 61	0	0	0	0		0
Plan 62	0	0	0	0		0
Plan 63	0	0	0	0		0
Plan 64	0	0	0	0		0
Plan 65	0	0	0	0		0
Plan 66	0	0	0	0		0
Plan 67	0	0	0	0		0
Plan 68	0	0	0	0		0
Plan 69	0	0	0	0		0
Plan 70	0	0	0	0		0
Plan 71	0	0	0	0		0
Plan 72	0	0	0	0		0
Plan 73	0	0	0	0		0
Plan 74	0	0	0	0		0
Plan 75	0	0	0	0		0
Plan 76	0	0	0	0		0
Plan 77	0	0	0	0		0
Plan 78	0	0	0	0		0
Plan 79	0	0	0	0		0
Plan 80	0	0	0	0		0
Plan 81	0	0	0	0		0
Plan 82	0	0	0	0		0
Plan 83	0	0	0	0		0
Plan 84	0	0	0	0		0
Plan 85	0	0	0	0		0
Plan 86	0	0	0	0		0
Plan 87	0	0	0	0		0
Plan 88	0	0	0	0		0
Plan 89	0	0	0	0		0
Plan 90	0	0	0	0		0
Plan 91	0	0	0	0		0
Plan 92	0	0	0	0		0
Plan 93	0	0	0	0		0
Plan 94	0	0	0	0		0
Plan 95	0	0	0	0		0
Plan 96	0	0	0	0		0
Plan 97	0	0	0	0		0
Plan 98	0	0	0	0		0
Plan 99	0	0	0	0		0
Plan 100	0	0	0	0		0

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

PA Rate Template Part V Consumer Factors

Table 12. Age and Tobacco Factors

2017 Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-20	0.635			43	1.357	1.075
21	1.000	1.025		44	1.397	1.075
22	1.000	1.025		45	1.444	1.1
23	1.000	1.025		46	1.500	1.1
24	1.000	1.025		47	1.563	1.1
25	1.004	1.025		48	1.635	1.1
26	1.024	1.025		49	1.706	1.1
27	1.048	1.025		50	1.786	1.15
28	1.087	1.025		51	1.865	1.15
29	1.119	1.025		52	1.952	1.15
30	1.135	1.025		53	2.040	1.15
31	1.159	1.025		54	2.135	1.15
32	1.183	1.025		55	2.230	1.2
33	1.198	1.025		56	2.333	1.2
34	1.214	1.025		57	2.437	1.2
35	1.222	1.025		58	2.548	1.2
36	1.230	1.025		59	2.603	1.2
37	1.238	1.025		60	2.714	1.25
38	1.246	1.025		61	2.810	1.25
39	1.262	1.025		62	2.873	1.25
40	1.278	1.075		63	2.952	1.25
41	1.302	1.075		64+	3.000	1.25
42	1.325	1.075				

*PA follows the federal default age curve.

Table 13. Geographic Factors

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

Table 14. Network Factors

[illegible]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2017

General Information

Company Information

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

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2017
- Average Rate Change: 39.0%
- Range of Requested Rate Change: 39.0% to 39.0%
- Product: PPO
- Rating Areas: 9
- Metal Levels: Silver
- Current Covered Lives and Policyholders: 14/9
- Number of Plans: 1
- Contract Form #: CAIC-Ind-PPOG-C-v0117
- Form Filing SERFF #: CABC-130533923
- Binder SERFF #: CABC-PA17-125060093
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-687033686918477899

Company Contact Information

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

Scope and Purpose

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

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

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

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2014	CABC-129034458	0.00%
Individual	CAIC	1/1/2015	CABC-129649188	0.00%
Individual	CAIC	1/1/2016	CABC-130079084	-2.10%

Proposed Rate Increases

CAIC is proposing an aggregate annual increase of 39.0%. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part IV, Table 11, cell AZ13.

Reason for Rate Increase

The following are drivers of the requested rate increase, as described in the Pennsylvania Rate Change Request Summary:

- Historical Claim Experience: 20%. Historical claim experience is taken from CBC subsidiaries Capital Advantage Assurance Company (CAAC) and Keystone Health Plan Central (KHPC). Combined 2015 results show a loss ratio of 106.5%. Given a target loss ratio of 86.1%, historical claim experience (before trend) justifies a 20.5% annual rate increase.
- Increased morbidity due to transition from medically-underwritten membership to PPACA membership: 20%.

- Loss of Federal Reinsurance Program: 6.4%. The loss of Federal Reinsurance in 2017 is worth approximately 6 percent of premium. From CBC's Premium Deficiency Reserve (PDR) calculation, 2016 reinsurance is estimated at \$25 PMPM, or 6.4 percent of premium.
- Trend Components: 8.1%.
- Administrative Expense (AE) Inflation: 0.4%. AE trends approximately 4 percent per year, and is 10 percent of premium.
- Suspension of Health Insurer Tax: -3.6%. CBC applied 3.6% to 2016 rates. This tax is suspended for calendar year 2017.
- Increase in Exchange User Fee: 0.5%.

Membership

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

Benefit Changes 2016-2017

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

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

Experience Period Premium and Claims

Base Experience Period: CAIC does not have individual enrollment in 2015. Therefore, no company-specific base experience data (BEP) can be provided. The credibility manual rate development is described below. Credibility manual BEP data is from CBC subsidiary, Capital Advantage Assurance Company (CAAC). Projection factors described in the next section apply to the credibility manual data.

Benefit Categories

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

Projection Factors

Changes in Morbidity of the Population Insured: Found in URRT Worksheet 1, "Pop'l risk Morbidity". Note that due to non-credible CAIC data, assumptions applied to CAAC projections are being used to project CAIC. CAIC experience is projected to follow CAAC experience, with adjustments for differences in network.

The morbidity adjustment is calculated by measuring the claims experience of transitional policies and single risk pool policies in the experience period. Transitional policies have significantly

lower claims PMPM than single risk pool policies, and make up 68 percent of the enrollment in the BEP. Current and projected enrollment show a very different distribution, as CAAC experienced significant enrollment growth in 2016. In the projection period, transitional policies only account for 15% of enrollment. This distribution change leads to higher claim expectations in the projection period. The calculation does adjust the single risk pool claim PMPM as their claim experience should regress toward the mean as enrollment grows. The adjustment also accounts for the impact of risk adjustment. Due to enrollment growth, CAAC is projecting \$0 in risk adjustment. And because claims and risk are inversely proportional, that assumption translates into a lower single risk pool claims PMPM than in the BEP. See Exhibit G1 – Morbidity Factor Calculation.

