

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

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		1A-DP-16-HCC Rates		New		1A-DP-16-HCC Plan Design Summary and Rate Pages v4.pdf, 1A-DP-16-HCC Plan Design Summary and Rate Pages v4.xlsx, HCC Off Exchange 2017 2016-09-09.pdf, HCC Off Exchange 2017 2016-09-09.xls,

SERFF Tracking #:	HGHM-130540988	State Tracking #:	HGHM-130540988	Company Tracking #:	1A-DP-16-HCC
<hr/>					
State:	Pennsylvania	Filing Company:	Highmark Choice Company		
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense				
Product Name:	1A-DP-16-HCC				
Project Name/Number:	1A-DP-16-HCC/1A-DP-16-HCC				

Attachment 1A-DP-16-HCC Plan Design Summary and Rate Pages v4.xlsx is not a PDF document and cannot be reproduced here.

Attachment HCC Off Exchange 2017 2016-09-09.xls is not a PDF document and cannot be reproduced here.

**Highmark Choice Company
Individual Market****Plan Design Summary**

HIOS Plan ID	On/Off Exchange	Product	Metal	Plan Design Marketing Name	Network Service Zone	Rating Area	Counties Excluded
38949PA0070001	Off	HMO	Gold	Care Guide Blue HMO 750	C	1,2,4,5,6	All Rating region 6 Counties except for select zip codes in Centre County

Company Name: Highmark Choice Company
Market: Individual
Product(s): HMO
Effective Date of Rates: January 1, 2017 - December 31, 2017

HIOS Plan ID (On Exchange) =>	NA		NA	
HIOS Plan ID (Off Exchange) =>	38949PA0070001		38949PA0070001	
Form # =>	CG/HMO/HCC/DP		CG/HMO/HCC/DP	
Rating Area =>	1,2,4,5		6	
Counties Excluded in Rating Area =>	None		All except for select zip codes in Centre County	
Network / Service Zone =>	C		C	
Metal =>	Gold		Gold	
Plan Name =>	Care Guide Blue HMO 750		Care Guide Blue HMO 750	
Deductible =>	\$750		\$750	
Coinurance =>	80%		80%	
Copays =>	\$15 PCP		\$15 PCP	
OOP Maximum =>	\$5,750		\$5,750	
Pediatric Dental (Yes/No) =>	Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 20	\$296.28	\$296.28	\$317.66	\$317.66
21	\$466.58	\$478.24	\$500.25	\$512.76
22	\$466.58	\$478.24	\$500.25	\$512.76
23	\$466.58	\$478.24	\$500.25	\$512.76
24	\$466.58	\$478.24	\$500.25	\$512.76
25	\$468.45	\$480.16	\$502.25	\$514.81
26	\$477.78	\$489.72	\$512.26	\$525.07
27	\$488.98	\$501.20	\$524.26	\$537.37
28	\$507.17	\$519.85	\$543.77	\$557.36
29	\$522.10	\$535.15	\$559.78	\$573.77
30	\$529.57	\$542.81	\$567.78	\$581.97
31	\$540.77	\$554.29	\$579.79	\$594.28
32	\$551.96	\$565.76	\$591.80	\$606.60
33	\$558.96	\$572.93	\$599.30	\$614.28
34	\$566.43	\$580.59	\$607.30	\$622.48
35	\$570.16	\$584.41	\$611.31	\$626.59
36	\$573.89	\$588.24	\$615.31	\$630.69
37	\$577.63	\$592.07	\$619.31	\$634.79
38	\$581.36	\$595.89	\$623.31	\$638.89
39	\$588.82	\$603.54	\$631.32	\$647.10
40	\$596.29	\$655.92	\$639.32	\$703.25
41	\$607.49	\$671.28	\$651.33	\$719.72
42	\$618.22	\$687.46	\$662.83	\$737.07
43	\$633.15	\$709.76	\$678.84	\$760.98
44	\$651.81	\$737.85	\$698.85	\$791.10
45	\$673.74	\$771.43	\$722.36	\$827.10
46	\$699.87	\$811.85	\$750.38	\$870.44
47	\$729.26	\$858.34	\$781.89	\$920.28
48	\$762.86	\$912.38	\$817.91	\$978.22
49	\$795.99	\$968.72	\$853.43	\$1,038.62
50	\$833.31	\$1,020.80	\$893.45	\$1,094.48
51	\$870.17	\$1,065.96	\$932.97	\$1,142.89
52	\$910.76	\$1,115.68	\$976.49	\$1,196.20
53	\$951.82	\$1,165.98	\$1,020.51	\$1,250.12
54	\$996.15	\$1,220.28	\$1,068.03	\$1,308.34
55	\$1,040.47	\$1,274.58	\$1,115.56	\$1,366.56
56	\$1,088.53	\$1,333.45	\$1,167.08	\$1,429.67
57	\$1,137.06	\$1,392.90	\$1,219.11	\$1,493.41
58	\$1,188.85	\$1,456.34	\$1,274.64	\$1,561.43
59	\$1,214.51	\$1,487.77	\$1,302.15	\$1,595.13
60	\$1,266.30	\$1,551.22	\$1,357.68	\$1,663.16
61	\$1,311.09	\$1,606.09	\$1,405.70	\$1,721.98
62	\$1,340.48	\$1,642.09	\$1,437.22	\$1,760.59
63	\$1,377.34	\$1,687.24	\$1,476.74	\$1,809.01
64	\$1,399.74	\$1,714.68	\$1,500.75	\$1,838.42
65+	\$1,399.74	\$1,714.68	\$1,500.75	\$1,838.42

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.														
38949														
23-1294723														
01/01/2017														
12/31/2017														
<table><tr><th>Rating Area ID*</th><th>Tobacco*</th><th>Age*</th><th>Individual Rate*</th><th>Individual Tobacco Rate*</th></tr><tr><td>Required: Select the Rating Area ID</td><td>Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</td><td>Required: Select the age of a subscriber eligible for the rate</td><td>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</td><td>Required: Enter the rate of an Individual tobacco enrollee on a plan</td></tr></table>					Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*	Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*										
Required: Select the Rating Area ID	Require: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan										
Rating Area 1	Tobacco User/Non-Tobacco User	0-20	296.28	296.28										
Rating Area 1	Tobacco User/Non-Tobacco User	21	466.58	478.24										
Rating Area 1	Tobacco User/Non-Tobacco User	22	466.58	478.24										
Rating Area 1	Tobacco User/Non-Tobacco User	23	466.58	478.24										
Rating Area 1	Tobacco User/Non-Tobacco User	24	466.58	478.24										
Rating Area 1	Tobacco User/Non-Tobacco User	25	468.45	480.16										
Rating Area 1	Tobacco User/Non-Tobacco User	26	477.78	489.72										
Rating Area 1	Tobacco User/Non-Tobacco User	27	488.98	501.20										
Rating Area 1	Tobacco User/Non-Tobacco User	28	507.17	519.85										
Rating Area 1	Tobacco User/Non-Tobacco User	29	522.10	535.15										
Rating Area 1	Tobacco User/Non-Tobacco User	30	529.57	542.81										
Rating Area 1	Tobacco User/Non-Tobacco User	31	540.77	554.29										
Rating Area 1	Tobacco User/Non-Tobacco User	32	551.96	565.76										
Rating Area 1	Tobacco User/Non-Tobacco User	33	558.96	572.93										
Rating Area 1	Tobacco User/Non-Tobacco User	34	566.43	580.59										
Rating Area 1	Tobacco User/Non-Tobacco User	35	570.16	584.41										
Rating Area 1	Tobacco User/Non-Tobacco User	36	573.89	588.24										
Rating Area 1	Tobacco User/Non-Tobacco User	37	577.63	592.07										
Rating Area 1	Tobacco User/Non-Tobacco User	38	581.36	595.89										
Rating Area 1	Tobacco User/Non-Tobacco User	39	588.82	603.54										
Rating Area 1	Tobacco User/Non-Tobacco User	40	596.29	655.92										
Rating Area 1	Tobacco User/Non-Tobacco User	41	607.49	671.28										
Rating Area 1	Tobacco User/Non-Tobacco User	42	618.22	687.46										
Rating Area 1	Tobacco User/Non-Tobacco User	43	633.15	709.76										
Rating Area 1	Tobacco User/Non-Tobacco User	44	651.81	737.85										
Rating Area 1	Tobacco User/Non-Tobacco User	45	673.74	771.43										
Rating Area 1	Tobacco User/Non-Tobacco User	46	699.87	811.85										
Rating Area 1	Tobacco User/Non-Tobacco User	47	729.26	858.34										
Rating Area 1	Tobacco User/Non-Tobacco User	48	762.86	912.38										
Rating Area 1	Tobacco User/Non-Tobacco User	49	795.99	968.72										
Rating Area 1	Tobacco User/Non-Tobacco User	50	833.31	1020.80										
Rating Area 1	Tobacco User/Non-Tobacco User	51	870.17	1065.96										
Rating Area 1	Tobacco User/Non-Tobacco User	52	910.76	1115.68										
Rating Area 1	Tobacco User/Non-Tobacco User	53	951.82	1165.98										
Rating Area 1	Tobacco User/Non-Tobacco User	54	996.15	1220.28										
Rating Area 1	Tobacco User/Non-Tobacco User	55	1040.47	1274.58										
Rating Area 1	Tobacco User/Non-Tobacco User	56	1088.53	1333.45										
Rating Area 1	Tobacco User/Non-Tobacco User	57	1137.06	1392.90										
Rating Area 1	Tobacco User/Non-Tobacco User	58	1188.85	1456.34										
Rating Area 1	Tobacco User/Non-Tobacco User	59	1214.51	1487.77										
Rating Area 1	Tobacco User/Non-Tobacco User	60	1266.30	1551.22										

