



May 19, 2017

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

**SUBMITTED VIA SERFF**

**RE: QCC Insurance Company, Inc.  
Individual PPO Rate Filing effective 1/1/2018  
INAC-131005808**

Dear Ms. Fabian-Marks:

Attached is the 2018 annual rate filing for PPO plans of QCC Insurance Company, Inc. (QCC) in the Individual (non-group) marketplace in the Commonwealth of Pennsylvania. Rates for new and renewing plans are being filed and satisfy market reform requirements of the Affordable Care Act (ACA).

This rate filing includes rates for these plans and specifies compliance with rating requirements of the ACA. The enclosed is for rating periods effective from January 1, 2018 through December 31, 2018.

The proposed rates represent a 14.11% increase over the previously approved 2017 rates.

Information for the Pennsylvania Bulletin:

- |                                  |                                      |
|----------------------------------|--------------------------------------|
| 1. Company Name and NAIC Number: | QCC Insurance Company, Inc.<br>93688 |
| 2. Market                        | Individual                           |
| 3. On or Off Exchange            | On and Off                           |



4.	Effective Date of Coverage	January 1, 2018
5.	Average Rate Change Requested	14.11%
6.	Range of Rate Changes Requested	11.7% - 15.0%
7.	Products	PPO
8.	Rating Areas and Change from 2017	Rating Area 8 No Change from 2017
9.	Metal Levels and Catastrophic Plans	Platinum, Gold, Silver, Bronze
10.	Current covered lives and policyholders as of February 1, 2017	53,205 lives 33,683 policyholders
11.	Number of plans offered in 2018 and change from 2017	15 plans in 2018; 13 plans in 2017
12.	Corresponding contract form number, SERFF, and binder numbers	SERFF # INLG-131034204, INLG-131034210, INLG-131034211 See appendix for form numbers
13.	HIOS Issuer ID # and submission tracking Number	HIOS Issuer ID # 31609; Tracking # 31609-956292580985858077

Please contact [REDACTED] with any questions regarding this filing.

Sincerely,

[REDACTED]

cc:

[REDACTED]

APPENDIX

Form Numbers

08535.ON Rev. 1.18, 08535-OC.ON Rev. 1.18, 08535.ON.AVISN Rev. 1.18, 08535-OC.ON.AVISN Rev. 1.18, 08535.OFF Rev. 1.18, 08535-OC.OFF Rev. 1.18, 08535.OFF.AVISN Rev. 1.18, 08535-OC.OFF.AVISN Rev. 1.18, 08537.ON.PDEN Rev. 1.18, 08537-OC.ON.PDEN Rev. 1.18, 08537.OFF Rev. 1.18, 08537-OC.OFF Rev. 1.18, 08537.ON.PDEN.HSA, 08537-OC.ON.PDEN.HSA, 08537.OFF.PDEN.HSA, 08537-OC.OFF.PDEN.HSA, PREV/SCH-II Rev. 1.18

## QCC Insurance Company – Individual Plans

Rate request filing ID # INAC-131005808 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

### Overview

Initial requested average rate change:	14.11% <sup>1</sup>
Revised requested average rate change:	N/A <sup>1</sup>
Range of requested rate change:	11.7% - 15.0%
Effective date:	January 1, 2018
People impacted:	53,205
Available in:	Rating Area 8

### Key information

#### Jan. 2016-Dec. 2016 financial experience

Premiums	\$248,873,273
Claims	\$333,534,675
Administrative expenses	\$24,887,327
Taxes & fees	\$14,160,889
<b>Company made (after taxes)</b>	<b>(\$123,709,618)</b>

#### How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2018:

Claims:	82%
Administrative:	10%
Taxes & fees:	6%
Profit:	2%

The company expects its annual medical costs to increase **6.9%**.

### Explanation of requested rate change

Scope and Range of the Rate Increase:

QCC Insurance Company ("QCC") is revising premium rates for the Pennsylvania Consumer ACA compliant products, effective from January 1, 2018. The actual impact for a specific customer may be different.

About 53,000 members will be affected.

Financial Experience of the Product:

QCC is required by federal law to pay out a minimum of 80% percent of premium dollars for medical claims—this is referred to as the minimum Medical Loss Ratio (MLR). The rate action proposed in this filing is expected to achieve a Medical Loss Ratio of greater than 80%.

Changes in Medical Service Costs:

Premium rates for health care insurance are increasing as the cost of health care service rise. Health

<sup>1</sup> Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.

care service costs increase as health care providers increase their fees, members use more health care services and supplies, and the types of health care services and supplies change, among other factors.

We are projecting that claims will increase by 6.9% in 2018. Nearly half of the change in health care service costs is driven by changes to health care provider fees.

#### Changes in Benefits:

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

#### Administrative Costs:

The premium rates presented in this filing include a 2% contribution to reserves. Furthermore, the Affordable Care Act (ACA) imposes taxes and other levies.

**Unified Rate Review v4.2**

Company Legal Name: **QCC** State: **PA**  
 HIOS Issuer ID: **31609** Market: **Individual**  
 Effective Date of Rate Change(s): **1/1/2018**

**Market Level Calculations (Same for all Plans)**

**Section I: Experience period data**

Experience Period: 1/1/2016 to 12/31/2016

	Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	\$248,873,273	\$504.18	100.00%
Incurred Claims in Experience Period	\$333,534,675	675.69	134.02%
Allowed Claims:	\$380,293,180	770.42	152.81%
Index Rate of Experience Period	\$ 768.13		
Experience Period Member Months	493,618		

**Section II: Allowed Claims, PMPM basis**

Experience Period: 1/1/2018 to 12/31/2018 Mid-point to Mid-point, Experience to Projection: 24 months

Benefit Category	on Actual Experience Allowed				Adj't. from Experience to Projection Period				Annualized Trend Factors			Projections, before credibility Adjustment			Credibility Manual		
	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM			
Inpatient Hospital	Admits	150.41	\$14,138.84	\$177.22	1.045	0.979	1.032	1.037	169.03	\$14,747.01	\$207.73	0.00	\$0.00	\$0.00			
Outpatient Hospital	Services	5,980.13	421.73	210.17	1.045	0.979	1.025	1.037	6,721.05	433.92	243.03	0.00	0.00	0.00			
Professional	Services	26,010.36	89.31	193.59	1.045	0.979	1.015	1.037	29,241.71	90.11	219.58	0.00	0.00	0.00			
Other Medical	Services	12,000.00	2.29	2.29	1.045	0.979	1.015	1.037	13,490.80	2.31	2.60	0.00	0.00	0.00			
Capitation	Services	12,000.00	1.67	1.67	1.045	0.979	1.024	1.000	12,545.27	1.72	1.80	0.00	0.00	0.00			
Prescription Drug	Prescriptions	16,400.78	135.71	185.47	1.045	0.979	1.045	1.045	18,723.88	145.13	226.45	0.00	0.00	0.00			
Total				\$770.42							\$901.19			\$0.00			

**Section III: Projected Experience:**

	Projected Allowed Claims PMPM (w/applied credibility if applicable)	100.00%	0.00%	After Credibility	Projected Period Totals
	Paid to Allowed Average Factor in Projection Period			\$901.19	\$575,375,185
	Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			0.738	
	Projected Risk Adjustments PMPM			\$665.06	\$424,612,559
	Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			146.88	93,774,629
	Projected ACA reinsurance recoveries, net of rein prem, PMPM			\$518.18	\$330,837,930
	Projected Incurred Claims			0.00	0
	Administrative Expense Load			\$518.18	\$330,837,930
	Profit & Risk Load		10.00%	62.95	40,194,136
	Taxes & Fees		2.00%	12.59	8,038,827
	Single Risk Pool Gross Premium Avg. Rate, PMPM		5.69%	35.82	22,870,463
	Index Rate for Projection Period			\$629.55	\$401,941,356
	% increase over Experience Period			\$ 898.60	
	% Increase, annualized:			24.87%	
	Projected Member Months			11.74%	638,460

**Information Not Releasable to the Public Unless Authorized by Law:** This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

**Product-Plan Data Collection**

Company Legal Name: **QCC**  
 HIOS Issuer ID: **31609**  
 Effective Date of Rate Change(s): **1/1/2018**

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

**Product/Plan Level Calculations**

**Section I: General Product and Plan Information**

Product	Personal Choice Exchange OPN 31609PA014				Personal Choice Exchange PPO Indiv 31609PA007						Personal Choice Off Exchange PPO Indiv 31609PA019				Personal Choice ON Exchange EPO 31609PA016				Personal Choice OFF Exchange EPO 31609PA018				
	Gold	Silver	Gold	Silver	Gold	Silver	Bronze	Platinum	Platinum	Gold	Silver	Bronze	Catastrophic	Bronze	Silver	Platinum	Bronze	Catastrophic	Silver	Platinum	Bronze	Bronze	
Metal:	0.815	0.715	0.812	0.711	0.614	0.901	0.901	0.812	0.711	0.614	0.907	0.781	0.622	0.606	0.668	0.895	0.602	0.604	0.668	0.895	0.602	0.606	0.606
AV Metal Value	0.823	0.720	0.907	0.781	0.622	1.032	1.032	0.907	0.781	0.622	0.907	0.781	0.582	0.606	0.757	0.986	0.580	0.582	0.757	0.986	0.580	0.602	0.622
AV Pricing Value	Terminated PPO	Terminated PPO	Renewing PPO	Renewing PPO	Renewing PPO	Terminated PPO	Terminated PPO	Renewing PPO	Renewing PPO	Renewing PPO	Renewing PPO	Renewing PPO	Renewing PPO	Terminated EPO	New EPO	Renewing EPO	Renewing EPO	Renewing EPO	New EPO	Renewing EPO	Renewing EPO	Renewing EPO	Renewing EPO
Plan Category																							
Plan Type:																							
Plan Name	Blue Cross Gold, a Multi-State Plan	Blue Cross Silver, a Multi-State Plan	Personal Choice PPO Gold	Personal Choice PPO Silver	Personal Choice PPO Bronze	Personal Choice PPO Platinum Complete	Personal Choice PPO Platinum Complete	Personal Choice PPO Gold	Personal Choice PPO Silver	Personal Choice PPO Bronze	Personal Choice Catastrophic	Personal Choice Bronze Basic	Personal Choice Silver Reserve	Personal Choice Platinum	Personal Choice Bronze Reserve	Personal Choice Catastrophic	Personal Choice Silver Reserve	Personal Choice Platinum	Personal Choice Bronze Reserve	Personal Choice Bronze Reserve	Personal Choice Bronze Reserve	Personal Choice Bronze Basic	
Plan ID (Standard Component ID):	31609PA0140001	31609PA0140002	31609PA0070002	31609PA0070003	31609PA0070004	31609PA0070009	31609PA0070028	31609PA0190002	31609PA0190003	31609PA0190004	31609PA0160001	31609PA0160002	31609PA0160003	31609PA0160004	31609PA0160005	31609PA0180001	31609PA0180002	31609PA0180003	31609PA0180004	31609PA0180005	31609PA0180006	31609PA0180007	
Exchange Plan?	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	
Historical Rate Increase - Calendar Year - 2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Historical Rate Increase - Calendar Year - 1	6.37%	6.37%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	
Historical Rate Increase - Calendar Year 0	0.00%	0.00%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	14.11%	
Effective Date of Proposed Rates	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	
Rate Change % (over prior filing)	0.00%	0.00%	13.71%	15.02%	14.55%	0.00%	0.00%	13.71%	15.02%	14.55%	13.98%	0.00%	0.00%	14.97%	11.67%	13.98%	0.00%	14.97%	11.66%	11.66%	0.00%	0.00%	
Cum'lve Rate Change % (over 12 mos prior)	0.00%	0.00%	13.71%	15.02%	14.55%	0.00%	0.00%	13.71%	15.02%	14.55%	13.98%	0.00%	0.00%	14.97%	11.67%	13.98%	0.00%	14.97%	11.66%	11.66%	0.00%	0.00%	
Proj'd Per Rate Change % (over Exper. Period)	-100.00%	-100.00%	56.68%	27.64%	31.58%	-100.00%	-100.00%	60.76%	36.47%	45.17%	134.25%	29.13%	#DIV/0!	68.54%	29.01%	137.89%	#DIV/0!	77.72%	30.92%	30.92%	#DIV/0!	#DIV/0!	
Product Rate Increase %	0.00%	0.00%	14.72%	14.72%	14.72%	14.72%	14.72%	14.29%	14.29%	14.29%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	13.10%	