Changes in Benefits:

1. Pediatric Dental and Pediatric Vision: The following PMPM allowed charges are added to the projection period claims PMPM:

- Pediatric dental coverage: 5.01 allowed/3.61 incurred
- Pediatric vision coverage 0.46 allowed/0.46 incurred
-

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

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

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

Other Adjustments: Found in URRT, Worksheet 1, “Other”.

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

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

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

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

Year 2015		
<u>Type of Service</u>	<u>Units</u>	<u>Cost per Unit</u>
X-Ray	1	\$200
MRI	1	\$5,000
Total	2	\$5,200

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

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

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

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

Credibility Manual Rate Development

Background: Effective 1/1/2015, CAIC began offering the CareConnect Pinnacle product. This product had no enrollment during the BEP. Because of this, it is reasonable to use CAAC data in the experience period.

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

Credibility of Experience

Credibility Manual Rate Development:

Base Experience Period: The BEP data is from CBC subsidiary, Capital Advantage Assurance Company (CAAC). It includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2015 and December 31, 2015.

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

Allowed and Incurred Claims during the Experience Period:

	Incurred	Allowed
Amount of claims processed through the issuer's claim system:	\$45,240,892	\$53,242,444
Amount of claims processed outside of the issuer's claim system:	\$0	\$0
Amount of claims that represent best estimate of incurred but not paid:	\$905,080	\$1,137,423

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

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

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For

durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.

5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

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

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

Paid to Allowed Ratio

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

Projected Paid and Incurred Claims are calculated as follows:

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

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

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

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

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

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

Trended Claim PMPM

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

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

Projected Paid and Incurred Claims PMPM

$$= [\text{Trended Claim PMPM}] \times [\text{Benefit Adjustment}] \\ \times [\text{Network Adjustment}] \times [\text{Morbidity Adjustment}] \times [\text{List} \\ - \text{Billed Adjustment}]$$

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

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

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

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

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

Base Plan Paid and Incurred Claims PMPM

$$= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}}$$

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

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

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

- a. So the *Projected Claims PMPM by Benefit* is:

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

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

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

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

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

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

Risk Adjustment and Reinsurance

Projected Risk Adjustments PMPM:

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

$$[Net\ Projected\ Risk\ Adjustments\ PMPM] \\ = [Projected\ CRA\ Transfer\ PMPM] - [Risk\ Adjustment\ Fee\ PMPM]$$

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

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

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

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

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

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

1. Administrative Expense: Calculated using an allocation method from CAIC’s finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask for the percentage of time spent on PPO versus HMO versus Drug versus Medicare. And separately will ask for the percentage of time spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC individual products. Administrative expenses are included in the URRT Worksheet 1, “Administrative Load”.
2. Broker Expense: Calculated based on CAIC’s explicit per contract broker fee. Broker Expense is included in the URRT Worksheet 1, “Administrative Load”.
3. Member Out-Of-Pocket (OOP) and Ways to Save:
 - a. Description: These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC’s plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively,

the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.

- b. **Costs:** The vendor of these products charge both per contract per year (PCPY) user fees as well as initial implementation fees and annual subscription fees. The PCPY user fees are \$0.115 and \$1.7955 for "Member Out of Pocket" and "Way to Save" respectively. The vendor also charges a 25% administrative load, annual subscription fee, and a \$100,000 implementation fee. The implementation fee is amortized over 5 years across several hundred thousand members. Using book of business member-to-contract ratios and converting to a per member per month (PMPM), in conjunction with the administrative load and implementation fee yields a PMPM charge of \$0.0128 and \$.20 for Member Out of Pocket and Ways to Save respectively. Annual subscription fees charged yields another \$0.04 PMPM. All of these items combined allow us to arrive at a requested \$0.25 PMPM. These programs are included in the URRT Worksheet 1, "Administrative Load".
4. **Value-Based Benefits (VBB):** Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - a. Complete CBC Personal Profile and receive a gift card reward.
 - b. Complete one online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees.
5. **Identity Theft Coverage:** Identity protection offering will include the following components:
 - a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection

Profit (or Contribution to Surplus) & Risk Margin:

6. **Contingency:** Contingency is included in the URRT Worksheet 1, "Profit and Risk".

Taxes and Fees:

7. **Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF):** As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2013, and before October 1, 2014, the applicable dollar amount in \$2 per member per year (\$0.17 PMPM), trended annually.

At an estimated trend of 4%, the 2017 projected fee is \$0.18 PMPM. PCORTF is included in the URRT Worksheet 1, “Taxes and Fees”.

1. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refer to HIF. The fee is a fixed-dollar amount distributed across health insurance providers: \$8 billion in 2014, \$11.3 billion in 2015-2016, suspended in 2017, and \$14.3 billion in 2018. After 2018, HIF rises according to an index based on net premium growth. Because HIF is suspended in 2017, it is not included in 2017 individual rates.
8. Exchange Fee – CAIC is not offering any plans on the federally-facilitated exchange.
9. Premium Tax: Included in the URRT Worksheet 1, “Taxes and Fees”.
10. Federal Income Tax: Projected that Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”.

See Exhibit H for all CAIC retention values.

Projected Loss Ratio

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

Single Risk Pool

The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the individual market.

Index Rate

The experience period index rate is CAIC’s allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

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

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J for the Index Rate.