Rating Area 1	Tobacco User/Non-Tobacco User	61	1311.09	1606.09
Rating Area 1	Tobacco User/Non-Tobacco User	62	1340.48	1642.09
Rating Area 1	Tobacco User/Non-Tobacco User	63	1377.34	1687.24
Rating Area 1	Tobacco User/Non-Tobacco User	64	1399.74	1714.68
Rating Area 1	Tobacco User/Non-Tobacco User	65 and over	1399.74	1714.68
Rating Area 2	Tobacco User/Non-Tobacco User	0-20	296.28	296.28
Rating Area 2	Tobacco User/Non-Tobacco User	21	466.58	478.24
Rating Area 2	Tobacco User/Non-Tobacco User	22	466.58	478.24
Rating Area 2	Tobacco User/Non-Tobacco User	23	466.58	478.24
Rating Area 2	Tobacco User/Non-Tobacco User	24	466.58	478.24
Rating Area 2	Tobacco User/Non-Tobacco User	25	468.45	480.16
Rating Area 2	Tobacco User/Non-Tobacco User	26	477.78	489.72
Rating Area 2	Tobacco User/Non-Tobacco User	27	488.98	501.20
Rating Area 2	Tobacco User/Non-Tobacco User	28	507.17	519.85
Rating Area 2	Tobacco User/Non-Tobacco User	29	522.10	535.15
Rating Area 2	Tobacco User/Non-Tobacco User	30	529.57	542.81
Rating Area 2	Tobacco User/Non-Tobacco User	31	540.77	554.29
Rating Area 2	Tobacco User/Non-Tobacco User	32	551.96	565.76
Rating Area 2	Tobacco User/Non-Tobacco User	33	558.96	572.93
Rating Area 2	Tobacco User/Non-Tobacco User	34	566.43	580.59
Rating Area 2	Tobacco User/Non-Tobacco User	35	570.16	584.41
Rating Area 2	Tobacco User/Non-Tobacco User	36	573.89	588.24
Rating Area 2	Tobacco User/Non-Tobacco User	37	577.63	592.07
Rating Area 2	Tobacco User/Non-Tobacco User	38	581.36	595.89
Rating Area 2	Tobacco User/Non-Tobacco User	39	588.82	603.54
Rating Area 2	Tobacco User/Non-Tobacco User	40	596.29	655.92
Rating Area 2	Tobacco User/Non-Tobacco User	41	607.49	671.28
Rating Area 2	Tobacco User/Non-Tobacco User	42	618.22	687.46
Rating Area 2	Tobacco User/Non-Tobacco User	43	633.15	709.76
Rating Area 2	Tobacco User/Non-Tobacco User	44	651.81	737.85
Rating Area 2	Tobacco User/Non-Tobacco User	45	673.74	771.43
Rating Area 2	Tobacco User/Non-Tobacco User	46	699.87	811.85
Rating Area 2	Tobacco User/Non-Tobacco User	47	729.26	858.34
Rating Area 2	Tobacco User/Non-Tobacco User	48	762.86	912.38
Rating Area 2	Tobacco User/Non-Tobacco User	49	795.99	968.72
Rating Area 2	Tobacco User/Non-Tobacco User	50	833.31	1020.80
Rating Area 2	Tobacco User/Non-Tobacco User	51	870.17	1065.96
Rating Area 2	Tobacco User/Non-Tobacco User	52	910.76	1115.68
Rating Area 2	Tobacco User/Non-Tobacco User	53	951.82	1165.98
Rating Area 2	Tobacco User/Non-Tobacco User	54	996.15	1220.28
Rating Area 2	Tobacco User/Non-Tobacco User	55	1040.47	1274.58
Rating Area 2	Tobacco User/Non-Tobacco User	56	1088.53	1333.45
Rating Area 2	Tobacco User/Non-Tobacco User	57	1137.06	1392.90
Rating Area 2	Tobacco User/Non-Tobacco User	58	1188.85	1456.34
Rating Area 2	Tobacco User/Non-Tobacco User	59	1214.51	1487.77
Rating Area 2	Tobacco User/Non-Tobacco User	60	1266.30	1551.22
Rating Area 2	Tobacco User/Non-Tobacco User	61	1311.09	1606.09
Rating Area 2	Tobacco User/Non-Tobacco User	62	1340.48	1642.09
Rating Area 2	Tobacco User/Non-Tobacco User	63	1377.34	1687.24
Rating Area 2	Tobacco User/Non-Tobacco User	64	1399.74	1714.68
Rating Area 2	Tobacco User/Non-Tobacco User	65 and over	1399.74	1714.68

Rating Area 4	Tobacco User/Non-Tobacco User	0-20	296.28	296.28
Rating Area 4	Tobacco User/Non-Tobacco User	21	466.58	478.24
Rating Area 4	Tobacco User/Non-Tobacco User	22	466.58	478.24
Rating Area 4	Tobacco User/Non-Tobacco User	23	466.58	478.24
Rating Area 4	Tobacco User/Non-Tobacco User	24	466.58	478.24
Rating Area 4	Tobacco User/Non-Tobacco User	25	468.45	480.16
Rating Area 4	Tobacco User/Non-Tobacco User	26	477.78	489.72
Rating Area 4	Tobacco User/Non-Tobacco User	27	488.98	501.20
Rating Area 4	Tobacco User/Non-Tobacco User	28	507.17	519.85
Rating Area 4	Tobacco User/Non-Tobacco User	29	522.10	535.15
Rating Area 4	Tobacco User/Non-Tobacco User	30	529.57	542.81
Rating Area 4	Tobacco User/Non-Tobacco User	31	540.77	554.29
Rating Area 4	Tobacco User/Non-Tobacco User	32	551.96	565.76
Rating Area 4	Tobacco User/Non-Tobacco User	33	558.96	572.93
Rating Area 4	Tobacco User/Non-Tobacco User	34	566.43	580.59
Rating Area 4	Tobacco User/Non-Tobacco User	35	570.16	584.41
Rating Area 4	Tobacco User/Non-Tobacco User	36	573.89	588.24
Rating Area 4	Tobacco User/Non-Tobacco User	37	577.63	592.07
Rating Area 4	Tobacco User/Non-Tobacco User	38	581.36	595.89
Rating Area 4	Tobacco User/Non-Tobacco User	39	588.82	603.54
Rating Area 4	Tobacco User/Non-Tobacco User	40	596.29	655.92
Rating Area 4	Tobacco User/Non-Tobacco User	41	607.49	671.28
Rating Area 4	Tobacco User/Non-Tobacco User	42	618.22	687.46
Rating Area 4	Tobacco User/Non-Tobacco User	43	633.15	709.76
Rating Area 4	Tobacco User/Non-Tobacco User	44	651.81	737.85
Rating Area 4	Tobacco User/Non-Tobacco User	45	673.74	771.43
Rating Area 4	Tobacco User/Non-Tobacco User	46	699.87	811.85
Rating Area 4	Tobacco User/Non-Tobacco User	47	729.26	858.34
Rating Area 4	Tobacco User/Non-Tobacco User	48	762.86	912.38
Rating Area 4	Tobacco User/Non-Tobacco User	49	795.99	968.72
Rating Area 4	Tobacco User/Non-Tobacco User	50	833.31	1020.80
Rating Area 4	Tobacco User/Non-Tobacco User	51	870.17	1065.96
Rating Area 4	Tobacco User/Non-Tobacco User	52	910.76	1115.68
Rating Area 4	Tobacco User/Non-Tobacco User	53	951.82	1165.98
Rating Area 4	Tobacco User/Non-Tobacco User	54	996.15	1220.28
Rating Area 4	Tobacco User/Non-Tobacco User	55	1040.47	1274.58
Rating Area 4	Tobacco User/Non-Tobacco User	56	1088.53	1333.45
Rating Area 4	Tobacco User/Non-Tobacco User	57	1137.06	1392.90
Rating Area 4	Tobacco User/Non-Tobacco User	58	1188.85	1456.34
Rating Area 4	Tobacco User/Non-Tobacco User	59	1214.51	1487.77
Rating Area 4	Tobacco User/Non-Tobacco User	60	1266.30	1551.22
Rating Area 4	Tobacco User/Non-Tobacco User	61	1311.09	1606.09
Rating Area 4	Tobacco User/Non-Tobacco User	62	1340.48	1642.09
Rating Area 4	Tobacco User/Non-Tobacco User	63	1377.34	1687.24
Rating Area 4	Tobacco User/Non-Tobacco User	64	1399.74	1714.68
Rating Area 4	Tobacco User/Non-Tobacco User	65 and over	1399.74	1714.68
Rating Area 5	Tobacco User/Non-Tobacco User	0-20	296.28	296.28
Rating Area 5	Tobacco User/Non-Tobacco User	21	466.58	478.24
Rating Area 5	Tobacco User/Non-Tobacco User	22	466.58	478.24
Rating Area 5	Tobacco User/Non-Tobacco User	23	466.58	478.24
Rating Area 5	Tobacco User/Non-Tobacco User	24	466.58	478.24