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

Plan ID (Standard Component ID):	Total	31609PA0140001	31609PA0140002	31609PA0070002	31609PA0070003	31609PA0070004	31609PA0070009	31609PA0070028	31609PA0190002	31609PA0190003	31609PA0190004	31609PA0160001	31609PA0160002	31609PA0160003	31609PA0160004	31609PA0160005	31609PA0180001	31609PA0180002	31609PA0180003	31609PA0180004	31609PA0180005
Inpatient	\$15.41	\$0.00	\$0.00	\$20.10	\$17.45	\$13.22	\$0.00	\$0.00	\$19.05	\$16.30	\$12.82	\$6.36	\$0.00	\$0.00	\$27.79	\$10.11	\$6.35	\$0.00	\$25.88	\$10.47	\$0.00
Outpatient	\$18.03	\$0.00	\$0.00	\$23.51	\$20.41	\$15.46	\$0.00	\$0.00	\$22.28	\$19.07	\$14.99	\$7.44	\$0.00	\$0.00	\$32.50	\$11.82	\$7.42	\$0.00	\$30.27	\$12.24	\$0.00
Professional	\$16.28	\$0.00	\$0.00	\$21.24	\$18.43	\$13.96	\$0.00	\$0.00	\$20.13	\$17.22	\$13.54	\$6.72	\$0.00	\$0.00	\$29.36	\$10.68	\$6.70	\$0.00	\$27.34	\$11.06	\$0.00
Prescription Drug	\$16.79	\$0.00	\$0.00	\$21.90	\$19.01	\$14.40	\$0.00	\$0.00	\$20.76	\$17.76	\$13.96	\$6.93	\$0.00	\$0.00	\$30.28	\$11.01	\$6.91	\$0.00	\$28.20	\$11.40	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capitation	\$0.13	\$0.00	\$0.00	\$0.17	\$0.15	\$0.11	\$0.00	\$0.00	\$0.16	\$0.14	\$0.11	\$0.06	\$0.00	\$0.00	\$0.24	\$0.09	\$0.05	\$0.00	\$0.22	\$0.09	\$0.00
Administration	\$8.10	\$0.00	\$0.00	\$10.56	\$9.17	\$6.94	\$0.00	\$0.00	\$10.01	\$8.57	\$6.73	\$3.34	\$0.00	\$0.00	\$14.60	\$5.31	\$3.33	\$0.00	\$13.60	\$5.50	\$0.00
Taxes & Fees	\$1.62	\$0.00	\$0.00	\$2.11	\$1.83	\$1.39	\$0.00	\$0.00	\$2.00	\$1.71	\$1.35	\$0.67	\$0.00	\$0.00	\$2.92	\$1.06	\$0.67	\$0.00	\$2.72	\$1.10	\$0.00
Risk & Profit Charge	\$4.61	\$0.00	\$0.00	\$6.01	\$5.22	\$3.95	\$0.00	\$0.00	\$5.70	\$4.87	\$3.83	\$1.90	\$0.00	\$0.00	\$8.31	\$3.02	\$1.90	\$0.00	\$7.74	\$3.13	\$0.00
Total Rate Increase	\$80.97	\$0.00	\$0.00	\$105.60	\$91.67	\$69.44	\$0.00	\$0.00	\$100.09	\$85.65	\$67.34	\$33.43	\$0.00	\$0.00	\$145.99	\$53.11	\$33.34	\$0.00	\$135.97	\$54.98	\$0.00
Member Cost Share Increase	\$2.68	\$0.00	\$0.00	\$8.64	\$0.00	\$1.80	\$0.00	\$0.00	\$0.00	\$0.71	\$2.36	\$0.00	\$0.00	\$9.39	\$29.09	\$10.52	\$2.73	\$4.87	\$1.41	\$0.00	\$0.00
Average Current Rate PMPM	\$573.34	\$0.00	\$0.00	\$770.14	\$610.39	\$477.17	\$0.00	\$0.00	\$729.97	\$570.29	\$462.72	\$239.16	\$0.00	\$0.00	\$975.37	\$455.03	\$238.52	\$0.00	\$908.46	\$471.57	\$399.92
Projected Member Months	638,484	0	0	29,136	130,704	15,144	0	0	65,808	63,336	15,744	6,288	0	12	15,648	45,612	1,776	12	43,404	76,404	129,456

**Section III: Experience Period Information**

Warning Alert	Wsht 1 Total	Plan ID (Standard Component ID):	Total	31609PA0140001, 31609PA0140002, 31609PA0070002, 31609PA0070003, 31609PA0070004, 31609PA0070009, 31609PA0070028, 31609PA0190002, 31609PA0190003, 31609PA0190004, 31609PA0160001, 31609PA0160002, 31609PA0160003, 31609PA0160004, 31609PA0160005, 31609PA0180001, 31609PA0180002, 31609PA0180003, 31609PA0180004, 31609PA0180005																			
				Plan Adjusted Index Rate	Member Months	Total Premium (TP)	EHB Percent of TP, [see instructions]	state mandated benefits portion of TP that are other than EHB	Other benefits portion of TP	Total Allowed Claims (TAC)	EHB Percent of TAC, [see instructions]	state mandated benefits portion of TAC that are other than EHB	Other benefits portion of TAC	Allowed Claims which are not the issuer's obligation: Portion of above payable by HHS's funds on behalf of insured person, in dollars	Portion of above payable by HHS on behalf of insured person, as %	Total Incurred Claims, payable with issuer funds	Net Amt of Rein	Net Amt of Risk Adj	Incurred Claims PMPM	Allowed Claims PMPM	EHB portion of Allowed Claims, PMPM		
OK	493,618		\$504.18	\$562.77	\$497.91	\$555.80	\$522.27	\$396.25	\$673.43	\$634.44	\$541.68	\$488.49	\$359.14	\$184.29	\$342.29	\$0.00	\$690.84	\$369.25	\$181.47	\$0.00	\$655.15	\$363.84	\$0.00
OK	\$248,873,273		493,620	3,522	13,034	26,516	80,952	7,380	11,552	64,672	44,816	16,576	971	27,880	22,121	2,535	0	64,877	72,898	0	64,877	72,898	0
			\$248,873,273	\$1,982,063	\$6,489,813	\$14,737,588	\$42,278,985	\$2,924,318	\$5,427,849	\$7,329,058	\$35,031,474	\$21,892,329	\$5,953,150	\$178,947	\$9,543,039	\$0	\$17,449,203	\$8,168,200	\$460,031	\$0	\$42,504,021	\$26,523,204	\$0
			99.41%	99.84%	98.87%	99.84%	98.87%	99.84%	96.88%	96.88%	99.84%	98.87%	99.84%	99.84%	100.00%	99.84%	99.84%	96.88%	100.00%	99.84%	99.84%	99.84%	
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
			0.59%	0.16%	1.13%	0.16%	1.13%	0.16%	3.12%	3.12%	0.16%	1.13%	0.16%	0.16%	0.00%	0.16%	0.16%	3.12%	0.00%	0.16%	0.16%	0.16%	
			\$384,088,266	\$4,953,390	\$10,032,621	\$18,636,141	\$60,918,720	\$2,846,349	\$16,251,735	\$29,413,258	\$47,017,156	\$19,809,535	\$4,481,978	\$106,714	\$7,705,082	\$0	\$37,288,170	\$10,320,141	\$187,711	\$0	\$80,048,791	\$34,070,775	\$0
			99.26%	99.84%	98.87%	99.84%	98.87%	99.84%	96.88%	96.88%	99.84%	98.87%	99.84%	99.84%	100.00%	99.84%	99.84%	96.88%	100.00%	99.84%	99.84%	99.84%	
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
			0.74%	0.16%	1.13%	0.16%	1.13%	0.16%	3.12%	3.12%	0.16%	1.13%	0.16%	0.16%	0.00%	0.16%	0.16%	3.12%	0.00%	0.16%	0.16%	0.16%	
			\$50,553,591	\$703,040	\$1,230,072	\$2,825,930	\$7,440,789	\$732,882	\$850,068	\$1,407,148	\$6,673,794	\$5,897,055	\$1,590,778	\$60,306	\$2,390,211	\$0	\$2,623,933	\$2,176,109	\$101,404	\$0	\$5,650,427	\$8,199,644	\$0
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
			\$333,534,675	\$4,250,350	\$8,802,549	\$15,810,211	\$53,477,931	\$2,113,468	\$15,401,667	\$28,006,110	\$40,343,361	\$13,912,480	\$2,891,201	\$46,408	\$5,314,871	\$0	\$34,664,237	\$8,144,031	\$86,307	\$0	\$74,398,364	\$25,871,131	\$0

Section IV: Projected (12 months following effective date)

Warning Alert	Wght 1 Total	Plan ID (Standard Component ID):	Total	31609PA0140001	31609PA0140002	31609PA0070002	31609PA0070003	31609PA0070004	31609PA0070009	31609PA0070028	31609PA0190002	31609PA0190003	31609PA0190004	31609PA0160001	31609PA0160002	31609PA0160003	31609PA0160004	31609PA0160005	31609PA0180001	31609PA0180002	31609PA0180003	31609PA0180004	31609PA0180005
		Plan Adjusted Index Rate	\$651.12	\$0.00	\$0.00	\$870.81	\$666.62	\$521.38	\$0.00	\$0.00	\$870.81	\$666.62	\$521.38	\$431.71	\$442.02	\$657.16	\$1,164.32	\$476.38	\$431.71	\$657.16	\$1,164.32	\$476.32	\$442.02
OK	638,460	Member Months	638,484	-	-	29,136	130,704	15,144	-	-	65,808	63,336	15,744	6,288	-	12	15,648	45,612	1,776	12	43,404	76,404	129,456
OK	\$401,941,356	Total Premium (TP)	\$415,730,180	\$0	\$0	\$25,371,969	\$87,130,387	\$7,895,760	\$0	\$0	\$57,306,374	\$42,221,280	\$8,208,587	\$2,714,570	\$0	\$7,886	\$18,219,239	\$21,728,781	\$766,711	\$7,886	\$50,536,032	\$36,393,119	\$57,221,599
		EHB Percent of TP, [see instructions]	99.65%	99.95%	99.95%	100.00%	99.07%	100.00%	100.00%	99.90%	99.90%	98.97%	99.90%	100.00%	100.00%	100.00%	100.00%	100.00%	99.90%	99.90%	99.90%	99.90%	99.90%
		state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Other benefits portion of TP	0.35%	0.05%	0.05%	0.00%	0.93%	0.00%	0.00%	0.10%	0.10%	1.03%	0.10%	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
OK	\$75,375,185	Total Allowed Claims (TAC)	\$570,190,055	\$0	\$0	\$28,964,350	\$115,514,238	\$13,152,079	\$0	\$0	\$65,420,752	\$55,975,614	\$13,673,260	\$4,829,453	\$0	\$10,792	\$19,132,434	\$38,790,401	\$1,364,044	\$10,792	\$53,069,048	\$64,968,815	\$95,313,983
		EHB Percent of TAC, [see instructions]	99.67%	99.95%	99.95%	100.00%	99.07%	100.00%	100.00%	99.90%	99.90%	99.07%	99.90%	100.00%	100.00%	100.00%	100.00%	100.00%	99.90%	99.90%	99.90%	99.90%	99.90%
		state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Other benefits portion of TAC	0.33%	0.05%	0.05%	0.00%	0.93%	0.00%	0.00%	0.10%	0.10%	0.93%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%
		Allowed Claims which are not the issuer's obligation	\$233,512,643	\$0	\$0	\$6,973,072	\$44,494,935	\$7,200,939	\$0	\$0	\$15,749,764	\$21,561,215	\$7,486,275	\$2,942,269	\$0	\$4,390	\$2,566,174	\$22,991,289	\$831,023	\$4,390	\$7,117,985	\$38,508,837	\$55,080,086
		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%	#DIV/0!	#DIV/0!	0.00%	0.00%	0.00%	#DIV/0!					0.00%	#DIV/0!	0.00%	0.00%	0.00%					
OK	\$30,837,930	Total Incurred claims, payable with issuer funds	\$336,677,412	\$0	\$0	\$21,991,278	\$71,019,303	\$5,951,140	\$0	\$0	\$49,670,988	\$34,414,398	\$6,186,984	\$1,887,184	\$0	\$6,403	\$16,566,260	\$15,799,112	\$533,021	\$6,403	\$45,951,063	\$26,459,977	\$40,233,898
#DIV/0!	-	Net Amt of Rein	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Net Amt of Risk Adj	\$93,778,154	\$0	\$0	\$4,279,387	\$19,197,317	\$2,224,294	\$0	\$0	\$9,665,634	\$9,302,556	\$2,312,420	\$923,558	\$0	\$1,763	\$2,298,320	\$6,699,321	\$260,852	\$1,763	\$6,375,018	\$11,221,935	\$19,014,015
OK	\$ 518.18	Incurred Claims PMPM	\$527.31	#DIV/0!	#DIV/0!	\$754.78	\$543.36	\$392.97	#DIV/0!	#DIV/0!	\$754.79	\$543.36	\$392.97	\$300.12	#DIV/0!	\$533.56	\$1,058.68	\$346.38	\$300.12	\$533.56	\$1,058.68	\$346.32	\$310.79
OK	\$ 901.19	Allowed Claims PMPM	\$893.04	#DIV/0!	#DIV/0!	\$994.11	\$883.79	\$868.47	#DIV/0!	#DIV/0!	\$994.12	\$883.79	\$868.47	\$768.04	#DIV/0!	\$899.36	\$1,222.68	\$850.44	\$768.04	\$899.36	\$1,222.68	\$850.33	\$736.27
		EHB portion of Allowed Claims, PMPM	\$890.08	#DIV/0!	#DIV/0!	\$994.11	\$875.57	\$868.47	#DIV/0!	#DIV/0!	\$993.12	\$875.57	\$867.61	\$768.04	#DIV/0!	\$899.36	\$1,222.68	\$850.44	\$767.27	\$898.46	\$1,221.45	\$849.48	\$735.53

## URRT Part II – Consumer Friendly Justification

### **Scope and Range of the Rate Increase:**

QCC Insurance Company ("QCC") is revising premium rates for the Pennsylvania Consumer ACA compliant products, effective from January 1, 2018. The proposed revisions to each plan are shown on the second page of this exhibit.

About 53,000 members will be affected.

### **Financial Experience of the Product:**

QCC is required by federal law to pay out a minimum of 80% percent of premium dollars for medical claims—this is referred to as the minimum Medical Loss Ratio (MLR). The rate action proposed in this filing is expected to achieve a Medical Loss Ratio of greater than 80%.

### **Changes in Medical Service Costs:**

Premium rates for health care insurance are increasing as the cost of health care service rise. Health care service costs increase as health care providers increase their fees, members use more health care services and supplies, and the types of health care services and supplies change, among other factors.

We are projecting that claims will increase by 6.9% in 2018. Nearly half of the change in health care service costs is driven by changes to health care provider fees.

### **Changes in Benefits:**

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

### **Administrative Costs:**

The premium rates presented in this filing include a 2% contribution to reserves. Furthermore, the Affordable Care Act (ACA) imposes taxes and other levies.

## URRT Part II – Consumer Friendly Justification

HIOS Plan ID	Plan Name	2018 % Change
31609PA0160004	Personal Choice Platinum	15.0%
31609PA0070002	Personal Choice PPO Gold	13.7%
31609PA0070003	Personal Choice PPO Silver	15.0%
31609PA0070004	Personal Choice PPO Bronze	14.6%
31609PA0160005	Personal Choice Bronze Reserve	11.7%
31609PA0160001	Personal Choice Catastrophic	14.0%
31609PA0180003	Personal Choice Platinum	15.0%
31609PA0190002	Personal Choice PPO Gold	13.7%
31609PA0190003	Personal Choice PPO Silver	15.0%
31609PA0190004	Personal Choice PPO Bronze	14.6%
31609PA0180001	Personal Choice Catastrophic	14.0%
31609PA0180004	Personal Choice Bronze Reserve	11.7%
31609PA0070001	Personal Choice Platinum	Terminated
31609PA0070006	Personal Choice Bronze Reserve	Terminated
31609PA0160002	Personal Choice Bronze Basic	Terminated
31609PA0070020	Personal Choice Platinum	Terminated
31609PA0070027	Personal Choice Bronze Reserve	Terminated
31609PA0180002	Personal Choice EPO Silver Reserve	New
31609PA0180005	Personal Choice Bronze Basic	New
31609PA0160003	Personal Choice EPO Silver Reserve	New

## **GENERAL OVERVIEW**

### **PURPOSES**

This Actuarial Memorandum is provided along with the Unified Rate Review Template (URRT) to provide certain information to support the gross premium for the single risk pool for individual market health care insurance underwritten by QCC Insurance Company, Inc. in the Commonwealth of Pennsylvania. It is provided as a component of an application for certification as a Qualified Health Plan and a state rate filing. This submission may not be appropriate for other purposes.