Market Adjusted Index Rate

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

$$\begin{aligned} &[\textit{Market Adjusted Index Rate}] \\ &= ([\textit{Index Rate}] \times [\textit{Paid to Allowed Ratio}] \\ &\quad - [\textit{Net Projected ACA Reinsurance Recoveries}] \\ &\quad - [\textit{Net Projected Risk Adjustments PMPM}] + [\textit{Exchange Fees PMPM}]) \\ &\quad \div [\textit{Paid to Allowed Ratio}] \end{aligned}$$

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

Plan Adjusted Index Rate

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

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

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC's actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Provider Network: The Provider network is the same across all CareConnect Plans. This is the adjustment to reflect the Pinnacle managed care arrangement, as well as the referral requirements associated with a Gatekeeper PPO product.
3. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
4. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

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

Calibration

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

Age Curve Calibration: The projected average age factor is 1.64. This is calculated by taking the member-weighted average of current individual CAAC enrollment by age. Age factors are applied in accordance with CMS's Standard Age Curve.

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

The calibration is:

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

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

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

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

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

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

AV Metal Values

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

AV Pricing Values

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

Membership Projection

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

Terminated Products

There are no terminated plans in the BEP or between 2016 and 2017.

Attachments and Examples

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

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

PA Rate Template Part I through Part V

Actuarial Statement

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

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

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification.
5. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
6. New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
7. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2017 Rate Filing Justification.



[REDACTED], ASA, MAAA
Actuarial Associate
Capital BlueCross

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2017

General Information

Company Information

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

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2017
- Average Rate Change: 39.0%
- Range of Requested Rate Change: 39.0% to 39.0%
- Product: PPO
- Rating Areas: 9
- Metal Levels: Silver
- Current Covered Lives and Policyholders: 14/9
- Number of Plans: 1
- Contract Form #: CAIC-Ind-PPOG-C-v0117
- Form Filing SERFF #: CABC-130533923
- Binder SERFF #: CABC-PA17-125060093
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-687033686918477899

Company Contact Information

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

Scope and Purpose

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

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

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

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2014	CABC-129034458	0.00%
Individual	CAIC	1/1/2015	CABC-129649188	0.00%
Individual	CAIC	1/1/2016	CABC-130079084	-2.10%

Proposed Rate Increases

CAIC is proposing an aggregate annual increase of 39.0%. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part IV, Table 11, cell AZ13.

Reason for Rate Increase

The following are drivers of the requested rate increase, as described in the Pennsylvania Rate Change Request Summary:

- Historical Claim Experience: 20%. Historical claim experience is taken from CBC subsidiaries Capital Advantage Assurance Company (CAAC) and Keystone Health Plan Central (KHPC). Combined 2015 results show a loss ratio of 106.5%. Given a target loss ratio of 86.1%, historical claim experience (before trend) justifies a 20.5% annual rate increase.
- Increased morbidity due to transition from medically-underwritten membership to PPACA membership: 20%.

- Loss of Federal Reinsurance Program: 6.4%. The loss of Federal Reinsurance in 2017 is worth approximately 6 percent of premium. From CBC's Premium Deficiency Reserve (PDR) calculation, 2016 reinsurance is estimated at \$25 PMPM, or 6.4 percent of premium.
- Trend Components: 8.1%.
- Administrative Expense (AE) Inflation: 0.4%. AE trends approximately 4 percent per year, and is 10 percent of premium.
- Suspension of Health Insurer Tax: -3.6%. CBC applied 3.6% to 2016 rates. This tax is suspended for calendar year 2017.
- Increase in Exchange User Fee: 0.5%.

Membership

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

Benefit Changes 2016-2017

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

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

Experience Period Premium and Claims

Base Experience Period: CAIC does not have individual enrollment in 2015. Therefore, no company-specific base experience data (BEP) can be provided. The credibility manual rate development is described below. Credibility manual BEP data is from CBC subsidiary, Capital Advantage Assurance Company (CAAC). Projection factors described in the next section apply to the credibility manual data.

Benefit Categories

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

Projection Factors

Changes in Morbidity of the Population Insured: Found in URRT Worksheet 1, "Pop'l risk Morbidity". Note that due to non-credible CAIC data, assumptions applied to CAAC projections are being used to project CAIC. CAIC experience is projected to follow CAAC experience, with adjustments for differences in network.

The morbidity adjustment is calculated by measuring the claims experience of transitional policies and single risk pool policies in the experience period. Transitional policies have significantly

lower claims PMPM than single risk pool policies, and make up 68 percent of the enrollment in the BEP. Current and projected enrollment show a very different distribution, as CAAC experienced significant enrollment growth in 2016. In the projection period, transitional policies only account for 15% of enrollment. This distribution change leads to higher claim expectations in the projection period. The calculation does adjust the single risk pool claim PMPM as their claim experience should regress toward the mean as enrollment grows. The adjustment also accounts for the impact of risk adjustment. Due to enrollment growth, CAAC is projecting \$0 in risk adjustment. And because claims and risk are inversely proportional, that assumption translates into a lower single risk pool claims PMPM than in the BEP. See Exhibit G1 – Morbidity Factor Calculation.

Changes in Benefits:

1. Pediatric Dental and Pediatric Vision: The following PMPM allowed charges are added to the projection period claims PMPM:

- Pediatric dental coverage: 5.01 allowed/3.61 incurred
- Pediatric vision coverage 0.46 allowed/0.46 incurred
-

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

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

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

Other Adjustments: Found in URRT, Worksheet 1, “Other”.

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

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

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

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

Year 2015		
<u>Type of Service</u>	<u>Units</u>	<u>Cost per Unit</u>
X-Ray	1	\$200
MRI	1	\$5,000
Total	2	\$5,200

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

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

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

Credibility Manual Rate Development

Background: Effective 1/1/2015, CAIC began offering the CareConnect Pinnacle product. This product had no enrollment during the BEP. Because of this, it is reasonable to use CAAC data in the experience period.

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

Credibility of Experience

Credibility Manual Rate Development:

Base Experience Period: The BEP data is from CBC subsidiary, Capital Advantage Assurance Company (CAAC). It includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2015 and December 31, 2015.

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

Allowed and Incurred Claims during the Experience Period:

	Incurred	Allowed
Amount of claims processed through the issuer's claim system:	\$45,240,892	\$53,242,444
Amount of claims processed outside of the issuer's claim system:	\$0	\$0
Amount of claims that represent best estimate of incurred but not paid:	\$905,080	\$1,137,423

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

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

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For

durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.