Rating Area 5	Tobacco User/Non-Tobacco User	25	468.45	480.16
Rating Area 5	Tobacco User/Non-Tobacco User	26	477.78	489.72
Rating Area 5	Tobacco User/Non-Tobacco User	27	488.98	501.20
Rating Area 5	Tobacco User/Non-Tobacco User	28	507.17	519.85
Rating Area 5	Tobacco User/Non-Tobacco User	29	522.10	535.15
Rating Area 5	Tobacco User/Non-Tobacco User	30	529.57	542.81
Rating Area 5	Tobacco User/Non-Tobacco User	31	540.77	554.29
Rating Area 5	Tobacco User/Non-Tobacco User	32	551.96	565.76
Rating Area 5	Tobacco User/Non-Tobacco User	33	558.96	572.93
Rating Area 5	Tobacco User/Non-Tobacco User	34	566.43	580.59
Rating Area 5	Tobacco User/Non-Tobacco User	35	570.16	584.41
Rating Area 5	Tobacco User/Non-Tobacco User	36	573.89	588.24
Rating Area 5	Tobacco User/Non-Tobacco User	37	577.63	592.07
Rating Area 5	Tobacco User/Non-Tobacco User	38	581.36	595.89
Rating Area 5	Tobacco User/Non-Tobacco User	39	588.82	603.54
Rating Area 5	Tobacco User/Non-Tobacco User	40	596.29	655.92
Rating Area 5	Tobacco User/Non-Tobacco User	41	607.49	671.28
Rating Area 5	Tobacco User/Non-Tobacco User	42	618.22	687.46
Rating Area 5	Tobacco User/Non-Tobacco User	43	633.15	709.76
Rating Area 5	Tobacco User/Non-Tobacco User	44	651.81	737.85
Rating Area 5	Tobacco User/Non-Tobacco User	45	673.74	771.43
Rating Area 5	Tobacco User/Non-Tobacco User	46	699.87	811.85
Rating Area 5	Tobacco User/Non-Tobacco User	47	729.26	858.34
Rating Area 5	Tobacco User/Non-Tobacco User	48	762.86	912.38
Rating Area 5	Tobacco User/Non-Tobacco User	49	795.99	968.72
Rating Area 5	Tobacco User/Non-Tobacco User	50	833.31	1020.80
Rating Area 5	Tobacco User/Non-Tobacco User	51	870.17	1065.96
Rating Area 5	Tobacco User/Non-Tobacco User	52	910.76	1115.68
Rating Area 5	Tobacco User/Non-Tobacco User	53	951.82	1165.98
Rating Area 5	Tobacco User/Non-Tobacco User	54	996.15	1220.28
Rating Area 5	Tobacco User/Non-Tobacco User	55	1040.47	1274.58
Rating Area 5	Tobacco User/Non-Tobacco User	56	1088.53	1333.45
Rating Area 5	Tobacco User/Non-Tobacco User	57	1137.06	1392.90
Rating Area 5	Tobacco User/Non-Tobacco User	58	1188.85	1456.34
Rating Area 5	Tobacco User/Non-Tobacco User	59	1214.51	1487.77
Rating Area 5	Tobacco User/Non-Tobacco User	60	1266.30	1551.22
Rating Area 5	Tobacco User/Non-Tobacco User	61	1311.09	1606.09
Rating Area 5	Tobacco User/Non-Tobacco User	62	1340.48	1642.09
Rating Area 5	Tobacco User/Non-Tobacco User	63	1377.34	1687.24
Rating Area 5	Tobacco User/Non-Tobacco User	64	1399.74	1714.68
Rating Area 5	Tobacco User/Non-Tobacco User	65 and over	1399.74	1714.68
Rating Area 6	Tobacco User/Non-Tobacco User	0-20	317.66	317.66
Rating Area 6	Tobacco User/Non-Tobacco User	21	500.25	512.76
Rating Area 6	Tobacco User/Non-Tobacco User	22	500.25	512.76
Rating Area 6	Tobacco User/Non-Tobacco User	23	500.25	512.76
Rating Area 6	Tobacco User/Non-Tobacco User	24	500.25	512.76
Rating Area 6	Tobacco User/Non-Tobacco User	25	502.25	514.81
Rating Area 6	Tobacco User/Non-Tobacco User	26	512.26	525.07
Rating Area 6	Tobacco User/Non-Tobacco User	27	524.26	537.37
Rating Area 6	Tobacco User/Non-Tobacco User	28	543.77	557.36
Rating Area 6	Tobacco User/Non-Tobacco User	29	559.78	573.77

Rating Area 6	Tobacco User/Non-Tobacco User	30	567.78	581.97
Rating Area 6	Tobacco User/Non-Tobacco User	31	579.79	594.28
Rating Area 6	Tobacco User/Non-Tobacco User	32	591.80	606.60
Rating Area 6	Tobacco User/Non-Tobacco User	33	599.30	614.28
Rating Area 6	Tobacco User/Non-Tobacco User	34	607.30	622.48
Rating Area 6	Tobacco User/Non-Tobacco User	35	611.31	626.59
Rating Area 6	Tobacco User/Non-Tobacco User	36	615.31	630.69
Rating Area 6	Tobacco User/Non-Tobacco User	37	619.31	634.79
Rating Area 6	Tobacco User/Non-Tobacco User	38	623.31	638.89
Rating Area 6	Tobacco User/Non-Tobacco User	39	631.32	647.10
Rating Area 6	Tobacco User/Non-Tobacco User	40	639.32	703.25
Rating Area 6	Tobacco User/Non-Tobacco User	41	651.33	719.72
Rating Area 6	Tobacco User/Non-Tobacco User	42	662.83	737.07
Rating Area 6	Tobacco User/Non-Tobacco User	43	678.84	760.98
Rating Area 6	Tobacco User/Non-Tobacco User	44	698.85	791.10
Rating Area 6	Tobacco User/Non-Tobacco User	45	722.36	827.10
Rating Area 6	Tobacco User/Non-Tobacco User	46	750.38	870.44
Rating Area 6	Tobacco User/Non-Tobacco User	47	781.89	920.28
Rating Area 6	Tobacco User/Non-Tobacco User	48	817.91	978.22
Rating Area 6	Tobacco User/Non-Tobacco User	49	853.43	1038.62
Rating Area 6	Tobacco User/Non-Tobacco User	50	893.45	1094.48
Rating Area 6	Tobacco User/Non-Tobacco User	51	932.97	1142.89
Rating Area 6	Tobacco User/Non-Tobacco User	52	976.49	1196.20
Rating Area 6	Tobacco User/Non-Tobacco User	53	1020.51	1250.12
Rating Area 6	Tobacco User/Non-Tobacco User	54	1068.03	1308.34
Rating Area 6	Tobacco User/Non-Tobacco User	55	1115.56	1366.56
Rating Area 6	Tobacco User/Non-Tobacco User	56	1167.08	1429.67
Rating Area 6	Tobacco User/Non-Tobacco User	57	1219.11	1493.41
Rating Area 6	Tobacco User/Non-Tobacco User	58	1274.64	1561.43
Rating Area 6	Tobacco User/Non-Tobacco User	59	1302.15	1595.13
Rating Area 6	Tobacco User/Non-Tobacco User	60	1357.68	1663.16
Rating Area 6	Tobacco User/Non-Tobacco User	61	1405.70	1721.98
Rating Area 6	Tobacco User/Non-Tobacco User	62	1437.22	1760.59
Rating Area 6	Tobacco User/Non-Tobacco User	63	1476.74	1809.01
Rating Area 6	Tobacco User/Non-Tobacco User	64	1500.75	1838.42
Rating Area 6	Tobacco User/Non-Tobacco User	65 and over	1500.75	1838.42

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

Supporting Document Schedules

Satisfied - Item:	Unified Rate Review Template
Comments:	The Part I Template is attached.
Attachment(s):	Unified_Rate_Review_Template 2017 KHPW v4.pdf Unified_Rate_Review_Template 2017 KHPW v4.xlsm
Item Status:	
Status Date:	
Satisfied - Item:	Part II Justification
Comments:	The Part II Justification is attached.
Attachment(s):	RFJ Part II - HCC Individual 090916.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Part III Unified Rate Review Memorandum - Redacted
Comments:	A redacted version of the Part III Memo is attached for public disclosure.
Attachment(s):	HCCURRTPartIIIv5REDACTED.pdf
Item Status:	
Status Date:	
Satisfied - Item:	PA Actuarial Memorandum - Redacted
Comments:	A redacted version of the PA Actuarial Memo is attached for public disclosure.
Attachment(s):	1A-DP-16-HCC Actuarial Memorandum Rate Exhibits v3.xlsx 1A-DP-16-HCC Cover Letter & PA Actuarial Memorandum v4 REDACTED.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	HGHM-130540988	State Tracking #:	HGHM-130540988	Company Tracking #:	1A-DP-16-HCC
<hr/>					
State:	Pennsylvania		Filing Company:	Highmark Choice Company	
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense				
Product Name:	1A-DP-16-HCC				
Project Name/Number:	1A-DP-16-HCC/1A-DP-16-HCC				

Attachment Unified_Rate_Review_Template 2017 KHPW v4.xlsm is not a PDF document and cannot be reproduced here.