### **GENERAL INFORMATION**

#### **COMPANY IDENTIFYING INFORMATION**

**Company Legal Name:** QCC Insurance Company, Inc. ("QCC")  
**State:** Pennsylvania  
**HIOS Issuer ID (5-digit):** 31609  
**Market:** Individual  
**Effective Date(s):** 1/1/2018

Worksheet 1 of the accompanying URRT contains experience period data and development of the projected Single Risk Pool Gross Premium Average Rate PMPM for the individual market for QCC. Worksheet 2 contains experience period data and projections by product for the single risk pool for the same entities.

#### **COMPANY CONTACT INFORMATION**

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

### **PROPOSED RATE INCREASE**

The changes to the single risk pool gross premium average rate per member per month (PMPM) from calendar year 2016 to calendar year 2018 were incorporated into the pricing and reflected in the Unified Rate Review Template. The changes are driven by factors including: changes in market-wide population risk morbidity and covered services, increasing unit costs for medical services, increasing utilization of medical services, increasing fees and taxes imposed by the federal government, anticipated costs to administer the plan, anticipated revenue or payments due to market-wide risk adjustment, and the discontinuance of net reinsurance payments from the Federal Transitional Reinsurance Program.

The weighted average increase across QCC plans based on projected membership, inclusive of the impact of benefit and cost sharing changes, is 14.11%. The minimum increase is 11.7% and the maximum increase is 15.0%.

## **WORKSHEET 1: DATA COLLECTION TEMPLATE**

### **SECTION I: EXPERIENCE PERIOD PREMIUM AND CLAIMS**

#### **PAID THROUGH DATE**

Experience period premium, claims, and member months are obtained from the company's internal data warehouse. The claims data is collected for incurred dates from January through December 2016 and paid through January 2017. Earned premiums and member months are for January through December 2016. The data are for all direct-written individual business of QCC in the Commonwealth of Pennsylvania.

#### **PREMIUMS (NET OF MLR REBATE) IN EXPERIENCE PERIOD**

Earned Premiums (net of MLR Rebate) in Experience Period are developed by summing the earned premium reported in the company's internal data warehouse and adjusting for MLR rebates, if any, for the period. Although 2016 federal MLR rebate calculations are not final as of the writing of this memorandum, no federal MLR rebates are expected for calendar year 2016, so no adjustment to earned premium for MLR rebates is needed.

The calculation for federal minimum loss ratio rebates is based on 2014, 2015, and 2016 experience of earned premium, incurred claims, quality improvement expenses, and taxes. The three years of experience is blended for all segments.

#### **ALLOWED AND INCURRED CLAIMS INCURRED DURING THE EXPERIENCE PERIOD**

##### **Paid-to-Date and Incurred Claims, and Member Months**

Insurer fee-for-service claims expenses and member liabilities for dates of service in January 2016 through December 2016 and paid through January 2017 are sourced from the IBCFOC's internal data warehouse. The claims and member liabilities are completed with incurred but not reported (IBNR) adjustments to develop ultimate incurred insurer fee-for-service claims expenses and member liabilities for the January through December 2016 period. Capitation amounts are also sourced from the internal data warehouse for the January through December 2016 period but they are not adjusted for IBNR.

##### **Allowed Claims**

Allowed claims are determined by separately obtaining paid-to-date fee-for-service claims and member cost-sharing amounts, applying claim lag factors to those amounts to estimate ultimate incurred fee-for-service claims and member-sharing amounts and adding them together with capitation amounts.

Allowed claims do not include ineligible claims, payments for services other than medical care provided, recovery payments related to internal large claim pooling mechanisms, or active live reserves.

### **IBNR Development**

Medical fee for service incurred but not reported (IBNR) claims are modeled through the use of standard claim lag methodologies. A range of results is developed, and a provision for adverse deviation is applied. The provision for adverse deviation is dependent on many factors such as stability, size, product mix, etc.

The completion factors are developed annually in the 2Q – 3Q period. We do not believe our IBNR is unusually high or unusually low for incurred 2016 paid through January 2017.

### **Experience Period Index Rate**

The Index Rate of Experience Period is estimated by removing cost and utilization trend from the Index Rate for Projection Period.

## **SECTION II: ALLOWED CLAIMS, PMPM BASIS**

### **BENEFIT CATEGORIES**

Utilization and Unit Cost data for allowed claims in the experience period are provided in Section II. The data is provided by benefit category using a standardized indicator from the internal data warehouse that assigns each claim line to a category based on the type of provider and the location of the service. The utilization and unit cost data are provided for the following categories: Inpatient Hospital admits, Outpatient Hospital visits, Professional visits, Other Medical visits, Capitation per member per month (PMPM), and Prescription Drug scripts.

Experience Period capitation is reported as a per member per month (PMPM) value. In order to complete the URRT, the Utilization per 1,000 statistics for capitated services only is reported as 1,000 so that the appropriate capitation PMPM is reported.

### **PROJECTION FACTORS**

The estimated incurred claims experience on an allowed basis for January 2016 through December 2016 is projected to the future rating period by several factors. Factors were calculated from the combined experience of QCC and KHPE.

### **Changes in Population Risk Morbidity**

Experience period allowed claims are adjusted to account for differences in the average morbidity of the single risk pool population underlying the experience and the anticipated population in the projection period. This adjustment reflects changes in the individual market-wide morbidity.

### **Changes in Other Factors**

Experience period allowed claims are adjusted to account for differences in the single risk pool population underlying the experience and the anticipated population in the projection period pertaining to several factors not due to changes in morbidity or the costs and utilization of medical care. This adjustment reflects: additional benefits required to be covered as essential health benefits; recently mandated benefits required by state law that are not reflected in the experience period data; benefits in the experience that are removed for the projection period; 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; changes in demographic characteristics of the single risk pool experience period population and the projection period population (including age, gender, region, and tobacco use); changes in the provider network (adding or removing a provider system or introducing a limited network option); and anticipated changes in pharmacy rebates.

### **Trend Factors**

#### **a. Annualized Cost Trend**

Annual cost trend reflects changes in costs of medical treatment due to medical inflation and changes in the distribution of services across network providers. The trend value is developed by reviewing historical medical costs for the single risk pool and adjusting them for anticipated future provider contracting reimbursement levels. The data is normalized for changes in age, benefit changes during the experience period, changes to provider contracts, and prescription drug formulary, and new drugs brought to market.

#### **b. Annualized Utilization Trend**

Annual utilization trend reflects the change in the number of units per 1,000 members for a fixed level of illness burden and includes changes due to the mix and intensity of services provided and changes related to shifts in product mix. It also includes effects of selection, if any, since this cannot be reflected in the relative cost of the various products and plans offered.

### **CREDIBILITY MANUAL RATE DEVELOPMENT**

The experience period claims for the single risk pool are determined to be fully credible; therefore no credibility adjustment is required.

### **SECTION III: PROJECTED EXPERIENCE**

#### **PAID TO ALLOWED RATIO**

The Projected Allowed Experience Claims PMPM shown in Worksheet 1 represents projected allowed claims experience PMPM for the projected portfolio of plans. The Paid to Allowed Average Factor in

Projection Period adjusts the allowed down to Projected Incurred Claims before ACA reinsurance and risk adjustment for the population anticipated to be covered in the projection period. The Projected Incurred Claims before ACA reinsurance and risk adjustment represents the net amount of incurred insurer claim liability expected in the projection period, net of member cost sharing and cost sharing paid by HHS on behalf of low-income members. It reflects the average benefit level anticipated during the projection period. The ratio was calculated using incurred (before ACA reinsurance and risk adjustment) and allowed PMPMs from worksheet two of the URRT.

## **RISK ADJUSTMENT AND REINSURANCE**

### **Projected Risk Adjustment PMPM**

Projected Risk Adjustment is accounted for in Projected Incurred Claims before ACA Reinsurance and Risk Adjustment to reflect anticipated risk adjustment transfer amounts for the projection period. The amount reflects the projected morbidity for the single risk pool for IBCFOC in the projection period.

The estimated risk adjustment revenue for all of the plans in the risk pool is developed using the following methodology. We recognize that the HHS payment transfer formula implies that the projected incurred claims based solely on the experience period single risk pool claims need to be adjusted by the ratio of the current statewide market's risk relative to allowable rating factor (ARF) for age compared to the single risk pool's risk relative to ARF presented during the experience period. This adjustment, together with the assumed future changes in population risk morbidity, results in the issuer's pricing being consistent with the anticipated morbidity level of the future statewide market.

The anticipated risk adjustment transfer revenue is allocated proportionally based on plan premium. The Projected Risk Adjustment is subtracted from Projected Incurred Claims before ACA Risk Adjustment to reflect anticipated receipt of risk adjustment transfer amounts for the projection period.

When the projected risk adjustment amounts for KHPE and QCC are combined, the result is consistent with the projection made in our submission. We also considered preliminary 2016 risk transfer results.

### **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market Only)**

With the expiration of the reinsurance program at the end of the 2016 benefit year, there are no projected reinsurance recoveries or reinsurance premium assumed in the rates.

## **NON-BENEFIT EXPENSES AND PROFIT & RISK**

### **Administrative Expense Load**

An Administrative Expense Load is applied to Projected Incurred Claims to reflect expenses related to quality improvement and fraud detection/recovery and other expenses of operating a business, broker commissions, and premium payment processing fees.

### **Profit & Risk Load/Contribution to Surplus**

A Profit & Risk Load/Contribution to Surplus for the single risk pool is applied to Projected Incurred Claims for the projection period, if applicable.

#### **Taxes and Fees**

A Taxes & Fees load is applied to Projected Incurred Claims to pass through fees and taxes levied by the federal and state governments.

#### **PROJECTED LOSS RATIO**

The projected loss ratio for the single risk pool is estimated to exceed 80% reflecting premium adjustments permitted by the federal MLR calculation.

#### **SINGLE RISK POOL**

The single risk pool reflects all covered lives for every individual non-grandfathered product and plan combination for QCC in the state of Pennsylvania. It is established according to the Single Risk Pool requirements in 45 CFR § 156.80(d).

#### **INDEX RATE**

The Index Rate is defined as the EHB portion of projected allowed claims divided by all projected single risk pool lives. The Index Rate is the same value for all non-grandfathered plans for QCC Individual Plans in Pennsylvania. The Index Rate reflects the twelve month projection for calendar year 2018. It has been developed following the specifications of 45 CFR § 156.80(d)(1).

#### **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: federal reinsurance program adjustment, risk adjustment and exchange user fees. The Market Adjusted Index Rate reflects the average demographic characteristics of the single risk pool.

#### **PLAN ADJUSTED INDEX RATE**

The Plan Adjusted Index Rate is calculated as the issuer Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rule. These include actuarial value and cost sharing adjustment, provider network, delivery system and utilization management adjustment, adjustment for benefits in addition to the EHBs, impact of specific eligibility categories for the catastrophic plan and administrative costs.

#### **CALIBRATION**

The plan adjusted index rate is projected for all products using the same anticipated age distribution and the mandated age curve. Therefore the consumer adjusted premium rate is the plan adjusted index rate divided by the average age, geographic and tobacco factors for the expected distribution. The average age of the combined individual risk pool population is 40.

The Average Age factor is the weighted average age factor based on the projected membership. The Tobacco Factor is calculated as the projected average factor for tobacco users multiplied by the projected tobacco use prevalence.

There is only one geographic rating area for this filing. The geographic rating area factor for this filing is 1.0.

## **WORKSHEET 2: PRODUCT-PLAN DATA COLLECTION**

### **AV METAL VALUES**

The AV Metal Values included in Worksheet 2 of the URRT were valued using the AV Calculator, where possible, otherwise the AV Metal Values were developed under an alternate methodology. Actuarial certifications required by 45 CFR Part 156, §156.135 are provided in a separate document.

### **AV PRICING VALUES**

The AV Pricing Value represents the cumulative effect of adjustments made by plan to move from the Market Adjusted Index Rate to the Plan Adjusted Index Rate.

### **MEMBERSHIP PROJECTIONS**

Enrollment is projected based on current and anticipated enrollment by plan. Items impacting these projections include changes in the size of the market due to introduction of guarantee issue requirements, the individual mandate, and the introduction of a Basic Health Program.

### **TERMINATED PLANS**

The following plans are being terminated during 2018.

HIOS ID	Plan Name
31609PA0160002	Personal Choice Bronze Basic

### **HIOS ID CHANGES**

The following plans were reclassified from PPO to EPO. HIOS ID numbers are changed effective January 1, 2018. They are shown in the Experience Period section of the URRT Worksheet 2 using the 2018 HIOS ID numbers.

2017 HIOS ID	2018 HIOS ID	Plan Name
31609PA0070001	31609PA0160004	Personal Choice Platinum
31609PA0070020	31609PA0180003	Personal Choice Platinum
31609PA0070006	31609PA0160005	Personal Choice Bronze Reserve
31609PA0070027	31609PA0180004	Personal Choice Bronze Reserve

HIOS ID numbers are changed for Off-Exchange Plans to distinguish them from On-Exchange Plans effective January 1, 2018. They are shown in the Experience Period section of the URRT Worksheet 2 using the 2018 HIOS ID numbers.

2017 HIOS ID	2018 HIOS ID	Plan Name
31609PA0070021	31609PA0190002	Personal Choice PPO Gold
31609PA0070022	31609PA0190003	Personal Choice PPO Silver
31609PA0070023	31609PA0190004	Personal Choice PPO Bronze
31609PA0160020	31609PA0180001	Personal Choice Catastrophic

#### **WARNING ALERTS**

There are no warning alerts in URRT part 1.

## **ACTUARIAL CERTIFICATION**

I, [REDACTED], am Director & Actuary of Commercial Markets for the Independence Blue Cross Family of Companies. I am a member of the Society of Actuaries and the American Academy of Actuaries with the education and experience necessary to perform the work necessary and meet the Qualification Standards of the American Academy of Actuaries to render the qualified actuarial opinion contained herein. The developed rates and memorandum have been prepared in conformity with appropriate Actuarial Standards of Practice and the Academy's Code of Professional Conduct.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the premium rates and allowable rating factors. Rather, it represents information required by Federal regulation to be provided in support of the review of gross premium 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.