5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

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

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

Paid to Allowed Ratio

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

Projected Paid and Incurred Claims are calculated as follows:

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

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

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

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

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

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

Trended Claim PMPM

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

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

Projected Paid and Incurred Claims PMPM

$$= [\text{Trended Claim PMPM}] \times [\text{Benefit Adjustment}] \\ \times [\text{Network Adjustment}] \times [\text{Morbidity Adjustment}] \times [\text{List} \\ - \text{Billed Adjustment}]$$

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

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

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

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

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

Base Plan Paid and Incurred Claims PMPM

$$= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}}$$

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

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

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

- a. So the *Projected Claims PMPM by Benefit* is:

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

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

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

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

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

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

Risk Adjustment and Reinsurance

Projected Risk Adjustments PMPM:

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

$$[Net\ Projected\ Risk\ Adjustments\ PMPM] \\ = [Projected\ CRA\ Transfer\ PMPM] - [Risk\ Adjustment\ Fee\ PMPM]$$

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

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

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

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

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

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

1. Administrative Expense: Calculated using an allocation method from CAIC’s finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask for the percentage of time spent on PPO versus HMO versus Drug versus Medicare. And separately will ask for the percentage of time spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC individual products. Administrative expenses are included in the URRT Worksheet 1, “Administrative Load”.
2. Broker Expense: Calculated based on CAIC’s explicit per contract broker fee. Broker Expense is included in the URRT Worksheet 1, “Administrative Load”.
3. Member Out-Of-Pocket (OOP) and Ways to Save:
 - a. Description: These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC’s plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively,

the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.

- b. **Costs:** The vendor of these products charge both per contract per year (PCPY) user fees as well as initial implementation fees and annual subscription fees. The PCPY user fees are \$0.115 and \$1.7955 for "Member Out of Pocket" and "Way to Save" respectively. The vendor also charges a 25% administrative load, annual subscription fee, and a \$100,000 implementation fee. The implementation fee is amortized over 5 years across several hundred thousand members. Using book of business member-to-contract ratios and converting to a per member per month (PMPM), in conjunction with the administrative load and implementation fee yields a PMPM charge of \$0.0128 and \$.20 for Member Out of Pocket and Ways to Save respectively. Annual subscription fees charged yields another \$0.04 PMPM. All of these items combined allow us to arrive at a requested \$0.25 PMPM. These programs are included in the URRT Worksheet 1, "Administrative Load".
4. **Value-Based Benefits (VBB):** Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - a. Complete CBC Personal Profile and receive a gift card reward.
 - b. Complete one online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees.
5. **Identity Theft Coverage:** Identity protection offering will include the following components:
 - a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection

Profit (or Contribution to Surplus) & Risk Margin:

6. **Contingency:** Contingency is included in the URRT Worksheet 1, "Profit and Risk".

Taxes and Fees:

7. **Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF):** As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2013, and before October 1, 2014, the applicable dollar amount in \$2 per member per year (\$0.17 PMPM), trended annually.

At an estimated trend of 4%, the 2017 projected fee is \$0.18 PMPM. PCORTF is included in the URRT Worksheet 1, “Taxes and Fees”.

1. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refer to HIF. The fee is a fixed-dollar amount distributed across health insurance providers: \$8 billion in 2014, \$11.3 billion in 2015-2016, suspended in 2017, and \$14.3 billion in 2018. After 2018, HIF rises according to an index based on net premium growth. Because HIF is suspended in 2017, it is not included in 2017 individual rates.
8. Exchange Fee – CAIC is not offering any plans on the federally-facilitated exchange.
9. Premium Tax: Included in the URRT Worksheet 1, “Taxes and Fees”.
10. Federal Income Tax: Projected that Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”.

See Exhibit H for all CAIC retention values.

Projected Loss Ratio

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

Single Risk Pool

The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the individual market.

Index Rate

The experience period index rate is CAIC’s allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

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

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J for the Index Rate.

Market Adjusted Index Rate

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

$$\begin{aligned} &[\textit{Market Adjusted Index Rate}] \\ &= ([\textit{Index Rate}] \times [\textit{Paid to Allowed Ratio}] \\ &\quad - [\textit{Net Projected ACA Reinsurance Recoveries}] \\ &\quad - [\textit{Net Projected Risk Adjustments PMPM}] + [\textit{Exchange Fees PMPM}]) \\ &\quad \div [\textit{Paid to Allowed Ratio}] \end{aligned}$$

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

Plan Adjusted Index Rate

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

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

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC's actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Provider Network: The Provider network is the same across all CareConnect Plans. This is the adjustment to reflect the Pinnacle managed care arrangement, as well as the referral requirements associated with a Gatekeeper PPO product.
3. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
4. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

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

Calibration

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

Age Curve Calibration: The projected average age factor is 1.64. This is calculated by taking the member-weighted average of current individual CAAC enrollment by age. Age factors are applied in accordance with CMS's Standard Age Curve.

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

The calibration is:

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

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

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

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

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

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

AV Metal Values

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

AV Pricing Values

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

Membership Projection

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

Terminated Products

There are no terminated plans in the BEP or between 2016 and 2017.

Attachments and Examples

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

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

PA Rate Template Part I through Part V

Actuarial Statement

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

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

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification.
5. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
6. New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
7. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2017 Rate Filing Justification.



[REDACTED], ASA, MAAA
Actuarial Associate
Capital BlueCross



Capital BlueCross

September 22, 2016

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: Capital Advantage Insurance Company
Individual Rates
Filing No 16-49
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Fabian-Marks:

By this filing Capital BlueCross, on behalf of its wholly owned subsidiary Capital Advantage Insurance Company, submits to the Department Individual Rates effective January 1, 2017.

The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2017
- Average Rate Change: 39.0%
- Range of Requested Rate Change: 39.0% to 39.0%
- Product: PPO
- Rating Areas: 9
- Metal Levels: Silver
- Current Covered Lives and Policyholders: 14/9
- Number of Plans: 1
- Contract Form #: CAIC-Ind-PPOG-C-v0117
- Form Filing SERFF #: CABC-130533923
- Binder SERFF #: CABC-PA17-125060093
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-687033686918477899

In support of this filing, I have included an Actuarial Memorandum with supporting exhibits, URRRT, Consumer Friendly Justification, Rates Table Template, PA Bulletin Summary, Rate Change Request Summary, and PA Plan Design Summary and Rate Tables.