Attachment 1A-DP-16-HCC Actuarial Memorandum Rate Exhibits v3.xlsx is not a PDF document and cannot be reproduced here.

Product-Plan Data Collection

Company Legal Name: **Highmark Choice Company**
HIOS Issuer ID: **38949**
Effective Date of Rate Change(s): **01/01/2017**

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

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product		Care Guide Blue HMO
Product ID:		38949PA007
Metal:		Gold
AV Metal Value		0.781
AV Pricing Value		0.877
Plan Category		Renewing
Plan Type:		HMO
Plan Name		Care Guide Blue HMO 750
Plan ID (Standard Component ID):		38949PA0070001
Exchange Plan?		No
Historical Rate Increase - Calendar Year - 2		0.00%
Historical Rate Increase - Calendar Year - 1		5.84%
Historical Rate Increase - Calendar Year 0		26.72%
Effective Date of Proposed Rates		01/01/2017
Rate Change % (over prior filing)		51.79%
Cum'tive Rate Change % (over 12 mos.prior)		51.79%
Proj'd Per Rate Change % (over Exper. Period)		49.06%
Product Rate Increase %		51.78%

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

Plan ID (Standard Component ID):	Total	38949PA0070001
Inpatient	\$14.67	\$14.67
Outpatient	\$21.03	\$21.03
Professional	\$16.66	\$16.66
Prescription Drug	\$17.01	\$17.01
Other	\$1.96	\$1.96
Capitation	-\$0.34	-\$0.34
Administration	\$9.56	\$9.56
Taxes & Fees	\$62.67	\$62.67
Risk & Profit Charge	\$71.23	\$71.23
Total Rate Increase	\$214.45	\$214.45
Member Cost Share Increase	\$33.15	\$33.15

Average Current Rate PMPM	\$414.11	\$414.11
Projected Member Months	3,624	3,624

tion III: Experience Period Information

Plan ID (Standard Component ID):	Total	38949PA0070001
Plan Adjusted Index Rate	\$420.01	\$420.01
Member Months	3,328	3,328
Total Premium (TP)	\$1,397,803	\$1,397,803
EHB Percent of TP, [see instructions]	99.90%	99.90%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%
Other benefits portion of TP	0.10%	0.10%
Total Allowed Claims (TAC)	\$1,738,492	\$1,738,492
EHB Percent of TAC, [see instructions]	99.90%	99.90%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%
Other benefits portion of TAC	0.10%	0.10%
Allowed Claims which are not the issuer's obligation:	\$424,924	\$424,924
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0	
Portion of above payable by HHS on behalf of insured person, as %	0.00%	
Total Incurred claims, payable with issuer funds	\$1,313,568	\$1,313,568
Net Amt of Rein	\$65,783.51	\$65,783.51
Net Amt of Risk Adj	-\$9,461.06	-\$9,461.06
Incurred Claims PMPM	\$394.70	\$394.70
Allowed Claims PMPM	\$522.38	\$522.38
EHB portion of Allowed Claims, PMPM	\$521.88	\$521.88

tion IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	38949PA0070001
Plan Adjusted Index Rate	\$626.09	\$626.09
Member Months	3,624	3,624
Total Premium (TP)	\$2,268,935	\$2,268,935
EHB Percent of TP, [see instructions]	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%
Total Allowed Claims (TAC)	\$2,929,878	\$2,929,878
EHB Percent of TAC, [see instructions]	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%
Allowed Claims which are not the issuer's obligation	\$857,265	\$857,265
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0	
Portion of above payable by HHS on behalf of insured person, as %	0.00%	
Total Incurred claims, payable with issuer funds	\$2,072,613	\$2,072,613
Net Amt of Rein	\$0	\$0
Net Amt of Risk Adj	\$273,765	\$273,765
Incurred Claims PMPM	\$571.91	\$571.91
Allowed Claims PMPM	\$808.47	\$808.47
EHB portion of Allowed Claims, PMPM	\$808.47	\$808.47

Part II of the Preliminary Justification

Highmark Choice Company

Scope and Range:

Highmark Choice Company is requesting an rate increase of 51.8% for its single 2017 ACA-qualifying individual product with effective dates from January 1, 2017 to December 31, 2017. This is projected to affect 302 members.

Relative to 2016 pricing, the rate increase is mostly due to the higher actual 2015 experience and expected morbidity of the projected enrolled population. The base period claims reflects the experience from the ACA enrolled population as well as the enrollment of consumers who were previously uninsured or covered under employer group health plans. In addition, the other contributing factors include the result of trend on this claims basis and the change in the federal transitional reinsurance program parameters.

Historical Financial Experience:

Highmark Choice Company incurred a substantial underwriting loss in its Individual ACA programs in 2015. This loss is net of the expected risk adjustment and federal reinsurance programs.

Change in Medical Service Costs:

The projected average cost of medical care for the projected population is expected to increase due to higher morbidity and age relative to the assumptions used in the 2016 rate filing. The increase will emerge in utilization and average cost per service, and is spread across all types of services.

Change in Benefits and Cost Sharing:

The non-Essential Health Benefit adult vision was removed from the 2017 plans. A few minor benefits were added to better align with the 2017 Benchmark Plan. These additional benefits have minimal impact on the rates. Some cost sharing parameters were changed in order to maintain compliance with Federal AV requirements. Additionally, some out of pocket maximum parameters were changed to keep up with the rising cost of health care. These out of pocket maximum changes also aided in mitigating the rate increase.

Administrative Costs and Anticipated Operating Results:

Overall, administrative costs as a percentage of premium is less in 2017 than 2016. The anticipated operating results are not excessive or unreasonable. In accordance with regulations, the projected medical loss ratio is over 80%.

REDACTED

Part III Actuarial Memorandum

Highmark Choice Company

Individual Rate Filing

Effective January 1, 2017

TABLE OF CONTENTS

I.	GENERAL INFORMATION	1
II.	PROPOSED RATED INCREASE(S)	2
III.	EXPERIENCE PERIOD PREMIUM AND CLAIMS	2
IV.	BENEFIT CATEGORIES	3
V.	PROJECTION FACTORS	3
VI.	CREDIBILITY MANUAL RATE DEVELOPMENT	3
VII.	CREDIBILITY OF EXPERIENCE	5
VIII.	PAID TO ALLOWED RATIO	5
IX.	RISK ADJUSTMENT AND REINSURANCE	5
X.	NON-BENEFIT EXPENSES AND PROFIT & RISK	6
XI.	PROJECTED LOSS RATIO	6
XII.	SINGLE RISK POOL	6
XIII.	INDEX RATE	6
XIV.	MARKET ADJUSTED INDEX RATE	6
XV.	PLAN ADJUSTED INDEX RATE	7
XVI.	CALIBRATION	7
XVII.	CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT	7
XVIII.	AV METAL VALUES	8
XIX.	AV PRICING VALUES	8
XX.	MEMBERSHIP PROJECTIONS	8
XXI.	TERMINATED PRODUCTS	8
XXII.	PLAN TYPE	8
XXIII.	WARNING ALERTS	8
XXIV.	ACTUARIAL CERTIFICATION	8

I. General Information

Document Overview

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

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

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

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

I.1 Company Identifying Information:

- Company Legal Name:Highmark Choice Company
- State: The Commonwealth of Pennsylvania has regulatory authority over these policies.
- HIOS Issuer ID: 38949
- Market: Individual
- Effective Date: January 1, 2017

I.2 Company Contact Information:

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

II. Proposed Rate Increase(s)

For the plan's rate increase see the 'Cum'tive Rate Change % (over 12 mos prior)' found in Worksheet 2 Row 27 of the URR.T.

The primary drivers of the rate increase are the experience of the ACA single risk pool membership is emerging higher than assumed in the prior rate filing, trend, and the removal of the Federal Reinsurance Program.

III. Experience Period Premium and Claims

III.1 Paid through Date:

Experience Period claims were based on incurred calendar year 2015, paid through January 2016.

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

The premiums shown for the experience period were based on calendar year 2015 actual revenues.

Based on preliminary information for calendar year 2015, no MLR rebates are anticipated to be refunded to enrollees. Therefore, we did not include an adjustment for MLR rebates in the 2015 premium amounts.