I hereby certify that, to the best of my knowledge and judgment, the following:

- The projected index rate is:
  - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.08(d)(1) and 147.102);
  - Developed in compliance with applicable Actuarial Standards of Practice;
  - Reasonable in relation to the benefits provided and the population anticipated to be covered; and
  - Neither excessive nor deficient.
- 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 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.
- Geographic rating factors reflect only differences in the costs of delivery of and do not include differences for population morbidity by geographic area.
- 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, unless an alternate methodology was required. If an alternate methodology was used to calculate the AV Metal Value for at least one plan offered, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 will be included.

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[REDACTED]  
May 19, 2017

# PENNSYLVANIA ACTUARIAL MEMORANDUM

## PURPOSES

This Actuarial Memorandum is provided along with the Unified Rate Review Template (URRT) and PA Actuarial Memorandum Rate Exhibits to provide certain information to support the gross premium for the single risk pool for individual market health care insurance underwritten by QCC Insurance Co., Inc. in the Commonwealth of Pennsylvania. It is provided as a component of a state rate filing. This submission may not be appropriate for other purposes.

## 1. BASIC INFORMATION AND DATA

### A. COMPANY INFORMATION

<b>Company Legal Name:</b>	QCC Insurance Co., Inc. ("QCC")
<b>State:</b>	Pennsylvania
<b>NAIC #:</b>	93688
<b>Market:</b>	Individual
<b>Marketplace:</b>	On and Off Exchange
<b>Effective Date(s):</b>	1/1/2018 – 12/31/2018
<b>Average Rate Change:</b>	14.11%
<b>Range of Rate Changes:</b>	11.7% - 15.0%
<b>Products:</b>	HMO
<b>Rating Areas:</b>	Rating Area 8
<b>Metal Levels:</b>	Platinum, Gold, Silver, Bronze, Catastrophic
<b>Current Members:</b>	53,205
<b>Current Policyholders:</b>	33,683
<b>Number of 2018 Plans:</b>	15
<b>HIOS Issuer ID (5-digit):</b>	31609

Worksheet 1 of the accompanying URRT contains experience period data and development of the projected Single Risk Pool Gross Premium Average Rate PMPM for the individual market for QCC. Worksheet 2 contains experience period data and projections by product for the single risk pool for the same entities. This memorandum pertains only to plans denoted in Worksheet 2 by Plan IDs starting with the sequence 31609.

### COMPANY CONTACT INFORMATION

<b>Primary Contact Name:</b>	[REDACTED]
<b>Primary Contact Telephone Number:</b>	[REDACTED]
<b>Primary Contact Email Address:</b>	[REDACTED]

## **B. RATE HISTORY AND PROPOSED VARIATIONS IN RATE CHANGES**

January 1, 2015	14.90%	INAC- 129626643
January 1, 2016	4.53%	INAC- 129938930
January 1, 2017	28.38%	INAC- 130539917

The historical rate changes varied by metallic tier based on plan benefits as illustrated via the Pricing AV.

Proposed rate changes may vary by metallic tier and plan based on plan benefit changes.

## **C. AVERAGE RATE CHANGE**

The average proposed rate change shown in Cell AC15 of Table 10 is 14.11%. The changes to the single risk pool gross premium average rate per member per month (PMPM) from calendar year 2016 to calendar year 2018 are incorporated into the pricing and reflected in the Unified Rate Review Template.

The change in 21-year-old Non-Tobacco Premium PMPM calculated in Table 11, Cell AN13 is 13.9%. The change shown in Cell V45 of Worksheet 1 of URRT Part I is 24.87%. The change shown in Cell V46 of Worksheet 1 of URRT Part I is 11.74%.

## **D. MEMBERSHIP COUNT**

Table 1 illustrates the Experience Period member-months, Current Period members as of February 1, 2017, and Projected Rating Period Member-months by ages.

## **E. BENEFIT CHANGES**

Benefit changes were made to the following plans to assure compliance with Actuarial Value Requirements, including differences that resulted from changes to the AV Calculator. The basis for pricing changes was our internal pricing model.

## **F. EXPERIENCE PERIOD CLAIMS AND PREMIUMS**

Table 2 illustrates the experience period claims and premiums using calendar year data. The data is consistent with the data reported in Section 1 of Worksheet I of the URRT.

Experience period premium, claims, and member months are obtained from the company's internal data warehouse. The claims data is collected for incurred dates from January through December 2016 and paid through January 2017. Earned premiums and member months are for January through December 2016. The data are for all direct-written individual business of QCC in the Commonwealth of Pennsylvania, including out-of-network claims written by QCC but paid by QCC for POS plans. No private reinsurance was applicable.

### **Projected Risk Adjustment PMPM**

Non-EHB benefits are illustrated separately in cell H36 of Table 2. Capitation is uniform by age for the experience period. Net pharmacy rebates are illustrated in cell I36 of Table 2.

Projected Risk Adjustment is accounted for in Projected Incurred Claims before ACA Reinsurance and Risk Adjustment to reflect anticipated risk adjustment transfer amounts for the projection period. The amount reflects the projected morbidity for the single risk pool for IBCFOC in the projection period.

The estimated risk adjustment revenue for all of the plans in the risk pool is developed using the following methodology. We recognize that the HHS payment transfer formula implies that the projected incurred claims based solely on the experience period single risk pool claims need to be adjusted by the ratio of the current statewide market's risk relative to allowable rating factor (ARF) for age compared to the single risk pool's risk relative to ARF presented during the experience period. This adjustment, together with the assumed future changes in population risk morbidity, results in the issuer's pricing being consistent with the anticipated morbidity level of the future statewide market.

The anticipated risk adjustment transfer revenue is allocated proportionally based on plan premium. The Projected Risk Adjustment is subtracted from Projected Incurred Claims before ACA Risk Adjustment to reflect anticipated receipt of risk adjustment transfer amounts for the projection period.

When the projected risk adjustment amounts for QCC and Independence Blue Cross (QCC) are combined, the result is consistent with the projection made in our submission. We also considered preliminary 2016 risk transfer results.

The risk adjustment included in the URRT matches the risk adjustment that was included in the URRT from the annual QHP filing.

### **G. CREDIBILITY OF DATA**

The experience period data is considered 100% credible.

### **H. TREND IDENTIFICATION**

Table 3 identifies the proposed annual medical and prescription drug allowed claims cost and utilization trends. These data match the data illustrated in Section 2 of Worksheet I of the URRT. Additional discussion is provided in Section I, Historical Experience.

### **I. HISTORICAL EXPERIENCE**

Table 4 illustrates historical experience from 2014 through 2016 for the product line.

**a. Annualized Cost Trend**

Annual cost trend reflects changes in costs of medical treatment due to medical inflation and changes in the distribution of services across network providers. The trend value is developed by reviewing historical medical costs for the single risk pool and adjusting them for anticipated future provider contracting reimbursement levels. The data is normalized for changes in age, benefit changes during the experience period, changes to provider contracts, and prescription drug formulary, and new drugs brought to market.

**b. Annualized Utilization Trend**

Annual utilization trend reflects the change in the number of units per 1,000 members for a fixed level of illness burden and includes changes due to the mix and intensity of services provided and changes related to shifts in product mix. It also includes effects of selection, if any, since this cannot be reflected in the relative cost of the various products and plans offered.

**J. TERMINATED PLANS**

The following plans are being terminated during 2018:

HIOS ID	Plan Name
31609PA0160002	Personal Choice Bronze Basic

**K. HIOS ID CHANGES**

The following plans were reclassified from PPO to EPO. HIOS ID numbers are changed effective January 1, 2018. They are shown in the Experience Period section of the URRT Worksheet 2 using the 2018 HIOS ID numbers.

2017 HIOS ID	2018 HIOS ID	Plan Name
31609PA0070001	31609PA0160004	Personal Choice Platinum
31609PA0070020	31609PA0180003	Personal Choice Platinum
31609PA0070006	31609PA0160005	Personal Choice Bronze Reserve
31609PA0070027	31609PA0180004	Personal Choice Bronze Reserve

HIOS ID numbers are changed for Off-Exchange Plans to distinguish them from On-Exchange Plans effective January 1, 2018. They are shown in the Experience Period section of the URRT Worksheet 2 using the 2018 HIOS ID numbers.

2017 HIOS ID	2018 HIOS ID	Plan Name
31609PA0070021	31609PA0190002	Personal Choice PPO Gold
31609PA0070022	31609PA0190003	Personal Choice PPO Silver
31609PA0070023	31609PA0190004	Personal Choice PPO Bronze
31609PA0160020	31609PA0180001	Personal Choice Catastrophic

## 2. RATE DEVELOPMENT AND CHANGE

### A. DEVELOPMENT OF PROJECTED INDEX RATE, MARKET-ADJUSTED INDEX RATE, & TOTAL ALLOWED CLAIMS

Table 5 illustrates the development of the Projected Index Rate and Market-Adjusted Index Rate beginning with the Experience Period Index Rate. Exhibit A provides additional information about the adjustment factors.

#### Changes in Population Risk Morbidity

Experience period allowed claims are adjusted to account for differences in the average morbidity of the single risk pool population underlying the experience and the anticipated population in the projection period. This adjustment reflects changes in the individual market-wide morbidity.

#### Changes in Other Factors

Experience period allowed claims are adjusted to account for differences in the single risk pool population underlying the experience and the anticipated population in the projection period pertaining to several factors not due to changes in morbidity or the costs and utilization of medical care. This adjustment reflects: additional benefits required to be covered as essential health benefits; recently mandated benefits required by state law that are not reflected in the experience period data; benefits in the experience that are removed for the projection period; 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; changes in demographic characteristics of the single risk pool experience period population and the projection period population (including age, gender, region, and tobacco use); changes in the provider network (adding or removing a provider system or introducing a limited network option); and anticipated changes in pharmacy rebates.

### B. RETENTION ITEMS

Table 6 illustrates the retention items, expressed as percentages of premium. Consistent with conversations with our State regulator, no Pricing load was applied for the Managed Care Assessment levied pursuant to Article VIII-I of the Pennsylvania Code, as it will be separately reimbursed.

Administrative Expenses		10.00%
General and Claims	8.11%	
Agent/Broker Fees and Commissions	1.50%	
Quality Improvement Initiatives	0.39%	
Taxes and Fees		5.69%
PCORI Fees	0.04%	
PA Premium Tax	2.00%	
Federal Income Tax	1.51%	
Health Insurance Providers Fee	2.15%	
Profit/Contingency		2.00%

Total Retention

17.69%

### **C. NORMALIZED MARKET-ADJUSTED PROJECTED ALLOWED TOTAL CLAIMS**

Table 7 compares the normalization factors used in this filing to those used in the 2017 filing. The changes in the factors reflect small differences from the projected populations in 2017 and 2018.

### **D. COMPONENTS OF RATE CHANGE**

Table 8 illustrates the components of rate change, based on inputs from other sections of the Rate Exhibits. The results in Row H are similar to the values in Row A of Table 8.

Data in Table 9 was taken from the 2017 URRT with the exceptions of Risk Adjustment and Reinsurance which were revised to project company-specific values.

### **3. PLAN RATE DEVELOPMENT**

Table 10 is populated with plan information consistent with entries in the 2018 URRT. Plan mappings, where applicable, are illustrated in Column F of Table 10.

Attached to this actuarial memorandum are exhibits providing actuarial certifications for the use of alternate methods of calculating the Actuarial Value, where applicable, as well as required support for the calculations.

### **4. PLAN PREMIUM DEVELOPMENT FOR 21-YEAR OLD NON-TOBACCO USER**

Table 11 is populated from other sections of the Rate Exhibits, along with the population by age and rating area for the Projection Period.

### **5. PLAN FACTORS**

Tables 12, 13, and 14 illustrate the factors used in pricing for age, tobacco, geographic rating area, and network. The tobacco factors match the previously approved tobacco factors from the 2017 filing.

### **6. ACTUARIAL CERTIFICATION**

I, [REDACTED], am Director & Actuary of Commercial Markets for the Independence Blue Cross Family of Companies. I am a member of the Society of Actuaries and the American Academy of Actuaries with the education and experience necessary to perform the work necessary and meet the Qualification Standards of the American Academy of Actuaries to render the qualified actuarial opinion contained herein. The developed rates and memorandum have been prepared in conformity with appropriate Actuarial Standards of Practice and the Academy's Code of Professional Conduct.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the premium rates and allowable rating factors. Rather, it represents information required by Federal regulation to be provided in support of the review of gross premium 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.

I hereby certify that, to the best of my knowledge and judgment, the following:

- The projected index rate is:
  - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.08(d)(1) and 147.106);
  - Developed in compliance with applicable Actuarial Standards of Practice;
  - Reasonable in relation to the benefits provided and the population anticipated to be covered; and
  - Neither excessive nor deficient.
- 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 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.
- The AV Calculator was used to determine the AV Metal Values illustrated in Worksheet 2 of the Part I Unified Rate Review Template for all plans, unless an alternate methodology was required. If an alternate methodology was used to calculate the AV Metal Value for at least one plan offered, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 will be included.
- All factor, benefit, and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
- New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
- The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2018 Rate Filing Justification.