If you have any questions regarding this filing, please call me at [REDACTED]

[REDACTED] Thank you for your assistance in this matter.

Sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc:

[REDACTED]
[REDACTED]
[REDACTED]

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	-	10	180
<18	-	-	-
18-24	-	1	18
25-29	-	-	-
30-34	-	-	-
35-39	-	-	-
40-44	-	-	-
45-49	-	2	36
50-54	-	3	54
55-59	-	2	36
60-63	-	2	36
64+	-	-	-

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
\$ -	\$ -	#DIV/0!	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	5.00%	1.90%	7.00%	20.50%
Outpatient Hospital	5.00%	1.90%	7.00%	34.81%
Professional	5.00%	1.90%	7.00%	25.59%
Other Medical	5.00%	1.90%	7.00%	2.23%
Capitation			3.00%	0.00%
Prescription Drugs	13.50%	0.05%	13.56%	16.87%
Total Annual Trend			8.11%	100.00%
2 Year Trend Projection Factor			1.169	

* 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	\$ 66,406,990.00	\$ 3,943,081.30	1.0000	\$ 3,943,081.30	15,858	\$ 248.65	\$ 12,471,339.00	\$ 55,279.52	\$ 5,146,170.21	\$ 324.52
Feb-13		\$ 3,697,710.39	1.0000	\$ 3,697,710.39	16,182	\$ 228.51		\$ 57,324.18	\$ 4,625,667.73	\$ 285.85
Mar-13		\$ 4,262,644.10	1.0000	\$ 4,262,644.10	16,561	\$ 257.39		\$ 61,717.01	\$ 4,871,375.41	\$ 294.15
Apr-13		\$ 4,779,461.59	1.0000	\$ 4,779,461.59	16,989	\$ 281.33		\$ 60,187.12	\$ 5,321,237.24	\$ 313.22
May-13		\$ 5,041,527.49	1.0000	\$ 5,041,527.49	17,367	\$ 290.29		\$ 68,144.29	\$ 5,317,285.20	\$ 306.17
Jun-13		\$ 4,513,608.45	1.0000	\$ 4,513,608.45	17,535	\$ 257.41		\$ 60,226.40	\$ 4,744,058.92	\$ 270.55
Jul-13		\$ 5,037,786.99	1.0000	\$ 5,037,786.99	17,725	\$ 284.22		\$ 68,782.49	\$ 5,224,879.11	\$ 294.77
Aug-13		\$ 5,260,957.43	1.0000	\$ 5,260,957.43	17,961	\$ 292.91		\$ 68,969.97	\$ 5,232,140.26	\$ 291.31
Sep-13		\$ 5,583,910.29	1.0000	\$ 5,583,910.29	18,178	\$ 307.18		\$ 71,452.00	\$ 5,507,153.88	\$ 302.96
Oct-13		\$ 5,427,513.28	1.0000	\$ 5,427,513.28	18,355	\$ 295.70		\$ 68,722.29	\$ 5,281,973.90	\$ 287.77
Nov-13		\$ 5,863,956.31	1.0000	\$ 5,863,956.31	18,505	\$ 316.88		\$ 71,484.38	\$ 5,583,419.45	\$ 301.72
Dec-13		\$ 6,119,566.87	1.0000	\$ 6,119,566.87	19,068	\$ 320.93		\$ 73,197.30	\$ 5,314,668.07	\$ 278.72
Jan-14	\$ 34,597,855.00	\$ 3,206,010.09	0.9978	\$ 3,213,016.97	13,791	\$ 232.98	\$ 7,682,495.00	\$ 12,657.31	\$ 3,514,797.95	\$ 254.86
Feb-14		\$ 2,840,263.77	0.9977	\$ 2,846,885.05	13,310	\$ 213.89		\$ 38,588.81	\$ 2,873,115.94	\$ 215.86
Mar-14		\$ 3,618,095.81	0.9977	\$ 3,626,267.25	12,792	\$ 283.48		\$ 31,551.07	\$ 3,761,115.89	\$ 294.02
Apr-14		\$ 3,067,249.97	0.9979	\$ 3,073,640.00	10,853	\$ 283.21		\$ 15,941.72	\$ 3,723,425.15	\$ 343.08
May-14		\$ 2,454,438.00	0.9975	\$ 2,460,570.00	10,674	\$ 230.52		\$ 19,157.30	\$ 3,088,383.54	\$ 289.34
Jun-14		\$ 2,514,497.01	0.9977	\$ 2,520,191.00	10,477	\$ 240.55		\$ 16,832.61	\$ 3,111,781.69	\$ 297.01
Jul-14		\$ 2,602,365.81	0.9976	\$ 2,608,553.00	10,306	\$ 253.11		\$ 20,353.73	\$ 3,182,624.15	\$ 308.81
Aug-14		\$ 2,964,213.21	0.9977	\$ 2,970,922.00	10,154	\$ 292.59		\$ 19,590.92	\$ 3,515,772.38	\$ 346.25
Sep-14		\$ 2,663,569.44	0.9976	\$ 2,670,012.00	10,014	\$ 266.63		\$ 131,770.06	\$ 3,119,602.61	\$ 311.52
Oct-14		\$ 2,943,553.37	0.9976	\$ 2,950,697.00	9,893	\$ 298.26		\$ 21,706.02	\$ 3,523,636.66	\$ 356.17
Nov-14		\$ 2,619,800.26	0.9972	\$ 2,627,170.00	9,753	\$ 269.37		\$ 19,282.03	\$ 3,135,222.56	\$ 321.46
Dec-14		\$ 3,633,785.90	0.9973	\$ 3,643,525.00	9,660	\$ 377.18		\$ 90,759.88	\$ 4,143,782.21	\$ 428.96
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

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
\$ 35,386,743.00	\$ 45,874,280.89	\$ 46,747,638.00	116,225	\$ 7,844,405.00	\$ 52,993,398.00	\$ -	\$ 885,992.00	\$ -	\$ -	\$ 4,507,139.92	\$ 3,986,384.25
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 463.58
Loss Ratio											109.41%