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

- **Historical Experience:** The historical experience shown in Worksheet 1, Section I represents HCC's experience for the experience period of January 1, 2015 through December 31, 2015, with claims paid through January, 2016. HCC offered only ACA compliant plans during this period.
- **Claims Incurred During the 12-month Experience Period:** Worksheet 1, Section I shows our best estimate of the amount of claims that were incurred during the 12-month experience period for HCC's individual book-of-business. This section includes:
 - The amount of claims which were processed through Company's claims system,
 - Claims processed outside of the Company's claims system, and
 - Our best estimate of claims incurred but not paid as of the paid through date stated above.
- **Method for Determining Allowed Claims:** For non-capitated claims, the allowed charges are summarized from HCC's detailed claim-level historical data. This

experience includes only 2015 claims for Affordable Care Act compliant business. HCC did not offer any transitional policies during this time frame. For capitated and other off-system claims, historical capitations and experience were tabulated and added to the claims.

- **Paid Claims:** We also summarized the paid claims from detailed member records. The paid-to-allowed ratio for the experience period reflects the 2015 plan designs chosen by each member.
- **Incurred but Not Paid (IBNR) Claims Estimate:** HCC is using a completion factor of 0.972 to include IBNR claims in allowed charges. The IBNR completion factor was developed using our corporate reserving system for HCC's individual business. We applied it equally to both paid and allowed total claims (as a change to utilization) to complete the experience.

IV. Benefit Categories

Historical cost and utilization data was summarized at the defined benefit categories included in Worksheet 1, Section II of the URRT. This data was used to allocate total claims into its components on the URRT.

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

V. Projection Factors

The experience data for HCC is not credible. Factors have been entered for Pop'l risk Morbidity, Other, Cost, and Util however, these factors were given no credibility in the rate development.

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

VI. Credibility Manual Rate Development

VI.1 Source and Appropriateness of Experience Data Used

HCC has chosen to use experience from another company within the Highmark family, HM Health Insurance Company (HHIC), to develop a manual rate. HCC feels that this experience most accurately represents the risk pool for HCC and includes a large enough number of members to be relied upon as credible. The experience period for the manual rates is January 1, 2015 through December 31, 2015, paid through January 31, 2016. While

this experience is a reasonable representation of the expected HCC population, significant adjustments are required.

VI.2 Changes in the Morbidity of the Population insured

We applied an adjustment of approximately -6.2% to reflect the anticipated changes in the average morbidity of the covered population (beyond allowable rating factors). This morbidity adjustment reflects multiple changes, including blending of the ACA risk pool with new members from multiple sources including uninsured and the employer markets as well as additional risk due to recent market dynamics.

VI.3 Changes in Benefits

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

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

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

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

VI.4 Changes in Demographics

We project that the average rating factor (age, tobacco load and area combined) will decrease by about 20.6% due to the change in the population. This is primarily due to the expectation that the new members from the group and/or uninsured populations buying from HCC to be younger than the population in the underlying HHIC experience. This decreases the projected allowed claims (utilization) by the same amount.

VI.5 Trend Factors (cost/utilization)

This development of the CY2017 rates reflects an annual trend rate of 12.5% (5% cost, 7.1% utilization). These trends reflect HCC's expectations regarding increases in in-network contractual reimbursement. The annual trend estimates include the impact of trends in both projected in-network and out-of-network costs. These estimates measure and normalize for benefit leverage, population aging, and historical changes for fee schedules, as well as company-wide utilization management programs, and external trend drivers.

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

We reflected anticipated changes in the average utilization of services due to differences in average cost sharing requirements during the experience period and average cost sharing requirements in the projection period: -0.4%.

VII. Credibility of Experience

The experience from HCC's individual book of business in 2015 is not credible due to low enrollment. HCC has chosen to treat the credibility manual rates as 100% credible.

VIII. Paid to Allowed Ratio

HCC is only offering one Gold plan in 2017. Based on this plan's benefits, the expected paid to allowed ratio is .801.

IX. Risk Adjustment and Reinsurance

IX.1 Projected Risk Adjustments PMPM:

The estimated average risk score for HCC's projected 2017 population was developed by using HCC's 2015 claim diagnoses and the updated risk adjustment coefficients as finalized in the Notice of Benefit and Payment Parameters for 2017. Similarly, allowable rating factors, actuarial value factors, and induced demand factors were estimated for HCC based upon its projected 2017 population.

We estimated the statewide average risk transfer factors based on current market assumptions with adjustments for known changes such as the new model coefficients for 2017. We estimated the statewide average premium using current market premium assumptions with adjustments for anticipated rate changes for 2017.

The actual calculation of the risk transfer followed the risk transfer methodology as prescribed.

The analysis resulted in HCC receiving payments from the risk adjuster pool. This value is reflected in worksheet 1 net of the risk adjuster fee (\$0.13 PMPM) consistent with the single risk pool regulations

IX.2 Projected ACA Reinsurance Recoveries Net of Reinsurance:

The Federal reinsurance Program will be terminated prior to the rating period.

X. Non-Benefit Expenses and Profit & Risk

X.1 Administrative Expense Load:

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

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

These revised rates reflect a 0% risk/contribution to surplus margin for all products and plans.

X.3 Taxes and Fees:

The following fees were added:

- \$0.20 Per Member Per Month for the Patient Centered Outcomes Research Fee.

XI. Projected Loss Ratio

The anticipated medical loss ratio is about 91.0% relative to total premium less taxes and fees. This loss ratio is calculated consistently with the federally prescribed MLR methodology.

XII. Single Risk Pool

As described above the base experience used includes all HCC individual members in accordance with the Single Risk Pool regulations. The projected membership and their corresponding premiums and claims only include those members who will be enrolled in a fully ACA-compliant plan in 2017.

XIII. Index Rate

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

XIV. Market Adjusted Index Rate

Please see Exhibit I for a numerical demonstration of the Market Adjusted Index Rate development. The Market Adjusted Index Rate is the Index Rate further adjusted for risk adjustment, reinsurance, and the exchange fee. The Risk Adjustment factor is developed by

taking one minus the expected risk transfer (net of the fee) and dividing by the projected incurred claims before reinsurance and risk adjustment. The Federal Reinsurance Program factor is developed by taking one minus the expected reinsurance recovery (net of the reinsurance premium) and dividing by the projected incurred claims, before reinsurance recoveries, net of reinsurance premium. The Exchange User Fee factor is developed by adding the expected average exchange fee PMPM and the projected incurred claims after risk adjuster and reinsurance, then dividing by the projected incurred claims after risk adjuster and reinsurance. These adjustments were developed as factors in accordance with the Part III instructions.

XV. Plan Adjusted Index Rates

A Plan Adjusted Index Rate is developed by taking the Market Adjusted Index Rate and adding a plan's actuarial value, relative benefit richness, any non EHB benefits, and retention. Please see Exhibit II for the development of the Plan Adjusted Index Rate for each plan.

XVI. Calibration

XVI.1 Age Curve Calibration:

The projected weighted average age factor for billable members is 1.342. This factor is calculated by dividing the all members age factor of 1.351 by the ratio of all members to billable members (1.007). Each Plan Adjusted Index Rate represents the rate for an average member with an age factor of 1.342. Please note that no member will pay these rates because the age factor of 1.342 is not found on the HHS Age Curve. It only represents the average age factor of the projected population. The nearest age to that factor is for age 42, which has a factor of 1.325. Please see Exhibit I for the development of the calibration factor.

XV.2 Geographic Factor Calibration:

The projected weighted average geographic factor is 0.970. Each Plan Adjusted Index Rate represents the rate for an average member with a geographic factor of 0.970. Please see Exhibit I for the development of the calibration factor.

XVII. Consumer Adjusted Premium Rate Development

The plan adjusted index rate represents the rate for a non-smoker average age and average geographic member. Multiplying by the Combined Calibration Factor found in Exhibit I results in the value for a 42 year old non-smoker in a 1.0 geographical area. The standard HHS Age Curve along with the filed tobacco factors and geography factors can be used to calculate any rate found in the QHP rate template.

XVIII. AV Metal Values

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

XIX. AV Pricing Values

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

XX. Membership Projections

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

XXI. Terminated Products

HCC will not be terminating any plans.

XXII. Plan Type

The Plan type listed in Worksheet 2, Section I of the Part I Unified Rate Review Template describes HCC's plan adequately. No differences are needed.

XXIII. Warning Alerts

The following validation warnings occurred when finalizing the URRT workbook:

Section III - Experience Period Total Premium does not tie to Worksheet1: Worksheet2 represents premium based on the index rate filed for 2015. Worksheet1 shows actual earned premium for 2015. The difference is driven by actual versus expected population and benefit mix.

XXIV. Actuarial Certification

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

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

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

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

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

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

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

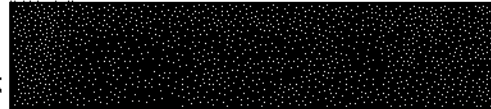
- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and
- Are based on an analysis performed in accordance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

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review Template were based on the Federal AV Calculator. If any adjustments were required outside of the AV Calculator, appropriate certification has been provided to CMS or to the state through the QHP application process.