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May 19, 2017

**PA Rate Template Part I**  
**Data Relevant to the Rate Filing**

**Table 0. Identifying Information**

Carrier Name:	QCC Insurance Company, Inc.	
Product(s):	IPPO	
Market Segment:	Individual	
Rate Effective Date:	1/1/2018	to 12/31/2018
Base Period Start Date:	1/1/2016	to 12/31/2016
Date of Most Recent Membership:	2/1/2017	

**Table 1. Number of Members**

	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2017)	Projected Rating Period
Average Age	39	40	40
Total	493,618	53,205	638,460
<18	77,229	6,723	80,676
18-24	47,169	4,825	57,993
25-29	45,554	5,453	65,438
30-34	31,276	4,233	60,798
35-39	28,511	3,447	41,864
40-44	32,285	3,472	41,694
45-49	42,151	4,473	53,713
50-54	51,664	5,367	64,404
55-59	63,076	6,703	80,430
60-63	62,382	6,410	78,920
64+	11,221	2,099	25,488

\*Tables 1, 2 and 4 must include data for all non-grandfathered business (ACA compliant and Transitional)

**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
\$ 248,873,272.63	\$ 325,728,278.67	\$ 333,534,675.14	493,618	\$ 58,359,987.74	\$ 384,088,266.41	\$ -	\$ (5,646,989.92)	\$ 723,434.77	\$ -	\$ -	\$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 768.13
Loss Ratio											132.04%

\*Express Prescription Drug Rebates as a negative number

**Table 3. Trend Components**

Service Category	Cost*	Utilization*	Induced Demand*	Composite URRT Trend**	Weight*
Inpatient Hospital	3.20%	3.70%	0.00%	7.02%	23.08%
Outpatient Hospital	2.50%	3.70%	0.00%	6.29%	27.36%
Professional	1.50%	3.70%	0.00%	5.26%	25.20%
Other Medical	1.50%	3.70%	0.00%	5.26%	0.00%
Capitation				2.40%	0.22%
Prescription Drugs	4.50%	4.50%	0.00%	9.20%	24.15%
Total Annual Trend				6.89%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.143	

\* Express Cost, Utilization, Induced Utilization and Weight as percentages

\*\* Should = URRT Trend

**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-14	\$	\$ 13,599,268.23	1.0000	\$ 13,599,268.23	29,877	\$ 455.18			\$	-
Feb-14	\$	\$ 14,415,254.54	1.0000	\$ 14,415,254.54	34,258	\$ 420.79			\$	-
Mar-14	\$	\$ 21,056,033.26	1.0000	\$ 21,056,033.26	39,438	\$ 533.90			\$	-
Apr-14	\$	\$ 24,112,932.89	1.0000	\$ 24,112,932.89	47,549	\$ 507.12			\$	-
May-14	\$	\$ 26,637,574.01	1.0000	\$ 26,637,574.01	57,587	\$ 462.56			\$	-
Jun-14	\$	\$ 27,086,559.43	1.0000	\$ 27,086,559.43	58,377	\$ 463.99			\$	-
Jul-14	\$	\$ 29,476,342.65	1.0000	\$ 29,476,342.65	59,017	\$ 499.46			\$	-
Aug-14	\$	\$ 27,844,661.34	1.0000	\$ 27,844,661.34	59,943	\$ 464.52			\$	-
Sep-14	\$	\$ 31,204,546.73	1.0000	\$ 31,204,546.73	60,666	\$ 514.37			\$	-
Oct-14	\$	\$ 32,557,743.25	1.0000	\$ 32,557,743.25	60,094	\$ 541.78			\$	-
Nov-14	\$	\$ 28,424,998.54	1.0000	\$ 28,424,998.54	60,648	\$ 468.69			\$	-
Dec-14	\$ 364,241,086.00	\$ 32,939,176.14	1.0000	\$ 32,939,176.14	60,924	\$ 540.66	\$ 58,359,956.51		\$	-
Jan-15	\$	\$ 26,935,145.73	1.0000	\$ 26,933,145.73	48,070	\$ 560.29			\$	-
Feb-15	\$	\$ 24,828,911.71	1.0000	\$ 24,828,911.71	45,266	\$ 548.51			\$	-
Mar-15	\$	\$ 28,377,535.65	1.0000	\$ 28,377,535.65	45,390	\$ 625.19			\$	-
Apr-15	\$	\$ 26,991,152.68	1.0000	\$ 26,991,152.68	44,562	\$ 605.70			\$	-
May-15	\$	\$ 26,111,484.45	1.0000	\$ 26,111,484.45	43,304	\$ 594.74			\$	-
Jun-15	\$	\$ 28,982,801.20	1.0000	\$ 28,982,801.20	43,346	\$ 668.64			\$	-
Jul-15	\$	\$ 27,856,129.77	1.0000	\$ 27,856,129.77	42,919	\$ 649.04			\$	-
Aug-15	\$	\$ 24,892,140.60	1.0000	\$ 24,892,140.60	42,608	\$ 584.21			\$	-
Sep-15	\$	\$ 24,733,490.15	1.0000	\$ 24,733,490.15	42,266	\$ 585.19			\$	-
Oct-15	\$	\$ 27,637,594.48	1.0000	\$ 27,637,594.48	41,881	\$ 659.91			\$	-
Nov-15	\$	\$ 26,744,393.11	1.0000	\$ 26,744,393.11	41,506	\$ 644.11			\$	-
Dec-15	\$ 312,273,650.00	\$ 26,499,800.10	1.0000	\$ 26,499,800.10	41,158	\$ 643.86	\$ 57,483,597.00		\$	-
Jan-16	\$	\$ 23,339,730.86	0.9993	\$ 23,355,294.83	42,061	\$ 555.27			\$	-
Feb-16	\$	\$ 25,651,659.53	0.9989	\$ 25,681,447.41	41,820	\$ 614.09			\$	-
Mar-16	\$	\$ 29,655,336.17	0.9984	\$ 29,704,158.93	41,981	\$ 707.56			\$	-
Apr-16	\$	\$ 26,796,453.58	0.9976	\$ 26,860,832.74	41,799	\$ 642.62			\$	-
May-16	\$	\$ 28,354,285.08	0.9959	\$ 28,469,687.55	41,479	\$ 686.36			\$	-
Jun-16	\$	\$ 28,664,177.47	0.9940	\$ 28,836,798.80	41,254	\$ 699.01			\$	-
Jul-16	\$	\$ 27,250,367.49	0.9907	\$ 27,505,858.51	41,091	\$ 669.39			\$	-
Aug-16	\$	\$ 31,352,661.25	0.9848	\$ 31,856,132.01	40,925	\$ 773.93			\$	-
Sep-16	\$	\$ 29,428,429.51	0.9786	\$ 30,071,085.91	40,746	\$ 738.01			\$	-
Oct-16	\$	\$ 27,512,940.36	0.9625	\$ 28,585,515.31	40,444	\$ 706.79			\$	-
Nov-16	\$	\$ 28,116,702.10	0.9370	\$ 30,006,889.77	40,164	\$ 747.11			\$	-
Dec-16	\$ 248,873,272.63	\$ 29,001,414.80	0.8596	\$ 33,740,170.95	39,854	\$ 846.59	\$ 58,359,987.74		\$	-

\* Express Completion Factor as a percentage

\*\* Express Prescription Drug Rebates as a negative number

Carrier Name: QCC Insurance Company, Inc.  
 Product(s): PPO  
 Market Segment: Individual  
 Rate Effective Date: 1/1/2018

Table 2b. Manual 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
											\$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ -
Loss Ratio											0.00%

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Utilization*	Composite URRT Trend**	Weight*
Inpatient Hospital				0.00%	
Outpatient Hospital				0.00%	
Professional				0.00%	
Other Medical				0.00%	
Capitation					
Prescription Drugs				0.00%	
Total Annual Trend				0.00%	0.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.000	

\* Express Cost, Utilization, Induced Utilization and Weight as percentages

\*\* Should = URRT Trend

Table 4b. Historical Manual 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-14				#DIV/0!		#DIV/0!				#DIV/0!
Feb-14				#DIV/0!		#DIV/0!				#DIV/0!
Mar-14				#DIV/0!		#DIV/0!				#DIV/0!
Apr-14				#DIV/0!		#DIV/0!				#DIV/0!
May-14				#DIV/0!		#DIV/0!				#DIV/0!
Jun-14				#DIV/0!		#DIV/0!				#DIV/0!
Jul-14				#DIV/0!		#DIV/0!				#DIV/0!
Aug-14				#DIV/0!		#DIV/0!				#DIV/0!
Sep-14				#DIV/0!		#DIV/0!				#DIV/0!
Oct-14				#DIV/0!		#DIV/0!				#DIV/0!
Nov-14				#DIV/0!		#DIV/0!				#DIV/0!
Dec-14				#DIV/0!		#DIV/0!				#DIV/0!
Jan-15				#DIV/0!		#DIV/0!				#DIV/0!
Feb-15				#DIV/0!		#DIV/0!				#DIV/0!
Mar-15				#DIV/0!		#DIV/0!				#DIV/0!
Apr-15				#DIV/0!		#DIV/0!				#DIV/0!
May-15				#DIV/0!		#DIV/0!				#DIV/0!
Jun-15				#DIV/0!		#DIV/0!				#DIV/0!
Jul-15				#DIV/0!		#DIV/0!				#DIV/0!
Aug-15				#DIV/0!		#DIV/0!				#DIV/0!
Sep-15				#DIV/0!		#DIV/0!				#DIV/0!
Oct-15				#DIV/0!		#DIV/0!				#DIV/0!
Nov-15				#DIV/0!		#DIV/0!				#DIV/0!
Dec-15				#DIV/0!		#DIV/0!				#DIV/0!
Jan-16				#DIV/0!		#DIV/0!				#DIV/0!
Feb-16				#DIV/0!		#DIV/0!				#DIV/0!
Mar-16				#DIV/0!		#DIV/0!				#DIV/0!
Apr-16				#DIV/0!		#DIV/0!				#DIV/0!
May-16				#DIV/0!		#DIV/0!				#DIV/0!
Jun-16				#DIV/0!		#DIV/0!				#DIV/0!
Jul-16				#DIV/0!		#DIV/0!				#DIV/0!
Aug-16				#DIV/0!		#DIV/0!				#DIV/0!
Sep-16				#DIV/0!		#DIV/0!				#DIV/0!
Oct-16				#DIV/0!		#DIV/0!				#DIV/0!
Nov-16				#DIV/0!		#DIV/0!				#DIV/0!
Dec-16				#DIV/0!		#DIV/0!				#DIV/0!

\* Express Completion Factor as a percentage

**PA Rate Template Part II**  
**Rate Development and Change**

Carrier Name:	QCC Insurance Company, Inc.
Product(s):	PPO
Market Segment:	Individual
Rate Effective Date:	1/1/2018

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

Development of the Projected Index Rate	Actual Experience Data	Manual Data	
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	\$ 768.13	\$ -	<- Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection factor	1.143	1.000	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 877.68	\$ -	
<b>Single Risk Pool Adjustment Factors</b>			
Change in Morbidity	1.045	1.000	<- See URRT Instructions
Change in Other	0.979	1.000	
Change in Demographics	1.019	1.000	<- See URRT Instructions
Change in Network	0.999	1.000	<- See URRT Instructions
Change in Benefits	0.962	1.000	<- See URRT Instructions
Change in Other	1.000	1.000	<- See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 898.60	\$ -	
Credibility Factors	100%	0%	<- See Instructions
Blended Projected EHB Claims PMPM	\$	\$ 898.60	<- Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Projected Allowed EHB Claims PMPM	\$ 898.60		<- Index Rate for Projection Period on URRT - Individual or First Quarter Small Group
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	0.738		<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	\$ 663.14		
<b>Market-wide Adjustments</b>			
Projected Risk Adjustment PMPM	\$ 160.34		
Projected Paid Exchange User Fees PMPM	\$ 13.47		
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 516.26		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 699.57		<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ 2.59		
Market-Adjusted Projected Paid Total Claims PMPM	\$ 518.18		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 702.16		

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 768.13	<- Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 248,873,272.63	
Blended Loss Ratio	132.04%	

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

Effective Date	1/1/2018	4/1/2018	7/1/2018	10/1/2018	Total Single Risk Pool
# of Member Months Renewing in Quarter					
Adjusted Projected Allowed EHB Claims PMPM Q1	\$ 898.60	\$ 898.60	\$ 898.60	\$ 898.60	\$ 898.60
Months of Trend		3	6	9	
Annual Trend	6.83%	6.83%	6.83%	6.83%	
Single Risk Pool Projected Allowed Claims	\$ 898.60	\$ 913.70	\$ 929.05	\$ 944.66	\$ -
Quarterly Trend Factor	100.0%	101.7%	103.4%	105.1%	0.0%
2018 Trend Factors by Quarter	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

**Table 6. Retention**

Retention Items - Express in percentages	
Administrative Expenses	10.00%
General and Claims	8.11%
Agent/Broker Fees and Commissions	1.50%
Quality Improvement Initiatives	0.39%
Taxes and Fees	5.69%
PCDN Fees (Enter \$ amount here: \$ 2.36 )	0.04%
Pa Premium Tax (if applicable)	2.00%
Federal Income Tax	1.51%
Health Insurance Providers Fee	2.15%
Profit/Contingency (after tax)	2.00%
Total Retention	17.69%
Projected Required Revenue PMPM	\$ 629.54

<- Single Pool Gross Premium Avg. Rate, PMPM on URRT

**Table 7. Normalized Market-Adjusted Projected Allowed Total Claims**

Normalization Factors	2017	2018
Average Age Factor	1.998	1.631
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.013	1.013
Average Benefit Richness (induced demand)	0.931	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 811.31	\$ 702.16
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 551.33	\$ 424.80

**Table 8. Components of Rate Change**

Rate Components	2017	2018	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 349,715,817	\$ 399,044,261	\$ 49,328,444	14.1%
B. Base period allowed claims before normalization	\$ 709.00	\$ 768.13	\$ 59.13	17%
C. Normalization factor component of change	\$ (238.78)	\$ -303.4183771	\$ -64.63	-50.1%
<b>D. Change in Normalized Allowed Claims Adjustment Components</b>				
D1. Base period allowed claims after normalization	\$ 470.22	\$ 464.72	\$ (5.50)	-2%
D2. URRT Trend	\$ 8.07	\$ 66.27	\$ 58.20	17%
D3. URRT Morbidity	\$ -	\$ 24.13	\$ 24.13	7%
D4. URRT Other	\$ (0.48)	\$ (11.47)	\$ (10.99)	-3%
D5. Normalized URRT RA/Rl on an allowed basis	\$ -82.53365227	\$ 131.4503066	\$ 213.98	61%
D6. Normalized Exchange User Fee on an allowed basis	\$ 11.02	\$ 11.04	\$ 0.02	0%
D7. Subtotal - Sum(D1-D6)	\$ 406.30	\$ 686.14	\$ 279.84	80%
<b>E. Change in Allowable Plan Adjusted Level Components</b>				
E1. Network	\$ -	\$ 0	\$ -	0%
E2. Pricing AV	\$ (116.20)	\$ (179.94)	\$ (63.74)	-18%
E3. Benefit Richness	\$ -	\$ -	\$ -	0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1-E4)	\$ (116.20)	\$ (179.94)	\$ (63.74)	-18%
<b>F. Change in Retention Components</b>				
F1. Administrative Expenses	\$ 28.40	\$ 39.90	\$ 11.51	3%
F2. Taxes and Fees	\$ 17.31	\$ 22.71	\$ 5.39	2%
F3. Profit and/or Contingency	\$ 3.53	\$ 7.98	\$ 4.45	1%
F4. Subtotal - Sum(F1-F3)	\$ 49.24	\$ 70.59	\$ 21.35	6%
<b>G. Change in Miscellaneous Items</b>				
	\$ -	\$ -	\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 339.34	\$ 576.78	\$ 237.44	68%