*Express Prescription Drug Rebates as a negative number

Table 2c. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 35,386,743.00	\$ 45,874,280.89	\$ 46,747,638.00	116,225	\$ 7,844,405.00	\$ 52,993,398.00	\$ -	\$ 885,992.00	\$ -	\$ -	\$ 4,507,139.92	\$ 3,986,384.25
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 463.58
Loss Ratio											109.41%

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.00%	1.90%	7.00%	20.50%
Outpatient Hospital	5.00%	1.90%	7.00%	34.81%
Professional	5.00%	1.90%	7.00%	25.59%
Other Medical	5.00%	1.90%	7.00%	2.23%
Capitation			3.00%	0.00%
Prescription Drugs	13.50%	0.05%	13.56%	16.87%
Total Annual Trend			8.11%	100.00%
2 Year Trend Projection Factor			1.169	

<- Annualized Trend Factors on URRT

* Express Cost, Utilization, and Weight as percentages

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	\$ 66,406,990.00	\$ 3,943,081.30	1.0000	\$ 3,943,081.30	15,858	\$ 248.65	\$ 12,471,339.00	\$ 55,279.52	\$ 5,146,170.21	\$ 324.52
Feb-13		\$ 3,697,710.39	1.0000	\$ 3,697,710.39	16,182	\$ 228.51		\$ 57,324.18	\$ 4,625,667.73	\$ 285.85
Mar-13		\$ 4,262,644.10	1.0000	\$ 4,262,644.10	16,561	\$ 257.39		\$ 61,717.01	\$ 4,871,375.41	\$ 294.15
Apr-13		\$ 4,779,461.59	1.0000	\$ 4,779,461.59	16,989	\$ 281.33		\$ 60,187.12	\$ 5,321,237.24	\$ 313.22
May-13		\$ 5,041,527.49	1.0000	\$ 5,041,527.49	17,367	\$ 290.29		\$ 68,144.29	\$ 5,317,285.20	\$ 306.17
Jun-13		\$ 4,513,608.45	1.0000	\$ 4,513,608.45	17,535	\$ 257.41		\$ 60,226.40	\$ 4,744,058.92	\$ 270.55
Jul-13		\$ 5,037,786.99	1.0000	\$ 5,037,786.99	17,725	\$ 284.22		\$ 68,782.49	\$ 5,224,879.11	\$ 294.77
Aug-13		\$ 5,260,957.43	1.0000	\$ 5,260,957.43	17,961	\$ 292.91		\$ 68,969.97	\$ 5,232,140.26	\$ 291.31
Sep-13		\$ 5,583,910.29	1.0000	\$ 5,583,910.29	18,178	\$ 307.18		\$ 71,452.00	\$ 5,507,153.88	\$ 302.96
Oct-13		\$ 5,427,513.28	1.0000	\$ 5,427,513.28	18,355	\$ 295.70		\$ 68,722.29	\$ 5,281,973.90	\$ 287.77
Nov-13		\$ 5,863,956.31	1.0000	\$ 5,863,956.31	18,505	\$ 316.88		\$ 71,484.38	\$ 5,583,419.45	\$ 301.72
Dec-13		\$ 6,119,566.87	1.0000	\$ 6,119,566.87	19,068	\$ 320.93		\$ 73,197.30	\$ 5,314,668.07	\$ 278.72
Jan-14	\$ 34,597,855.00	\$ 3,206,010.09	0.9978	\$ 3,213,016.97	13,791	\$ 232.98	\$ 7,682,495.00	\$ 12,657.31	\$ 3,514,797.95	\$ 254.86
Feb-14		\$ 2,840,263.77	0.9977	\$ 2,846,885.05	13,310	\$ 213.89		\$ 38,588.81	\$ 2,873,115.94	\$ 215.86
Mar-14		\$ 3,618,095.81	0.9977	\$ 3,626,267.25	12,792	\$ 283.48		\$ 31,551.07	\$ 3,761,115.89	\$ 294.02
Apr-14		\$ 3,067,249.97	0.9979	\$ 3,073,640.00	10,853	\$ 283.21		\$ 15,941.72	\$ 3,723,425.15	\$ 343.08
May-14		\$ 2,454,438.00	0.9975	\$ 2,460,570.00	10,674	\$ 230.52		\$ 19,157.30	\$ 3,088,383.54	\$ 289.34
Jun-14		\$ 2,514,497.01	0.9977	\$ 2,520,191.00	10,477	\$ 240.55		\$ 16,832.61	\$ 3,111,781.69	\$ 297.01
Jul-14		\$ 2,602,365.81	0.9976	\$ 2,608,553.00	10,306	\$ 253.11		\$ 20,353.73	\$ 3,182,624.15	\$ 308.81
Aug-14		\$ 2,964,213.21	0.9977	\$ 2,970,922.00	10,154	\$ 292.59		\$ 19,590.92	\$ 3,515,772.38	\$ 346.25
Sep-14		\$ 2,663,569.44	0.9976	\$ 2,670,012.00	10,014	\$ 266.63		\$ 131,770.06	\$ 3,119,602.61	\$ 311.52
Oct-14		\$ 2,949,553.37	0.9976	\$ 2,950,697.00	9,893	\$ 298.26		\$ 21,706.02	\$ 3,523,636.66	\$ 356.17
Nov-14		\$ 2,619,800.26	0.9972	\$ 2,627,170.00	9,753	\$ 269.37		\$ 19,282.03	\$ 3,135,222.56	\$ 321.46
Dec-14		\$ 3,633,785.90	0.9973	\$ 3,643,525.00	9,660	\$ 377.18		\$ 90,759.88	\$ 4,143,782.21	\$ 428.96
Jan-15	\$ 35,386,743.00	\$ 3,117,132.79	0.9981	\$ 3,123,023.00	9,850	\$ 317.06	\$ 7,844,405.00	\$ 19,927.08	\$ 3,916,701.19	\$ 397.63
Feb-15		\$ 3,417,343.20	0.9980	\$ 3,424,311.00	9,950	\$ 344.15		\$ 16,956.95	\$ 4,145,432.31	\$ 416.63
Mar-15		\$ 3,579,146.46	0.9980	\$ 3,586,427.00	9,901	\$ 362.23		\$ 119,895.70	\$ 4,256,216.54	\$ 429.88
Apr-15		\$ 3,829,125.22	0.9961	\$ 3,844,096.00	9,819	\$ 391.50		\$ 84,378.11	\$ 4,460,232.92	\$ 454.25
May-15		\$ 3,385,363.59	0.9932	\$ 3,408,521.00	9,758	\$ 349.31		\$ 75,597.31	\$ 4,028,424.41	\$ 412.83
Jun-15		\$ 4,081,607.08	0.9906	\$ 4,120,358.00	9,690	\$ 425.22		\$ 71,809.54	\$ 4,694,589.87	\$ 484.48
Jul-15		\$ 3,463,558.59	0.9887	\$ 3,503,030.00	9,620	\$ 364.14		\$ 69,693.68	\$ 4,026,333.87	\$ 418.54
Aug-15		\$ 3,639,309.43	0.9861	\$ 3,690,651.00	9,577	\$ 385.37		\$ 60,514.99	\$ 4,147,367.57	\$ 433.05
Sep-15		\$ 3,995,116.88	0.9822	\$ 4,067,684.00	9,537	\$ 426.52		\$ 93,069.34	\$ 4,497,120.00	\$ 471.54
Oct-15		\$ 4,801,058.38	0.9721	\$ 4,938,790.00	9,553	\$ 516.99		\$ 114,382.05	\$ 5,269,172.25	\$ 551.57
Nov-15		\$ 4,246,794.32	0.9559	\$ 4,442,912.00	9,511	\$ 467.13		\$ 62,381.29	\$ 4,728,625.33	\$ 497.17
Dec-15		\$ 4,318,724.95	0.9393	\$ 4,597,835.00	9,459	\$ 486.08		\$ 97,385.77	\$ 4,823,181.76	\$ 509.90