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

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

Signed:

A black rectangular box redacting the signature of the Actuarial Manager.

Title: Actuarial Manager, Individual Markets

Date: September 12, 2016

Exhibit I
Highmark Choice Company
d/b/a HCC

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

CY2017 Projected Period Average Members	302
CY2017 Projected Allowed Claims	\$808.47
Non-EHB - Adult Vision	\$0.00
CY2017 Index Rate (Allowed Claims for EHB Only)	\$808.47
Market-Wide Adjustment	
Risk Adjustment (Net of Risk Adjuster Fee)	0.883
Transitional Reinsurance Program (Net of Reinsurance Premium)	1.000
Exchange User Fee	1.000
CY2017 Market Adjusted Index Rate	\$714.16
Calibration	
Calibration from Plan Adjusted Index Rate to Age 42, 1.0 Area, Non-Smoker	
(a) Average Age Factor	1.342
(b) Age 42 (Nearest Age on HHS Age Curve) Age Factor	1.325
(c) Average Geographic Factor	0.970
Combined Calibration Factor $1/[(a/b)*c]$	1.018

Exhibit II
Highmark Choice Company

Unified Rate Review Template (URRT) AV Pricing Value Development
Market Adjusted Index Rate PMPM = \$714.16

Entity	HIOS Plan ID	Metal Level	Plan Design Marketing Name	On/Off Exchange	Plan Adjusted Index Rate PMPM	URRT AV Pricing Value	Portion of URRT AV Pricing Value Attributable to each Allowable Modifier ⁽¹⁾			
HCC	38949PA0070001	Gold	Care Guide Blue HMO 500	Off	\$626.09	0.877	(i)	(ii)	(iii)	(iv)
							0.798	1.000	1.000	1.000

⁽¹⁾ Permitted Plan-Level Adjustments to the Index Rate as prescribed in 45 CFR Part 156.80(d)(2):

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

ACTUARIAL MEMORANDUM

Highmark Choice Company

Revised Individual Rate Filing - January 1, 2017

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

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

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

[REDACTED]

[REDACTED]

Fellow, Society of Actuaries
Member, American Academy of Actuaries
September 12, 2016



September 12, 2016

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

Re: Highmark Choice Company (HCC) Filing # 1A-DP-16-HCC (SERFF # HGHM-130540988)
2017 Individual Market Rates

Dear Ms. Fabian-Marks:

Pursuant to the conversation held with the Department on September 8, 2016, HCC is submitting a modified rate request.

HCC does not believe that some of the modifications requested by the Department are consistent with legal or historical interpretation or practice of both the company and the Department.

The Actuarial Memorandum has been updated to reflect the changes.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Scheib". The signature is fluid and cursive, with the first and last names being clearly legible.

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

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

Actuarial Memorandum

1. Basic Information and Data

A. Company Information

Company Name & NAIC #: Highmark Choice Company, NAIC #95048 (“HCC”)

Market (Individual or Small Group): Individual

On or Off Exchange: HCC will sell off exchange plans.

Effective date of coverage: January 1, 2017

Average rate change requested: 51.8%

Range of rate change requested: 51.8%

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

Rating Areas: HCC will offer products in rating area 1, 2, 4, 5, and 6

Metal Levels and Catastrophic Plans: HCC will sell gold plan in the Individual Market.

Current number of covered lives and of policyholders: 302 covered lives and 206 policyholders

Number of plans offered in 2017: 1

Inclusion of premium rates in this filing for a given offering should not be construed to mean that the offering will ultimately be made available for sale in the market. Final offering decisions will be made consistent with and within the timelines set forth in CMS rules and/or ACA regulations.

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

The corresponding SERFF binder number is HGHM-PA17-125059857 affecting the following HCC products and forms:

Product Name / Type	Contract Form & SERFF#
Care Guide Blue HMO	CG/HMO/HCC/DP;HGHM-130518196

HIOS Issuer ID # and submission tracking #: HIOS Issuer ID #38949, Filing #1A-DP-16-HCC (HGHM-130540988)

Rate History and Proposed Variations in Rate Changes

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

Year	Avg. Increase	SERFF ID#
2014	n/a – initial ACA rate filing	HGHM-129065666
2015	5.8%	HGHM-129615018
2016	26.7%	HGHM-130070359

Average Rate Change

The SERFF Rate Review Detail Screen presents the “percent rate change requested” as 51.8%. This value is consistent with Table 11, cell AZ13.

B. Membership Count

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

C. Benefit/Cost Sharing Changes

The plans being offered are new plans.

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

D. Experience Period Claims and Premium

Please see Table 2 for the experience period data for the most recent calendar year. The experience period paid claims data represents the 2015 calendar year results for all policies in the single risk pool, with run out through January 2016. This data is consistent with the data reported in Section I of Worksheet I of the URRT.

E. Credibility of Data

The 2017 rates are based on experience from Highmark Health Insurance Company (HHIC) adjusted for the expected 2017 HCC population. This experience was chosen as it is large and reasonably represents the population expected to buy HCC products.

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

- The Earned Premium represents actual revenues earned in the experience period.
- Incurred Claims represent claims paid by HHIC net of expected CSR recoveries.
- The Allowed Claims represent our best estimate of the total claims prior to member cost sharing incurred during the experience period. The Allowed Claims include:
 - One month of run out from the end of the experience period,
 - Claims processed outside of the Company’s claims system (e.g., claim settlement costs), and

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

F. Trend Identification

Table 3b identifies the annual medical and prescription drug allowed claims cost and utilization trends. The underlying total annual trend is 12.5%. The definitions of service categories, cost, and utilization in Table 3b are consistent with the URRT instructions.

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

The trend components represent a blended average for all types of service and are applied to the aggregate experience for pricing, and as such Table 3b shows the same trend components for each service category. Due to the significant change in the make-up of the ACA population in the first two years, the data included in table 4 was not used in the development of the trend. A separate regression study was developed by the Highmark valuation team that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in a significant portion of 2014 and thru 2015 in the same metal level. The analysis took into consideration seasonality and removed outlier months. The resulting trend was compared to the group business and any industry available ACA data.

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

G. Historical Experience

Table 4 presents the most recent 24 months (2 calendar years) of Highmark Choice Company data with run-out through January 2016. Data for 2013 is not included as it is not representative of the single risk pool.

2. Rate Development & Change

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

The development of the Projected Index Rate, Projected Market-Adjusted Index Rate, and Projected Total Allowed Claims, shown in Table 5, closely follows that utilized the development presented in Worksheet 1 of the URRT , a discussion of which can be found in the Part III Actuarial Memorandum submitted in the Rate Filing Justification. Some of the items separately identified in Table 5 include:

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

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

B. Retention Items

Table 6 has been completed with the requested retention elements for the proposed rates for the rating period. Administrative costs reflect internal costs that HCC is projected to incur in the projected experience period, and are developed from standard expense allocation methods. Agent/broker fees and commissions reflect our anticipated costs for these items in the experience period.

Note the following regarding plan level retention items:

- These revised rates reflect 0% risk/contribution to surplus margin for all products and plans.
- The Health Insurer Provider Fee does not apply to the Individual Market for 2017.
- The administrative expenses do not vary by plan
- 0% Pennsylvania Premium Tax was included
- The \$0.20 PMPM PCORI fee was factored into the administrative expense percentage of premium.
- Expenses for Quality Improvement Initiatives are 0.56% of premium.

C. Normalized Market-Adjusted Projected Allowed Total Claims

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

D. Components of Rate Change

Table 8 presents the components of change in the proposed 2017 Calibrated Plan Adjusted Index Rate (PMPM). The 2016 base period allowed claims as developed from the 2016 rate filing are in cell C62. Please note that the template uses the two year trend factor from the Data tab and this filing is based completely on the Manual Data tab, this likely accounts for the small difference between rows A and H.

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

- The trend factor is pulling from the wrong exhibit.

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

3. Plan Rate Development

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

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

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

Table 11 presents HCC's 21-year-old non-tobacco premium in the Individual Market. As mentioned in Section 1.A above, the change in 21-year-old non-tobacco premium PMPM calculated in this table is 51.8% which is consistent with the SERFF Rate Review Detail Screen "percent rate change requested."

A full listing of rates by age, area, and tobacco status can be found in the Rate Pages exhibit submitted as a separate document.

5. Plan Factors

A. Age and Tobacco Factors

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

B. Geographic Factors

Please see Table 13 for HCC's geographic factors. HCC's factors for the rating period are unchanged from the currently approved factors. Note that rating areas 3 and 7 through 9 are left blank as HCC does not offer plans in these regions.