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

	2017	2018
Paid-to-Allowed	0.798	0.738
URRT Trend (Total Applied Trend Factor)	1.017	1.143
URRT Morbidity	1.000	1.045
URRT "Other"	0.999	0.979
Risk Adjustment	\$ (99.30)	\$ 160.34
Exchange User Fee	\$ 13.26	\$ 13.47
Capitation	\$ 1.48	\$ -
Network	1.000	1.000
Pricing AV	0.714	0.738
Benefit Richness	1.000	1.000
Catastrophic Eligibility	1.000	1.000
Administrative Expenses	8.12%	10.00%
Taxes and Fees	4.95%	5.69%
Profit and/or Contingency	1.01%	2.00%

**PA Rate Template Part III**  
**Table 10. Plan Rates**

Carrier Name: QCC Insurance Company, Inc.  
 Product(s): PPO  
 Market Segment: Individual  
 Rate Effective Date: 1/1/2018  
 Base Period Start Date: 1/1/2016  
 Date of Most Recent Membership: 2/1/2017  
 Market Adjusted Index Rate: \$ 699.57

Calibration	
Age Calibration Factor	1.632
Geographic Calibration Factor	1.000
Aggregate Calibration Factor	1.632

Total Covered Lives @ 02-01-2017	53,205
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Plan Number	HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, EPO, Indemnity, Other)	Plan Marketing Name	Existing, Modified, New, Discontinued & Mapped, Discontinued & Not Mapped (E,M,N,DM, DNM) for 2018	1/1/18 Plan HIOS Plan ID (If 1/1/17 Plan Discontinued & Mapped)	Metallic Tier	45 CFR Part 156.8 (d) (2) Allowable Factors															
							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			
Totals							0.695				0.738	1.000	1.000	1.000	1.000	1.013	\$ 535.94	10.0%	5.7%	2.0%		
Plan 1	31609PA0070001	EPO	Personal Choice Platinum	DM	31609PA0160004	Platinum	0.895	Approach 1	ON/OFF	0.986	1.344	1.000	1.021	1.000	1.013	\$958.35	10.0%	5.7%	2.0%			
Plan 2	31609PA0070002	PPO	Personal Choice PPO Gold	E		Gold	0.812	Approach 1	ON/OFF	0.907	1.092	1.000	1.021	1.000	1.013	\$716.77	10.0%	5.7%	2.0%			
Plan 3	31609PA0070003	PPO	Personal Choice PPO Silver	E		Silver	0.711	Approach 1	ON/OFF	0.781	0.971	1.000	1.021	1.000	1.013	\$548.70	10.0%	5.7%	2.0%			
Plan 4	31609PA0070004	PPO	Personal Choice PPO Bronze	E		Bronze	0.614	Approach 1	ON/OFF	0.622	0.954	1.000	1.021	1.000	1.013	\$429.15	10.0%	5.7%	2.0%			
Plan 5	31609PA0070006	EPO	Personal Choice Bronze Reserve	DM	31609PA0160005	Bronze	0.602	Standard AV	ON/OFF	0.580	0.984	1.000	0.970	1.000	1.013	\$392.11	10.0%	5.7%	2.0%			
Plan 6	31609PA0160001	PPO	Personal Choice Catastrophic	E		Catastrophic	0.604	Standard AV	ON/OFF	0.582	0.888	1.000	0.970	1.000	1.013	\$355.34	10.0%	5.7%	2.0%			
Plan 7	31609PA0160002	EPO	Personal Choice Bronze Basic	DM	31609PA0180005	Bronze	0.606	Approach 1	ON/OFF	0.622	0.852	1.000	0.970	1.000	1.013	\$363.82	10.0%	5.7%	2.0%			
Plan 8	31609PA0070020	EPO	Personal Choice Platinum	DM	31609PA0180003	Platinum	0.895	Standard AV	OFF	0.986	1.344	1.000	1.021	1.000	1.013	\$958.35	10.0%	5.7%	2.0%			
Plan 9	31609PA0180002	PPO	Personal Choice PPO Gold	E		Gold	0.812	Standard AV	OFF	0.907	1.092	1.000	1.021	1.000	1.013	\$716.77	10.0%	5.7%	2.0%			
Plan 10	31609PA0180003	PPO	Personal Choice PPO Silver	E		Silver	0.711	Standard AV	OFF	0.781	0.971	1.000	1.021	1.000	1.013	\$548.70	10.0%	5.7%	2.0%			
Plan 11	31609PA0180004	PPO	Personal Choice PPO Bronze	E		Bronze	0.614	Standard AV	OFF	0.622	0.954	1.000	1.021	1.000	1.013	\$429.15	10.0%	5.7%	2.0%			
Plan 12	31609PA0180001	EPO	Personal Choice Catastrophic	E		Catastrophic	0.604	Standard AV	OFF	0.582	0.888	1.000	0.970	1.000	1.013	\$355.34	10.0%	5.7%	2.0%			
Plan 13	31609PA0070027	EPO	Personal Choice Bronze Reserve	DM	31609PA0180004	Bronze	0.602	Standard AV	OFF	0.580	0.984	1.000	0.969	1.000	1.013	\$392.06	10.0%	5.7%	2.0%			
Plan 14	31609PA0180002	EPO	Personal Choice EPO Silver Reserve	N		Silver	0.668	Standard AV	OFF	0.757	1.041	1.000	0.969	1.000	1.013	\$540.91	10.0%	5.7%	2.0%			
Plan 15	31609PA0180005	EPO	Personal Choice Bronze Basic	N		Bronze	0.606	Standard AV	OFF	0.622	0.852	1.000	0.970	1.000	1.013	\$363.82	10.0%	5.7%	2.0%			
Plan 16	31609PA0180003	EPO	Personal Choice EPO Silver Reserve	N		Silver	0.668	Standard AV	ON/OFF	0.757	1.041	1.000	0.969	1.000	1.013	\$540.91	10.0%	5.7%	2.0%			
Plan 17																\$0.00						

Total Covered Lives Mapped into 2018 Plans @ 02-01-2017	Total Policyholders @ 02-01-2017
53,205	33,683
1,304	882
2,428	1,539
10,892	7,430
1,262	836
3,801	2,330
524	413
10,788	7,786
3,617	2,099
5,484	3,146
5,278	2,936
1,312	763
148	133
6,367	3,400
-	-
-	-
-	-

2017 Calibrated Plan Adjusted Index Rate PMPM	2018 Calibrated Plan Adjusted Index Rate PMPM
\$ 349.72	\$ 399.04
\$ 620.66	\$ 713.56
\$ 469.33	\$ 533.68
\$ 355.20	\$ 408.55
\$ 278.94	\$ 319.53
\$ 261.44	\$ 291.96
\$ 232.13	\$ 264.57
\$ 237.59	\$ 270.89
\$ 620.66	\$ 713.56
\$ 469.33	\$ 533.68
\$ 355.20	\$ 408.55
\$ 278.94	\$ 319.53
\$ 261.44	\$ 291.92
\$ -	\$ 402.74
\$ -	\$ 270.89
\$ -	\$ 402.74
\$ -	\$ -

Proposed Rate Change Compared to Prior 12 months
14.11%
15.0%
13.7%
15.0%
14.6%
11.7%
14.0%
14.0%
15.0%
13.7%
15.0%
14.6%
14.0%
11.7%
0.0%
0.0%
0.0%
0.0%

% of Total Covered Lives
2.5%
4.6%
20.5%
2.4%
7.1%
1.0%
20.3%
6.8%
10.3%
9.9%
2.5%
0.3%
12.0%
0.0%
0.0%
0.0%
0.0%

02-01-2017 Number of Covered Lives by Rating Area										Total	2018 Continued/ Discontinued Plans Indicator		
1	2	3	4	5	6	7	8	9	10				
-	-	-	-	-	-	-	-	-	-	53,205	-	53,205	
										1,304		1,304	1
										2,428		2,428	1
										10,892		10,892	1
										1,262		1,262	1
										3,801		3,801	1
										524		524	1
										10,788		10,788	1
										3,617		3,617	1
										5,484		5,484	1
										5,278		5,278	1
										1,312		1,312	1
										148		148	1
										6,367		6,367	1
										-		-	1
										-		-	1
										-		-	1
										-		-	0

# PA Rate Template Part IV A - Individual

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

Carrier Name: QCC Insurance Company, Inc.  
 Product(s): PPO  
 Market Segment: Individual  
 Rate Effective Date: 1/1/2018

Plan Number	HIOS Plan ID (Standard Component)	1/1/17 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2018	1/1/18 Plan HIOS PLAN ID (If 1/1/17 Plan Discontinued)	Metallic Tier	Exchange On/Off or Off
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**Totals**

These cells auto-fill using the data entered in Table 10.

Plan 1	31609PA0070001	Personal Choice Platinum	DM	31609PA0160004	Platinum	ON/OFF
Plan 2	31609PA0070002	Personal Choice PPO Gold	E	0	Gold	ON/OFF
Plan 3	31609PA0070003	Personal Choice PPO Silver	E	0	Silver	ON/OFF
Plan 4	31609PA0070004	Personal Choice PPO Bronze	E	0	Bronze	ON/OFF
Plan 5	31609PA0070006	Personal Choice Bronze R	DM	31609PA0160005	Bronze	ON/OFF
Plan 6	31609PA0160001	Personal Choice Catastroph	E	0	Catastrophic	ON/OFF
Plan 7	31609PA0160002	Personal Choice Bronze B	DM	31609PA0180005	Bronze	ON/OFF
Plan 8	31609PA0070020	Personal Choice Platinum	DM	31609PA0180003	Platinum	OFF
Plan 9	31609PA0190002	Personal Choice PPO Gold	E	0	Gold	OFF
Plan 10	31609PA0190003	Personal Choice PPO Silver	E	0	Silver	OFF
Plan 11	31609PA0190004	Personal Choice PPO Bronze	E	0	Bronze	OFF
Plan 12	31609PA0180001	Personal Choice Catastroph	E	0	Catastrophic	OFF
Plan 13	31609PA0070027	Personal Choice Bronze R	DM	31609PA0180004	Bronze	OFF
Plan 14	31609PA0180002	Personal Choice EPO Silver	N	0	Silver	OFF
Plan 15	31609PA0180005	Personal Choice Bronze B	N	0	Bronze	OFF
Plan 16	31609PA0160003	Personal Choice EPO Silver	N	0	Silver	ON/OFF
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





























**QCC Insurance Company  
Individual  
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
31609PA0070002	Personal Choice PPO Gold	PPO	Gold	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0070003	Personal Choice PPO Silver	PPO	Silver	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0070004	Personal Choice PPO Bronze	PPO	Bronze	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0160001	Personal Choice Catastrophic	EPO	Catastrophic	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0160003	Personal Choice Silver Reserve	EPO	Silver	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0160004	Personal Choice Platinum	EPO	Platinum	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0160005	Personal Choice Bronze Reserve	EPO	Bronze	ON	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0180003	Personal Choice Platinum	EPO	Platinum	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0190002	Personal Choice PPO Gold	PPO	Gold	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0190003	Personal Choice PPO Silver	PPO	Silver	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0190004	Personal Choice PPO Bronze	PPO	Bronze	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0180004	Personal Choice Bronze Reserve	EPO	Bronze	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0180001	Personal Choice Catastrophic	EPO	Catastrophic	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0180002	Personal Choice Silver Reserve	EPO	Silver	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
31609PA0180005	Personal Choice Bronze Basic	EPO	Bronze	OFF	Personal Choice	8	Bucks, Chester, Delaware, Montgomery, Philadelphia

Company Name: QCC Insurance Company  
 Market: Individual  
 Product: PPO  
 Effective Date of Rates: January 1, 2018