* 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)	\$ 467.86	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.169	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 546.79	
Single Risk Pool Adjustment Factors		<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Morbidity	1.309	
Change in Other	0.916	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Demographics	1.000	
Change in Network	0.910	
Change in Benefits	1.105	
Change in Other	0.911	
Adjusted Projected Allowed EHB Claims PMPM	\$ 655.58	<- 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	0.78744792	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	516.2338828	
Market-wide Adjustments		
Projected Paid Net Risk Adjustment PMPM	\$ 0.13	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 516.36	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 655.74	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 516.36	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 655.74	

Table 6. Retention

Retention Items - Express in percentages		
Administrative Expenses	11%	
General and Claims	9.15%	
Agent/Broker Fees and Commissions	1.57%	
Quality Improvement Initiatives	0.30%	
Taxes and Fees	2.74%	
PCORI Fees (Enter \$ amount here: \$)	0.03%	
Pa Premium Tax (if applicable)	2.00%	
Federal Income Tax	0.70%	
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	0.00%	
Profit/Contingency	0%	
Total Retention	14%	
Projected Required Revenue PMPM	\$ 598.67	<- 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)	262.62	365.0302165	\$102.41	39.0%
B. Base period allowed claims before normalization	\$ 369.94	\$ 467.86	\$97.93	37%
C. Normalization factor component of change	\$ (105.19)	-149.1968459	-\$44.01	-\$0.17
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 264.75	\$ 318.67	\$ 53.92	21%
D2. URRT Trend	\$ 44.66	\$ 53.76	\$ 9.10	3%
D3. URRT Morbidity	\$ 36.29	\$ 114.98	\$ 78.69	30%
D4. URRT Other	\$ (29.05)	\$ (40.88)	\$ (11.83)	-5%
D5. Normalized URRT RA/RI on an allowed basis	\$ 13.51	\$ 0.11	\$ (13.39)	-5%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0%
D7. Subtotal - Sum(D1:D6)	\$ 330.16	\$ 446.63	\$ 116.48	44%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (36.32)	-49.12974422	\$ (12.81)	-5%
E2. Pricing AV	\$ (85.21)	\$ (82.51)	\$ 2.71	1%
E3. Benefit Richness	\$ -	\$ -	\$ -	0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (121.53)	\$ (131.64)	\$ (10.11)	-4%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 26.92	\$ 40.20	\$ 13.28	5%
F2. Taxes and Fees	\$ 21.09	\$ 9.98	\$ (11.11)	-4%
F3. Profit and/or Contingency	\$ 5.25	\$ -	\$ (5.25)	-2%
F4. Subtotal - Sum(F1:F3)	\$ 53.26	\$ 50.18	\$ (3.08)	-1%
G. Change in Miscellaneous Items	\$ -	\$ -	\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 261.88	\$ 365.18	\$ 103.29	39%

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	\$ 655.58	\$ 655.58	\$ 655.58	\$ 655.58	\$ 655.58
Months of Trend	-	3	6	9	#DIV/0!
Annual Trend	8.11%	8.11%	8.11%	8.11%	8.11%
Single Risk Pool Projected Allowed Claims	\$ 655.58	\$ 668.48	\$ 681.63	\$ 695.04	\$ -

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2016	2017
Average Age Factor	1.570	1.640
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.000	1.006
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	0.890	0.890
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 448.93	\$ 655.74
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 321.28	\$ 446.63

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

	2016	2017
Paid-to-Allowed	0.71	0.78744792
URRT Trend (2-Year Trend Factor)	1.168695627	1.17
URRT Morbidity	1.117285204	1.309
URRT "Other"	0.915958407	0.916
Risk Adjustment	\$ 0.15	\$ 0.13
Reinsurance	\$ 13.25	\$ -
Exchange User Fee	\$ -	\$ -
Capitation	\$ -	\$ -
Network	0.890	0.89
Pricing AV	0.710	0.792435087
Benefit Richness	1.000	1
Catastrophic Eligibility	1.000	1
Administrative Expenses	10.25%	11.01%
Taxes and Fees	8.03%	2.73%
Profit and/or Contingency	2.00%	0.00%

PA Rate Template Part III
Table 10. Plan Rates

Carrier Name: Capital Advantage Insurance Company
Plan Type(s): PPO
Market Segment: Individual
Rate Effective Date: 1/1/2017
Market Adjusted Index Rate: \$ 655.74

Calibration	
Age Calibration Factor	1.639812575
Geographic Calibration Factor	1.000
Aggregate Calibration Factor	1.640