C. Network Factors

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

D. Service Area Composition

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

6. Actuarial Certifications

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

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

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

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

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

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

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

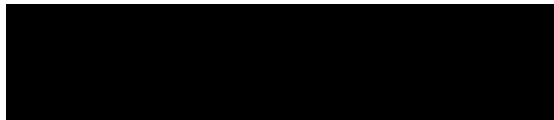
- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and
- Are based on an analysis performed in accordance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

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

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

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

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



Title: Manager, Actuarial Services

Date: 9/12/2016

Highmark Choice Company
Individual Market Product Portfolio

Supplemental Exhibits

Attachment A	Milliman Certification
Attachment B	Screenshots of HHS AV calculator and Actuarial Certification for Approach 1

ACTUARIAL MEMORANDUM

Highmark Choice Company

Revised Individual Rate Filing - January 1, 2017

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

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

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

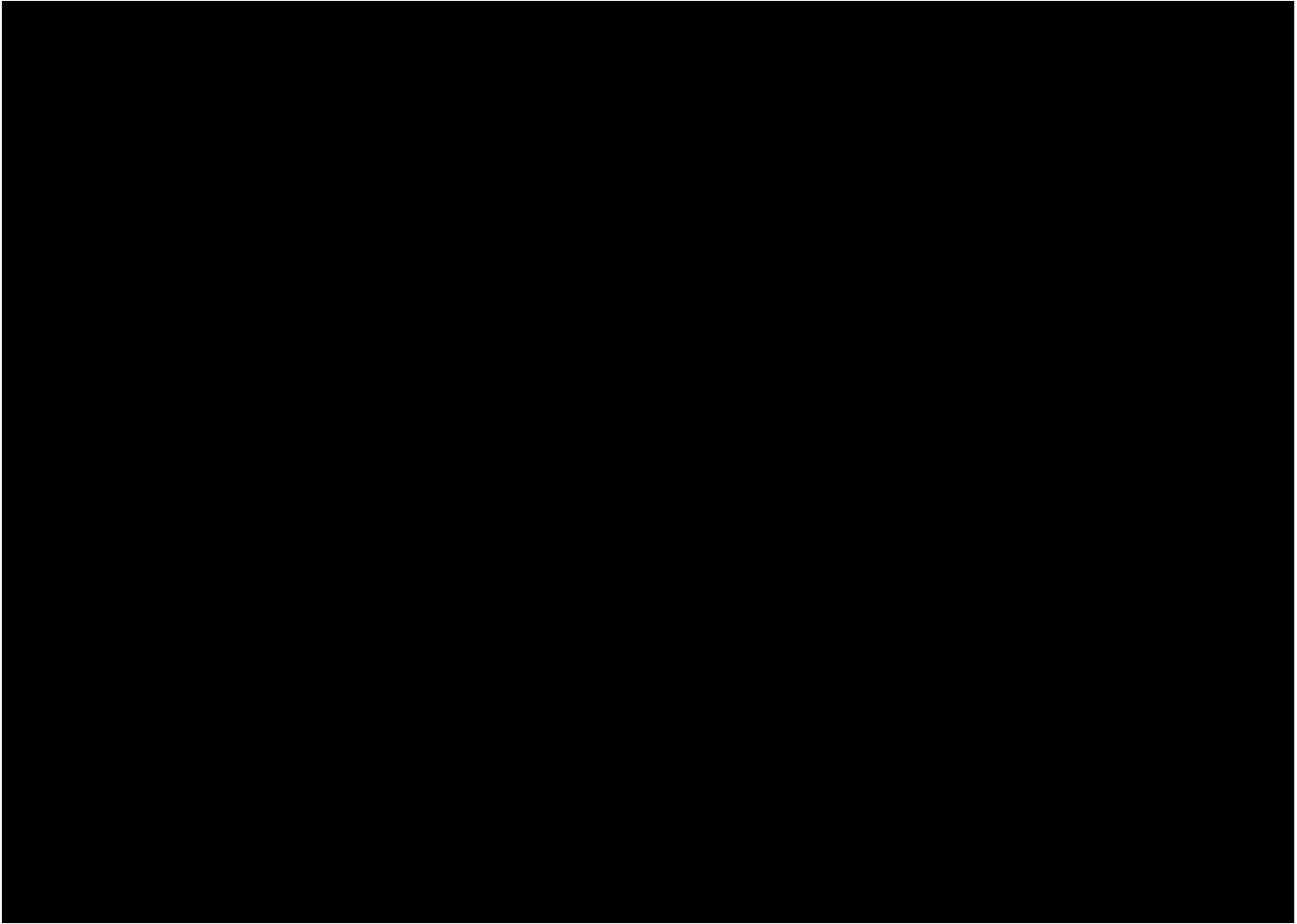
[REDACTED]

[REDACTED]

Fellow, Society of Actuaries
Member, American Academy of Actuaries
September 12, 2016

Attachment B - HCC

Screenshots of HHS AV calculator and Actuarial Certification for Approach 1



Highmark Choice Company
Individual Market Product Portfolio
Effective January 1, 2017

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[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	3,328	302	3,624
<18	674	61	732
18-24	281	35	420
25-29	426	35	420
30-34	331	25	300
35-39	281	32	384
40-44	279	23	276
45-49	214	20	240
50-54	209	24	288
55-59	346	17	204
60-63	220	23	276
64+	67	7	84

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
\$ 1,130,927.87	\$ 1,383,004.06	\$ 1,398,265.38	3,328	\$ 356,206.03	\$ 1,754,471.41	\$ -	\$ (21,836.28)	\$ 4,193.28	\$ 1,664.00	\$ (9,194.82)	\$ 77,997.27
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 521.88
Loss Ratio											116.27%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.00%	3.81%	9.00%	21.36%
Outpatient Hospital	5.00%	3.81%	9.00%	21.59%
Professional	5.00%	3.81%	9.00%	26.40%
Other Medical	5.00%	3.81%	9.00%	2.47%
Capitation			-37.06%	0.24%
Prescription Drugs	5.00%	3.81%	9.00%	27.95%
Total Annual Trend			8.89%	100.00%
2 Year Trend Projection Factor			1.186	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-13				#DIV/0!		#DIV/0!				#DIV/0!
Feb-13				#DIV/0!		#DIV/0!				#DIV/0!
Mar-13				#DIV/0!		#DIV/0!				#DIV/0!
Apr-13				#DIV/0!		#DIV/0!				#DIV/0!
May-13				#DIV/0!		#DIV/0!				#DIV/0!
Jun-13				#DIV/0!		#DIV/0!				#DIV/0!
Jul-13				#DIV/0!		#DIV/0!				#DIV/0!
Aug-13				#DIV/0!		#DIV/0!				#DIV/0!
Sep-13				#DIV/0!		#DIV/0!				#DIV/0!
Oct-13				#DIV/0!		#DIV/0!				#DIV/0!
Nov-13				#DIV/0!		#DIV/0!				#DIV/0!
Dec-13				#DIV/0!		#DIV/0!				#DIV/0!
Jan-14		\$ 66,169.80	0.9993	\$ 66,213.19	144	\$ 459.81		\$ (822.79)	\$ 81,521.30	\$ 566.12
Feb-14		\$ 129,367.91	0.9993	\$ 129,462.66	162	\$ 799.15		\$ (1,510.43)	\$ 149,641.05	\$ 923.71
Mar-14		\$ 132,870.39	0.9992	\$ 132,971.72	193	\$ 688.97		\$ (1,595.65)	\$ 158,079.26	\$ 819.06
Apr-14		\$ 228,516.12	0.9991	\$ 228,732.06	210	\$ 1,089.20		\$ (2,883.20)	\$ 285,583.20	\$ 1,359.92
May-14		\$ 156,461.17	0.9988	\$ 156,652.62	249	\$ 629.13		\$ (1,835.79)	\$ 181,784.92	\$ 730.06
Jun-14		\$ 160,044.37	0.9987	\$ 160,251.61	250	\$ 641.01		\$ (1,831.15)	\$ 181,312.96	\$ 725.25
Jul-14		\$ 187,849.43	0.9987	\$ 188,102.16	286	\$ 657.70		\$ (2,270.13)	\$ 224,766.69	\$ 785.90
Aug-14		\$ 108,979.63	0.9987	\$ 109,121.85	291	\$ 374.99		\$ (1,306.74)	\$ 129,386.74	\$ 444.63
Sep-14		\$ 256,953.79	0.9979	\$ 257,506.20	285	\$ 903.53		\$ (2,918.49)	\$ 288,727.39	\$ 1,013.08
Oct-14		\$ 145,481.16	0.9978	\$ 145,805.10	281	\$ 518.88		\$ (1,802.16)	\$ 178,274.11	\$ 634.43
Nov-14		\$ 80,662.28	0.9977	\$ 80,847.57	283	\$ 285.68		\$ (1,069.74)	\$ 105,814.24	\$ 373.90
Dec-14		\$ 1,021,433.49	0.9977	\$ 123,494.67	287	\$ 430.30	\$ 355,553.86	\$ (1,501.03)	\$ 148,476.13	\$ 517.34
Jan-15		\$ 118,398.16	0.9981	\$ 118,621.51	304	\$ 390.20		\$ (2,091.79)	\$ 165,563.31	\$ 544.62
Feb-15		\$ 62,966.32	0.9983	\$ 63,074.49	298	\$ 211.66		\$ (1,120.56)	\$ 88,691.41	\$ 297.62
Mar-15		\$ 150,725.95	0.9985	\$ 150,959.31	293	\$ 515.22		\$ (2,338.72)	\$ 185,107.41	\$ 631.77
Apr-15		\$ 108,628.89	0.9978	\$ 108,864.25	291	\$ 374.10		\$ (1,876.54)	\$ 148,526.24	\$ 510.40
May-15		\$ 173,779.25	0.9976	\$ 174,201.90	285	\$ 611.23		\$ (2,669.38)	\$ 211,278.94	\$ 741.33
Jun-15		\$ 83,609.53	0.9968	\$ 83,874.94	277	\$ 302.80		\$ (1,456.05)	\$ 115,245.37	\$ 416.05
Jul-15		\$ 222,414.82	0.9958	\$ 223,346.26	272	\$ 821.13		\$ (3,146.54)	\$ 249,045.63	\$ 915.61
Aug-15		\$ 87,636.53	0.9910	\$ 88,431.76	272	\$ 325.12		\$ (1,415.68)	\$ 112,049.66	\$ 411.95
Sep-15		\$ 115,888.94	0.9868	\$ 117,441.34	264	\$ 444.85		\$ (1,765.50)	\$ 139,737.89	\$ 529.31
Oct-15		\$ 117,179.97	0.9849	\$ 118,977.75	267	\$ 445.61		\$ (1,800.10)	\$ 142,476.19	\$ 533.62
Nov-15		\$ 75,204.16	0.9706	\$ 77,478.67	253	\$ 306.24		\$ (1,190.25)	\$ 94,207.29	\$ 372.36
Dec-15		\$ 1,130,927.87	0.9065	\$ 68,681.79	252	\$ 272.55	\$ 356,204.78	\$ (965.18)	\$ 76,393.12	\$ 303.15

* 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
\$ 144,152,154.23	\$ 252,573,100.80	\$ 260,097,516.54	328,554	\$ 36,870,637.36	\$ 296,968,153.90	\$ -	\$ (3,698,399.18)	\$ 413,978.04
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)								
Loss Ratio								

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.00%	3.59%	8.77%	19.26%
Outpatient Hospital	5.00%	3.59%	8.77%	30.06%
Professional	5.00%	3.59%	8.77%	24.43%
Other Medical	5.00%	3.59%	8.77%	2.71%
Capitation			-27.35%	0.14%
Prescription Drugs	5.00%	3.59%	8.77%	23.40%
Total Annual Trend			8.72%	100.00%
2 Year Trend Projection Factor			1.182	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

Table 4b. Historical Experience

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

* Express Completion Factor as a percentage
**Express Prescription Drug Rebates as a negative number

Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 164,277.00		
		\$ 893.87
		178.27%

[illegible]

Table 2c. Experience Period Claims and Premiums

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

*Express Prescription Drug Rebates as a negative number

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)	\$ 893.87	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.182	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 1,056.48	
Single Risk Pool Adjustment Factors		<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Morbidity	0.886	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Other	0.766	
Change in Demographics	0.794	
Change in Network	0.975	
Change in Benefits	1.000	
Change in Other	0.990	
Adjusted Projected Allowed EHB Claims PMPM	\$ 716.99	<- 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	0.801094367	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	574.3729559	
Market-wide Adjustments		
Projected Paid Net Risk Adjustment PMPM	\$ (75.55)	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 498.82	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 622.68	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 498.82	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 622.68	

Table 6. Retention

Retention Items - Express in percentages		
Administrative Expenses	10%	
General and Claims	8.40%	
Agent/Broker Fees and Commissions	1.10%	
Quality Improvement Initiatives	0.63%	
Taxes and Fees	0.04%	
PCORI Fees (Enter \$ amount here: \$)	0.04%	
Pa Premium Tax (if applicable)	0.00%	
Federal Income Tax	0.00%	
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	0.00%	
Profit/Contingency	0%	
Total Retention	10%	
Projected Required Revenue PMPM	\$ 555.28	<- 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)	316.9	424.9352125	\$108.04	34.1%
B. Base period allowed claims before normalization	\$ 868.91	\$ 893.87	\$24.96	8%
C. Normalization factor component of change	\$ (273.71)	-237.5218816	\$36.19	\$0.11
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 595.20	\$ 656.35	\$ 61.15	19%
D2. URRT Trend	\$ 94.29	\$ 121.87	\$ 27.58	9%
D3. URRT Morbidity	\$ (25.96)	\$ (88.54)	\$ (62.58)	-20%
D4. URRT Other	\$ (151.61)	\$ (161.53)	\$ (9.92)	-3%
D5. Normalized URRT RA/RI on an allowed basis	\$ (122.91)	\$ (69.25)	\$ 53.67	17%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0%
D7. Subtotal - Sum(D1:D6)	\$ 389.00	\$ 458.89	\$ 69.89	22%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (10.11)	-16.06122518	\$ (5.95)	-2%
E2. Pricing AV	\$ (68.47)	\$ (88.08)	\$ (19.62)	-6%
E3. Benefit Richness	\$ 24.83	\$ 28.38	\$ 3.55	1%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (53.75)	\$ (75.76)	\$ (22.02)	-7%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 35.74	\$ 43.05	\$ 7.32	2%
F2. Taxes and Fees	\$ 0.13	\$ 0.15	\$ 0.02	0%
F3. Profit and/or Contingency	\$ (54.51)	\$ -	\$ 54.51	17%
F4. Subtotal - Sum(F1:F3)	\$ (18.64)	\$ 43.20	\$ 61.85	20%
G. Change in Miscellaneous Items			\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 316.61	\$ 426.33	\$ 109.72	35%

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	\$ 716.99	\$ 716.99	\$ 716.99	\$ 716.99	\$ 716.99
Months of Trend	-	3	6	9	#DIV/0!
Annual Trend	8.89%	8.89%	8.89%	8.89%	8.89%
Single Risk Pool Projected Allowed Claims	\$ 716.99	\$ 732.41	\$ 748.17	\$ 764.27	\$ -

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

<u>Normalization Factors</u>	2016	2017
Average Age Factor	1.422	1.342
Average Geographic Factor	0.970	0.970
Average Tobacco Factor	1.006	1.004
Average Benefit Richness (induced demand)	1.080	1.080
Average Network Factor	0.974	0.965
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 567.90	\$ 622.68
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 389.01	\$ 457.22

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

	2016	2017	
Paid-to-Allowed	0.819	0.801094367	
URRT Trend (2-Year Trend Factor)	1.158417366	1.19	<- URRT W1, S2
URRT Morbidity	0.962349718	0.886	<- URRT W1, S2
URRT "Other"	0.771502037	0.766	<- URRT W1, S2
Risk Adjustment	\$ (108.22)	\$ (75.55)	<- URRT W1, S3
Reinsurance	\$ (38.74)	\$ -	<- URRT W1, S3
Exchange User Fee	\$ -	\$ -	<- URRT W1, S3
Capitation	\$ 0.84	\$ 0.34	<- URRT W1, S2
Network	0.974	0.965	
Pricing AV	0.819	0.801094367	
Benefit Richness	1.080	1.08	
Catastrophic Eligibility	1.000	1	
Administrative Expenses	11.28%	10.13%	
Taxes and Fees	0.04%	0.04%	
Profit and/or Contingency	-17.20%	0.00%	

Calibration	
Age Calibration Factor	1.341862199
Geographic Calibration Factor	0.970
Aggregate Calibration Factor	1.302

[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	1.121
21	1.000	1.025		44	1.397	1.132
22	1.000	1.025		45	1.444	1.145
23	1.000	1.025		46	1.500	1.16
24	1.000	1.025		47	1.563	1.177
25	1.004	1.025		48	1.635	1.196
26	1.024	1.025		49	1.706	1.217
27	1.048	1.025		50	1.786	1.225
28	1.087	1.025		51	1.865	1.225
29	1.119	1.025		52	1.952	1.225
30	1.135	1.025		53	2.040	1.225
31	1.159	1.025		54	2.135	1.225
32	1.183	1.025		55	2.230	1.225
33	1.198	1.025		56	2.333	1.225
34	1.214	1.025		57	2.437	1.225
35	1.222	1.025		58	2.548	1.225
36	1.230	1.025		59	2.603	1.225
37	1.238	1.025		60	2.714	1.225
38	1.246	1.025		61	2.810	1.225
39	1.262	1.025		62	2.873	1.225
40	1.278	1.1		63	2.952	1.225
41	1.302	1.105		64+	3.000	1.225
42	1.325	1.112				

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1	Clarion, Crawford, Erie, Forest, McKean, Mercer, Venango, Warren	0.970	0.970
Rating Area 2	Cameron, Elk, Potter	0.970	0.970
Rating Area 3			
Rating Area 4	Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland	0.970	0.970
Rating Area 5	Bedford, Blair, Cambria, Clearfield, Huntingdon, Jefferson, Somerset	0.970	0.970
Rating Area 6	Centre	1.040	1.040
Rating Area 7			
Rating Area 8			
Rating Area 9			

Table 14. Network Factors

[illegible]