Rate Effective Date:										1/1/2017		45 CFR Part 156.8 (d) (2) Allowable Factors																	
Market Adjusted Index Rate										\$ 655.74																			
</																													

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

Capital Advantage Insurance Company
PPO
Individual
1/1/2017

	B2795PA0120001	CareConnect 3000.0 PH	M	O	Silver	Off
Plan 2	0	0	0	0	0	0
Plan 3	0	0	0	0	0	0
Plan 4	0	0	0	0	0	0
Plan 5	0	0	0	0	0	0
Plan 6	0	0	0	0	0	0
Plan 7	0	0	0	0	0	0
Plan 8	0	0	0	0	0	0
Plan 9	0	0	0	0	0	0
Plan 10	0	0	0	0	0	0
Plan 11	0	0	0	0	0	0
Plan 12	0	0	0	0	0	0
Plan 13	0	0	0	0	0	0
Plan 14	0	0	0	0	0	0
Plan 15	0	0	0	0	0	0
Plan 16	0	0	0	0	0	0
Plan 17	0	0	0	0	0	0
Plan 18	0	0	0	0	0	0
Plan 19	0	0	0	0	0	0
Plan 20	0	0	0	0	0	0
Plan 21	0	0	0	0	0	0
Plan 22	0	0	0	0	0	0
Plan 23	0	0	0	0	0	0
Plan 24	0	0	0	0	0	0
Plan 25	0	0	0	0	0	0
Plan 26	0	0	0	0	0	0
Plan 27	0	0	0	0	0	0
Plan 28	0	0	0	0	0	0
Plan 29	0	0	0	0	0	0
Plan 30	0	0	0	0	0	0
Plan 31	0	0	0	0	0	0
Plan 32	0	0	0	0	0	0
Plan 33	0	0	0	0	0	0
Plan 34	0	0	0	0	0	0
Plan 35	0	0	0	0	0	0
Plan 36	0	0	0	0	0	0
Plan 37	0	0	0	0	0	0
Plan 38	0	0	0	0	0	0
Plan 39	0	0	0	0	0	0
Plan 40	0	0	0	0	0	0
Plan 41	0	0	0	0	0	0
Plan 42	0	0	0	0	0	0
Plan 43	0	0	0	0	0	0
Plan 44	0	0	0	0	0	0
Plan 45	0	0	0	0	0	0
Plan 46	0	0	0	0	0	0
Plan 47	0	0	0	0	0	0
Plan 48	0	0	0	0	0	0
Plan 49	0	0	0	0	0	0
Plan 50	0	0	0	0	0	0
Plan 51	0	0	0	0	0	0
Plan 52	0	0	0	0	0	0
Plan 53	0	0	0	0	0	0
Plan 54	0	0	0	0	0	0
Plan 55	0	0	0	0	0	0
Plan 56	0	0	0	0	0	0
Plan 57	0	0	0	0	0	0
Plan 58	0	0	0	0	0	0
Plan 59	0	0	0	0	0	0
Plan 60	0	0	0	0	0	0
Plan 61	0	0	0	0	0	0
Plan 62	0	0	0	0	0	0
Plan 63	0	0	0	0	0	0
Plan 64	0	0	0	0	0	0
Plan 65	0	0	0	0	0	0
Plan 66	0	0	0	0	0	0
Plan 67	0	0	0	0	0	0
Plan 68	0	0	0	0	0	0
Plan 69	0	0	0	0	0	0
Plan 70	0	0	0	0	0	0
Plan 71	0	0	0	0	0	0
Plan 72	0	0	0	0	0	0
Plan 73	0	0	0	0	0	0
Plan 74	0	0	0	0	0	0
Plan 75	0	0	0	0	0	0
Plan 76	0	0	0	0	0	0
Plan 77	0	0	0	0	0	0
Plan 78	0	0	0	0	0	0
Plan 79	0	0	0	0	0	0
Plan 80	0	0	0	0	0	0
Plan 81	0	0	0	0	0	0
Plan 82	0	0	0	0	0	0
Plan 83	0	0	0	0	0	0
Plan 84	0	0	0	0	0	0
Plan 85	0	0	0	0	0	0
Plan 86	0	0	0	0	0	0
Plan 87	0	0	0	0	0	0
Plan 88	0	0	0	0	0	0
Plan 89	0	0	0	0	0	0
Plan 90	0	0	0	0	0	0
Plan 91	0	0	0	0	0	0
Plan 92	0	0	0	0	0	0
Plan 93	0	0	0	0	0	0
Plan 94	0	0	0	0	0	0
Plan 95	0	0	0	0	0	0
Plan 96	0	0	0	0	0	0
Plan 97	0	0	0	0	0	0
Plan 98	0	0	0	0	0	0
Plan 99	0	0	0	0	0	0
Plan 100	0	0	0	0	0	0

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

PA Rate Template Part V Consumer Factors

Table 12. Age and Tobacco Factors

2017 Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-20	0.635			43	1.357	1.075
21	1.000	1.025		44	1.397	1.075
22	1.000	1.025		45	1.444	1.1
23	1.000	1.025		46	1.500	1.1
24	1.000	1.025		47	1.563	1.1
25	1.004	1.025		48	1.635	1.1
26	1.024	1.025		49	1.706	1.1
27	1.048	1.025		50	1.786	1.15
28	1.087	1.025		51	1.865	1.15
29	1.119	1.025		52	1.952	1.15
30	1.135	1.025		53	2.040	1.15
31	1.159	1.025		54	2.135	1.15
32	1.183	1.025		55	2.230	1.2
33	1.198	1.025		56	2.333	1.2
34	1.214	1.025		57	2.437	1.2
35	1.222	1.025		58	2.548	1.2
36	1.230	1.025		59	2.603	1.2
37	1.238	1.025		60	2.714	1.25
38	1.246	1.025		61	2.810	1.25
39	1.262	1.025		62	2.873	1.25
40	1.278	1.075		63	2.952	1.25
41	1.302	1.075		64+	3.000	1.25
42	1.325	1.075				

*PA follows the federal default age curve.

Table 13. Geographic Factors

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

Table 14. Network Factors

[illegible]