Ending date of Rates: December 31, 2018

HIOS Plan ID (On Exchange)=>	31609PA0070002		31609PA0070003		31609PA0070004		31609PA0160001	
HIOS Plan ID (Off Exchange)=>								
Plan Marketing Name =>	Personal Choice PPO Gold		Personal Choice PPO Silver		Personal Choice PPO Bronze		Personal Choice Catastrophic	
Form # =>	08535 Rev. 1.16		08535 Rev. 1.16		08535 Rev. 1.16		08537 Rev. 1.16	
Rating Area =>	8		8		8		8	
Network =>	Personal Choice Network		Personal Choice Network		Personal Choice Network		Personal Choice Network	
Metal =>	Gold		Silver		Bronze		Catastrophic	
Deductible =>	\$0		\$2,500		\$5,500		\$7,150	
Coinsurance =>	20%		30%		50%		0%	
Copays =>	\$20/\$65		\$30/\$70 no ded		\$50 no ded/50% after ded		\$50 visits 1-3 no ded (0% after ded)/0% after ded	
OOP Maximum =>	\$5,500		\$6,500		\$7,350		\$7,150	
Pediatric Dental (Yes/No) =>	No		No		No		No	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0-14	\$408.27	\$408.27	\$312.54	\$312.54	\$244.44	\$244.44	\$202.40	\$202.40
15	\$444.56	\$444.56	\$340.32	\$340.32	\$266.17	\$266.17	\$220.39	\$220.39
16	\$458.43	\$458.43	\$350.94	\$350.94	\$274.48	\$274.48	\$227.27	\$227.27
17	\$472.31	\$472.31	\$361.56	\$361.56	\$282.78	\$282.78	\$234.15	\$234.15
18	\$487.25	\$487.25	\$373.00	\$373.00	\$291.73	\$291.73	\$241.56	\$241.56
19	\$502.20	\$502.20	\$384.44	\$384.44	\$300.68	\$300.68	\$248.96	\$248.96
20	\$517.67	\$517.67	\$396.29	\$396.29	\$309.95	\$309.95	\$256.64	\$256.64
21	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$264.57	\$297.65
22	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$264.57	\$297.65
23	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$264.57	\$297.65
24	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$264.57	\$297.65
25	\$535.82	\$602.80	\$410.18	\$461.45	\$320.81	\$360.91	\$265.63	\$298.84
26	\$546.49	\$614.80	\$418.35	\$470.64	\$327.20	\$368.10	\$270.92	\$304.79
27	\$559.30	\$629.21	\$428.16	\$481.68	\$334.87	\$376.73	\$277.27	\$311.93
28	\$580.11	\$652.63	\$444.09	\$499.60	\$347.33	\$390.75	\$287.59	\$323.54
29	\$597.19	\$671.84	\$457.16	\$514.31	\$357.56	\$402.25	\$296.06	\$333.07
30	\$605.73	\$711.73	\$463.70	\$544.85	\$362.67	\$426.13	\$300.29	\$352.84
31	\$618.54	\$726.78	\$473.50	\$556.37	\$370.34	\$435.15	\$306.64	\$360.30
32	\$631.35	\$741.83	\$483.31	\$567.89	\$378.01	\$444.16	\$312.99	\$367.77
33	\$639.35	\$751.24	\$489.44	\$575.09	\$382.80	\$449.79	\$316.96	\$372.43
34	\$647.89	\$761.27	\$495.97	\$582.77	\$387.91	\$455.80	\$321.19	\$377.40
35	\$652.16	\$766.29	\$499.24	\$586.61	\$390.47	\$458.80	\$323.31	\$379.89
36	\$656.43	\$771.31	\$502.51	\$590.45	\$393.02	\$461.80	\$325.43	\$382.38
37	\$660.70	\$776.32	\$505.78	\$594.29	\$395.58	\$464.81	\$327.54	\$384.86
38	\$664.97	\$781.34	\$509.05	\$598.13	\$398.14	\$467.81	\$329.66	\$387.35
39	\$673.51	\$791.37	\$515.58	\$605.81	\$403.25	\$473.82	\$333.89	\$392.32
40	\$682.05	\$835.51	\$522.12	\$639.60	\$408.36	\$500.24	\$338.13	\$414.20
41	\$694.86	\$851.20	\$531.93	\$651.61	\$416.03	\$509.64	\$344.48	\$421.98
42	\$707.13	\$866.24	\$541.32	\$663.12	\$423.38	\$518.64	\$350.56	\$429.44
43	\$724.21	\$887.16	\$554.40	\$679.14	\$433.60	\$531.16	\$359.03	\$439.81
44	\$745.56	\$913.31	\$570.74	\$699.15	\$446.38	\$546.82	\$369.61	\$452.77
45	\$770.64	\$944.03	\$589.94	\$722.68	\$461.40	\$565.22	\$382.05	\$468.01
46	\$800.53	\$980.64	\$612.82	\$750.70	\$479.30	\$587.14	\$396.86	\$486.16
47	\$834.15	\$1,021.83	\$638.56	\$782.23	\$499.43	\$611.80	\$413.53	\$506.57
48	\$872.57	\$1,068.90	\$667.97	\$818.27	\$522.43	\$639.98	\$432.58	\$529.91
49	\$910.46	\$1,115.32	\$696.98	\$853.80	\$545.12	\$667.77	\$451.36	\$552.92
50	\$953.16	\$1,310.59	\$729.66	\$1,003.29	\$570.68	\$784.69	\$472.53	\$649.73
51	\$995.32	\$1,368.57	\$761.94	\$1,047.66	\$595.93	\$819.40	\$493.43	\$678.47
52	\$1,041.75	\$1,432.41	\$797.48	\$1,096.54	\$623.72	\$857.62	\$516.45	\$710.12
53	\$1,088.71	\$1,496.98	\$833.43	\$1,145.97	\$651.84	\$896.28	\$539.73	\$742.13
54	\$1,139.41	\$1,566.70	\$872.24	\$1,199.34	\$682.20	\$938.02	\$564.87	\$776.69
55	\$1,190.11	\$1,636.41	\$911.06	\$1,252.70	\$712.55	\$979.76	\$590.00	\$811.25
56	\$1,245.08	\$1,711.99	\$953.14	\$1,310.56	\$745.47	\$1,025.02	\$617.25	\$848.72
57	\$1,300.59	\$1,788.31	\$995.63	\$1,368.98	\$778.70	\$1,070.71	\$644.77	\$886.56
58	\$1,359.83	\$1,869.76	\$1,040.97	\$1,431.34	\$814.17	\$1,119.48	\$674.14	\$926.94
59	\$1,389.18	\$1,910.12	\$1,063.44	\$1,462.24	\$831.74	\$1,143.64	\$688.69	\$946.95
60	\$1,448.42	\$1,991.57	\$1,108.79	\$1,524.59	\$867.21	\$1,192.41	\$718.06	\$987.33
61	\$1,499.65	\$2,062.02	\$1,148.01	\$1,578.52	\$897.88	\$1,234.59	\$743.45	\$1,022.25
62	\$1,533.27	\$2,108.25	\$1,173.75	\$1,613.91	\$918.01	\$1,262.27	\$760.12	\$1,045.17
63	\$1,575.43	\$2,166.22	\$1,206.03	\$1,658.29	\$943.26	\$1,296.98	\$781.02	\$1,073.91
64+	\$1,601.04	\$2,201.45	\$1,225.64	\$1,685.25	\$958.59	\$1,318.07	\$793.71	\$1,091.37

Company Name:  
 Market:  
 Product:  
 Effective Date of Rates:

HIOS Plan ID (On Exchange)=>	31609PA0160003		31609PA0160004		31609PA0160005		31609PA0180003	
HIOS Plan ID (Off Exchange)=>								
Plan Marketing Name =>	Personal Choice Silver Reserve		Personal Choice Platinum		Personal Choice Bronze Reserve		Personal Choice Platinum	
Form # =>	8538 Rev. 1.16		08535 Rev. 1.16		08536 Rev. 1.16		08535 Rev. 1.16	
Rating Area =>	8		8		8		8	
Network =>	Personal Choice Network		Personal Choice Network		Personal Choice Network		Personal Choice Network	
Metal =>	Silver		Platinum		Bronze		Platinum	
Deductible =>	\$2,700		\$0		\$6,500		\$0	
Coinsurance =>	30%		0%		0%		0%	
Copays =>	30% after ded/30% after ded		\$5/\$40		0% after ded/0% after ded		\$5/\$40	
OOP Maximum =>	\$6,650		\$3,500		\$6,500		\$3,500	
Pediatric Dental (Yes/No) =>	No		No		No		No	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0-14	\$308.10	\$308.10	\$545.87	\$545.87	\$223.35	\$223.35	\$545.87	\$545.87
15	\$335.49	\$335.49	\$594.40	\$594.40	\$243.20	\$243.20	\$594.40	\$594.40
16	\$345.96	\$345.96	\$612.95	\$612.95	\$250.79	\$250.79	\$612.95	\$612.95
17	\$356.43	\$356.43	\$631.50	\$631.50	\$258.38	\$258.38	\$631.50	\$631.50
18	\$367.71	\$367.71	\$651.48	\$651.48	\$266.55	\$266.55	\$651.48	\$651.48
19	\$378.98	\$378.98	\$671.46	\$671.46	\$274.73	\$274.73	\$671.46	\$671.46
20	\$390.66	\$390.66	\$692.15	\$692.15	\$283.20	\$283.20	\$692.15	\$692.15
21	\$402.74	\$453.09	\$713.56	\$802.76	\$291.96	\$328.45	\$713.56	\$802.76
22	\$402.74	\$453.09	\$713.56	\$802.76	\$291.96	\$328.45	\$713.56	\$802.76
23	\$402.74	\$453.09	\$713.56	\$802.76	\$291.96	\$328.45	\$713.56	\$802.76
24	\$402.74	\$453.09	\$713.56	\$802.76	\$291.96	\$328.45	\$713.56	\$802.76
25	\$404.36	\$454.90	\$716.42	\$805.97	\$293.12	\$329.76	\$716.42	\$805.97
26	\$412.41	\$463.96	\$730.69	\$822.02	\$298.96	\$336.33	\$730.69	\$822.02
27	\$422.08	\$474.84	\$747.81	\$841.29	\$305.97	\$344.21	\$747.81	\$841.29
28	\$437.78	\$492.51	\$775.64	\$872.60	\$317.36	\$357.02	\$775.64	\$872.60
29	\$450.67	\$507.00	\$798.47	\$898.28	\$326.70	\$367.53	\$798.47	\$898.28
30	\$457.11	\$537.11	\$809.89	\$951.62	\$331.37	\$389.36	\$809.89	\$951.62
31	\$466.78	\$548.47	\$827.02	\$971.75	\$338.38	\$397.59	\$827.02	\$971.75
32	\$476.45	\$559.82	\$844.14	\$991.87	\$345.38	\$405.82	\$844.14	\$991.87
33	\$482.49	\$566.92	\$854.85	\$1,004.44	\$349.76	\$410.97	\$854.85	\$1,004.44
34	\$488.93	\$574.49	\$866.26	\$1,017.86	\$354.43	\$416.46	\$866.26	\$1,017.86
35	\$492.15	\$578.28	\$871.97	\$1,024.57	\$356.77	\$419.20	\$871.97	\$1,024.57
36	\$495.38	\$582.07	\$877.68	\$1,031.27	\$359.10	\$421.95	\$877.68	\$1,031.27
37	\$498.60	\$585.85	\$883.39	\$1,037.98	\$361.44	\$424.69	\$883.39	\$1,037.98
38	\$501.82	\$589.64	\$889.10	\$1,044.69	\$363.78	\$427.44	\$889.10	\$1,044.69
39	\$508.26	\$597.21	\$900.51	\$1,058.10	\$368.45	\$432.93	\$900.51	\$1,058.10
40	\$514.71	\$630.52	\$911.93	\$1,117.12	\$373.12	\$457.07	\$911.93	\$1,117.12
41	\$524.37	\$642.36	\$929.06	\$1,138.09	\$380.13	\$465.65	\$929.06	\$1,138.09
42	\$533.64	\$653.70	\$945.47	\$1,158.20	\$386.84	\$473.88	\$945.47	\$1,158.20
43	\$546.52	\$669.49	\$968.30	\$1,186.17	\$396.18	\$485.32	\$968.30	\$1,186.17
44	\$562.63	\$689.23	\$996.84	\$1,221.13	\$407.86	\$499.63	\$996.84	\$1,221.13
45	\$581.56	\$712.41	\$1,030.38	\$1,262.22	\$421.58	\$516.44	\$1,030.38	\$1,262.22
46	\$604.12	\$740.04	\$1,070.34	\$1,311.17	\$437.93	\$536.47	\$1,070.34	\$1,311.17
47	\$629.49	\$771.12	\$1,115.30	\$1,366.24	\$456.33	\$559.00	\$1,115.30	\$1,366.24
48	\$658.49	\$806.65	\$1,166.67	\$1,429.17	\$477.35	\$584.75	\$1,166.67	\$1,429.17
49	\$687.08	\$841.67	\$1,217.33	\$1,491.24	\$498.08	\$610.14	\$1,217.33	\$1,491.24
50	\$719.30	\$989.04	\$1,274.42	\$1,752.33	\$521.43	\$716.97	\$1,274.42	\$1,752.33
51	\$751.12	\$1,032.79	\$1,330.79	\$1,829.84	\$544.50	\$748.68	\$1,330.79	\$1,829.84
52	\$786.16	\$1,080.97	\$1,392.87	\$1,915.20	\$569.90	\$783.61	\$1,392.87	\$1,915.20
53	\$821.60	\$1,129.70	\$1,455.66	\$2,001.54	\$595.59	\$818.93	\$1,455.66	\$2,001.54
54	\$859.86	\$1,182.31	\$1,523.45	\$2,094.75	\$623.32	\$857.07	\$1,523.45	\$2,094.75
55	\$898.12	\$1,234.91	\$1,591.24	\$2,187.96	\$651.06	\$895.21	\$1,591.24	\$2,187.96
56	\$939.60	\$1,291.95	\$1,664.74	\$2,289.01	\$681.13	\$936.56	\$1,664.74	\$2,289.01
57	\$981.49	\$1,349.55	\$1,738.95	\$2,391.05	\$711.49	\$978.30	\$1,738.95	\$2,391.05
58	\$1,026.19	\$1,411.01	\$1,818.15	\$2,499.96	\$743.90	\$1,022.86	\$1,818.15	\$2,499.96
59	\$1,048.34	\$1,441.47	\$1,857.40	\$2,553.92	\$759.96	\$1,044.94	\$1,857.40	\$2,553.92
60	\$1,093.05	\$1,502.94	\$1,936.60	\$2,662.83	\$792.37	\$1,089.50	\$1,936.60	\$2,662.83
61	\$1,131.71	\$1,556.10	\$2,005.11	\$2,757.02	\$820.39	\$1,128.04	\$2,005.11	\$2,757.02
62	\$1,157.08	\$1,590.99	\$2,050.06	\$2,818.83	\$838.79	\$1,153.33	\$2,050.06	\$2,818.83
63	\$1,188.90	\$1,634.74	\$2,106.43	\$2,896.34	\$861.85	\$1,185.05	\$2,106.43	\$2,896.34
64+	\$1,208.22	\$1,661.32	\$2,140.68	\$2,943.44	\$875.87	\$1,204.31	\$2,140.68	\$2,943.44

Company Name:  
 Market:  
 Product:  
 Effective Date of Rates:

HIOS Plan ID (On Exchange)=>	31609PA0190002		31609PA0190003		31609PA0190004		31609PA0180004	
HIOS Plan ID (Off Exchange)=>	31609PA0190002		31609PA0190003		31609PA0190004		31609PA0180004	
Plan Marketing Name =>	Personal Choice PPO Gold		Personal Choice PPO Silver		Personal Choice PPO Bronze		Personal Choice Bronze Reserve	
Form # =>	08535 Rev. 1.16		08535 Rev. 1.16		08535 Rev. 1.16		08537 Rev. 1.16	
Rating Area =>	8		8		8		8	
Network =>	Personal Choice Network		Personal Choice Network		Personal Choice Network		Personal Choice Network	
Metal =>	Gold		Silver		Bronze		Bronze	
Deductible =>	\$0		\$2,500		\$5,500		\$6,650	
Coinsurance =>	20%		30%		50%		0%	
Copays =>	\$20/\$65		\$30/\$70 no ded		\$50 no ded/50% after ded		0% after ded/0% after ded	
OOP Maximum =>	\$5,500		\$6,500		\$7,350		\$6,650	
Pediatric Dental (Yes/No) =>	No		No		No		No	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0-14	\$408.27	\$408.27	\$312.54	\$312.54	\$244.44	\$244.44	\$223.35	\$223.35
15	\$444.56	\$444.56	\$340.32	\$340.32	\$266.17	\$266.17	\$243.20	\$243.20
16	\$458.43	\$458.43	\$350.94	\$350.94	\$274.48	\$274.48	\$250.79	\$250.79
17	\$472.31	\$472.31	\$361.56	\$361.56	\$282.78	\$282.78	\$258.38	\$258.38
18	\$487.25	\$487.25	\$373.00	\$373.00	\$291.73	\$291.73	\$266.55	\$266.55
19	\$502.20	\$502.20	\$384.44	\$384.44	\$300.68	\$300.68	\$274.73	\$274.73
20	\$517.67	\$517.67	\$396.29	\$396.29	\$309.95	\$309.95	\$283.20	\$283.20
21	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$291.96	\$328.45
22	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$291.96	\$328.45
23	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$291.96	\$328.45
24	\$533.68	\$600.39	\$408.55	\$459.61	\$319.53	\$359.47	\$291.96	\$328.45
25	\$535.82	\$602.80	\$410.18	\$461.45	\$320.81	\$360.91	\$293.12	\$329.76
26	\$546.49	\$614.80	\$418.35	\$470.64	\$327.20	\$368.10	\$298.96	\$336.33
27	\$559.30	\$629.21	\$428.16	\$481.68	\$334.87	\$376.73	\$305.97	\$344.21
28	\$580.11	\$652.63	\$444.09	\$499.60	\$347.33	\$390.75	\$317.36	\$357.02
29	\$597.19	\$671.84	\$457.16	\$514.31	\$357.56	\$402.25	\$326.70	\$367.53
30	\$605.73	\$711.73	\$463.70	\$544.85	\$362.67	\$426.13	\$331.37	\$389.36
31	\$618.54	\$726.78	\$473.50	\$556.37	\$370.34	\$435.15	\$338.38	\$397.59
32	\$631.35	\$741.83	\$483.31	\$567.89	\$378.01	\$444.16	\$345.38	\$405.82
33	\$639.35	\$751.24	\$489.44	\$575.09	\$382.80	\$449.79	\$349.76	\$410.97
34	\$647.89	\$761.27	\$495.97	\$582.77	\$387.91	\$455.80	\$354.43	\$416.46
35	\$652.16	\$766.29	\$499.24	\$586.61	\$390.47	\$458.80	\$356.77	\$419.20
36	\$656.43	\$771.31	\$502.51	\$590.45	\$393.02	\$461.80	\$359.10	\$421.95
37	\$660.70	\$776.32	\$505.78	\$594.29	\$395.58	\$464.81	\$361.44	\$424.69
38	\$664.97	\$781.34	\$509.05	\$598.13	\$398.14	\$467.81	\$363.78	\$427.44
39	\$673.51	\$791.37	\$515.58	\$605.81	\$403.25	\$473.82	\$368.45	\$432.93
40	\$682.05	\$835.51	\$522.12	\$639.60	\$408.36	\$500.24	\$373.12	\$457.07
41	\$694.86	\$851.20	\$531.93	\$651.61	\$416.03	\$509.64	\$380.13	\$465.65
42	\$707.13	\$866.24	\$541.32	\$663.12	\$423.38	\$518.64	\$386.84	\$473.88
43	\$724.21	\$887.16	\$554.40	\$679.14	\$433.60	\$531.16	\$396.18	\$485.32
44	\$745.56	\$913.31	\$570.74	\$699.15	\$446.38	\$546.82	\$407.86	\$499.63
45	\$770.64	\$944.03	\$589.94	\$722.68	\$461.40	\$565.22	\$421.58	\$516.44
46	\$800.53	\$980.64	\$612.82	\$750.70	\$479.30	\$587.14	\$437.93	\$536.47
47	\$834.15	\$1,021.83	\$638.56	\$782.23	\$499.43	\$611.80	\$456.33	\$559.00
48	\$872.57	\$1,068.90	\$667.97	\$818.27	\$522.43	\$639.98	\$477.35	\$584.75
49	\$910.46	\$1,115.32	\$696.98	\$853.80	\$545.12	\$667.77	\$498.08	\$610.14
50	\$953.16	\$1,310.59	\$729.66	\$1,003.29	\$570.68	\$784.69	\$521.43	\$716.97
51	\$995.32	\$1,368.57	\$761.94	\$1,047.66	\$595.93	\$819.40	\$544.50	\$748.68
52	\$1,041.75	\$1,432.41	\$797.48	\$1,096.54	\$623.72	\$857.62	\$569.90	\$783.61
53	\$1,088.71	\$1,496.98	\$833.43	\$1,145.97	\$651.84	\$896.28	\$595.59	\$818.93
54	\$1,139.41	\$1,566.70	\$872.24	\$1,199.34	\$682.20	\$938.02	\$623.32	\$857.07
55	\$1,190.11	\$1,636.41	\$911.06	\$1,252.70	\$712.55	\$979.76	\$651.06	\$895.21
56	\$1,245.08	\$1,711.99	\$953.14	\$1,310.56	\$745.47	\$1,025.02	\$681.13	\$936.56
57	\$1,300.59	\$1,788.31	\$995.63	\$1,368.98	\$778.70	\$1,070.71	\$711.49	\$978.30
58	\$1,359.83	\$1,869.76	\$1,040.97	\$1,431.34	\$814.17	\$1,119.48	\$743.90	\$1,022.86
59	\$1,389.18	\$1,910.12	\$1,063.44	\$1,462.24	\$831.74	\$1,143.64	\$759.96	\$1,044.94
60	\$1,448.42	\$1,991.57	\$1,108.79	\$1,524.59	\$867.21	\$1,192.41	\$792.37	\$1,089.50
61	\$1,499.65	\$2,062.02	\$1,148.01	\$1,578.52	\$897.88	\$1,234.59	\$820.39	\$1,128.04
62	\$1,533.27	\$2,108.25	\$1,173.75	\$1,613.91	\$918.01	\$1,262.27	\$838.79	\$1,153.33
63	\$1,575.43	\$2,166.22	\$1,206.03	\$1,658.29	\$943.26	\$1,296.98	\$861.85	\$1,185.05
64+	\$1,601.04	\$2,201.45	\$1,225.64	\$1,685.25	\$958.59	\$1,318.07	\$875.87	\$1,204.31

Company Name:  
 Market:  
 Product:  
 Effective Date of Rates:

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	31609PA0180001		31609PA0180002		31609PA0180005	
Plan Marketing Name =>	Personal Choice Catastrophic		Personal Choice Silver Reserve		Personal Choice Bronze Basic	
Form # =>	08536 Rev. 1.16		08536 Rev. 1.16		08536 Rev. 1.16	
Rating Area =>	8		8		8	
Network =>	Personal Choice Network		Personal Choice Network		Personal Choice Network	
Metal =>	Catastrophic		Silver		Bronze	
Deductible =>	\$7,350		\$2,700		\$7,150	
Coinsurance =>	0%		30%		0%	
Copays =>	\$50 visits 1-3 no ded (0% after ded)/0% after ded		30% after ded/30% after ded		\$40 visits 1-3 no ded (0% after ded)/0% after ded	
OOP Maximum =>	\$7,350		\$6,650		\$7,150	
Pediatric Dental (Yes/No) =>	No		No		No	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0-14	\$202.40	\$202.40	\$308.10	\$308.10	\$207.23	\$207.23
15	\$220.39	\$220.39	\$335.49	\$335.49	\$225.65	\$225.65
16	\$227.27	\$227.27	\$345.96	\$345.96	\$232.70	\$232.70
17	\$234.15	\$234.15	\$356.43	\$356.43	\$239.74	\$239.74
18	\$241.56	\$241.56	\$367.71	\$367.71	\$247.33	\$247.33
19	\$248.96	\$248.96	\$378.98	\$378.98	\$254.91	\$254.91
20	\$256.64	\$256.64	\$390.66	\$390.66	\$262.77	\$262.77
21	\$264.57	\$297.65	\$402.74	\$453.09	\$270.89	\$304.75
22	\$264.57	\$297.65	\$402.74	\$453.09	\$270.89	\$304.75
23	\$264.57	\$297.65	\$402.74	\$453.09	\$270.89	\$304.75
24	\$264.57	\$297.65	\$402.74	\$453.09	\$270.89	\$304.75
25	\$265.63	\$298.84	\$404.36	\$454.90	\$271.98	\$305.97
26	\$270.92	\$304.79	\$412.41	\$463.96	\$277.39	\$312.07
27	\$277.27	\$311.93	\$422.08	\$474.84	\$283.90	\$319.38
28	\$287.59	\$323.54	\$437.78	\$492.51	\$294.46	\$331.27
29	\$296.06	\$333.07	\$450.67	\$507.00	\$303.13	\$341.02
30	\$300.29	\$352.84	\$457.11	\$537.11	\$307.46	\$361.27
31	\$306.64	\$360.30	\$466.78	\$548.47	\$313.96	\$368.91
32	\$312.99	\$367.77	\$476.45	\$559.82	\$320.47	\$376.55
33	\$316.96	\$372.43	\$482.49	\$566.92	\$324.53	\$381.32
34	\$321.19	\$377.40	\$488.93	\$574.49	\$328.86	\$386.42
35	\$323.31	\$379.89	\$492.15	\$578.28	\$331.03	\$388.96
36	\$325.43	\$382.38	\$495.38	\$582.07	\$333.20	\$391.51
37	\$327.54	\$384.86	\$498.60	\$585.85	\$335.37	\$394.05
38	\$329.66	\$387.35	\$501.82	\$589.64	\$337.53	\$396.60
39	\$333.89	\$392.32	\$508.26	\$597.21	\$341.87	\$401.69
40	\$338.13	\$414.20	\$514.71	\$630.52	\$346.20	\$424.10
41	\$344.48	\$421.98	\$524.37	\$642.36	\$352.70	\$432.06
42	\$350.56	\$429.44	\$533.64	\$653.70	\$358.93	\$439.69
43	\$359.03	\$439.81	\$546.52	\$669.49	\$367.60	\$450.31
44	\$369.61	\$452.77	\$562.63	\$689.23	\$378.44	\$463.59
45	\$382.05	\$468.01	\$581.56	\$712.41	\$391.17	\$479.18
46	\$396.86	\$486.16	\$604.12	\$740.04	\$406.34	\$497.77
47	\$413.53	\$506.57	\$629.49	\$771.12	\$423.41	\$518.67
48	\$432.58	\$529.91	\$658.49	\$806.65	\$442.91	\$542.56
49	\$451.36	\$552.92	\$687.08	\$841.67	\$462.14	\$566.13
50	\$472.53	\$649.73	\$719.30	\$989.04	\$483.81	\$665.25
51	\$493.43	\$678.47	\$751.12	\$1,032.79	\$505.22	\$694.67
52	\$516.45	\$710.12	\$786.16	\$1,080.97	\$528.78	\$727.08
53	\$539.73	\$742.13	\$821.60	\$1,129.70	\$552.62	\$759.85
54	\$564.87	\$776.69	\$859.86	\$1,182.31	\$578.36	\$795.24
55	\$590.00	\$811.25	\$898.12	\$1,234.91	\$604.09	\$830.63
56	\$617.25	\$848.72	\$939.60	\$1,291.95	\$631.99	\$868.99
57	\$644.77	\$886.56	\$981.49	\$1,349.55	\$660.17	\$907.73
58	\$674.14	\$926.94	\$1,026.19	\$1,411.01	\$690.23	\$949.07
59	\$688.69	\$946.95	\$1,048.34	\$1,441.47	\$705.13	\$969.56
60	\$718.06	\$987.33	\$1,093.05	\$1,502.94	\$735.20	\$1,010.90
61	\$743.45	\$1,022.25	\$1,131.71	\$1,556.10	\$761.21	\$1,046.66
62	\$760.12	\$1,045.17	\$1,157.08	\$1,590.99	\$778.28	\$1,070.13
63	\$781.02	\$1,073.91	\$1,188.90	\$1,634.74	\$799.68	\$1,099.55
64+	\$793.71	\$1,091.37	\$1,208.22	\$1,661.32	\$812.67	\$1,117.43



2018 Rates Table Template v7.1		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 in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.			
		If you are not in a community rating state, select Age-Based Rates under Rating Method 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*	31609				
Federal TIN*	23-2184623				
Rate Effective Date*	1/1/2018				
Rate Expiration Date*	12/31/2018				
Rating Method*	Age-Based Rates				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<small>Required: Enter the 14-character Plan ID</small>	<small>Required: Select the Rating Area ID</small>	<small>Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</small>	<small>Required: Select the age of a subscriber eligible for the rate</small>	<small>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</small>	<small>Required: Enter the rate of an Individual tobacco enrollee on a plan</small>
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	408.27	408.27
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	15	444.56	444.56
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	16	458.43	458.43
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	17	472.31	472.31
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	18	487.25	487.25
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	19	502.20	502.20
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	20	517.67	517.67
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	21	533.68	600.39
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	22	533.68	600.39
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	23	533.68	600.39
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	24	533.68	600.39
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	25	535.82	602.80
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	26	546.49	614.80
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	27	559.30	629.21
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	28	580.11	652.63
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	29	597.19	671.84
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	30	605.73	711.73
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	31	618.54	726.78
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	32	631.35	741.83
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	33	639.35	751.24
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	34	647.89	761.27
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	35	652.16	766.29
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	36	656.43	771.31
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	37	660.70	776.32
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	38	664.97	781.34
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	39	673.51	791.37
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	40	682.05	835.51
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	41	694.86	851.20
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	42	707.13	866.24
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	43	724.21	887.16
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	44	745.56	913.31
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	45	770.64	944.03
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	46	800.53	980.64
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	47	834.15	1021.83
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	48	872.57	1068.90
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	49	910.46	1115.32
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	50	953.16	1310.59
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	51	995.32	1368.57
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	52	1041.75	1432.41
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	53	1088.71	1496.98
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	54	1139.11	1566.70
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	55	1190.11	1636.41
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	56	1245.08	1711.99
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	57	1300.59	1788.31
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	58	1359.83	1869.76
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	59	1389.18	1910.12
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	60	1448.42	1991.57
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	61	1499.65	2062.02
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	62	1533.27	2108.25
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	63	1575.43	2166.22
31609PA0070002	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	1601.04	2201.45

31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	312.54	312.54
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	15	340.32	340.32
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	16	350.94	350.94
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	17	361.56	361.56
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	18	373.00	373.00
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	19	384.44	384.44
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	20	396.29	396.29
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	21	408.55	408.55
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	22	408.55	459.61
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	23	408.55	459.61
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	24	408.55	459.61
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	25	410.18	461.45
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	26	418.35	470.64
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	27	428.16	481.68
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	28	444.09	499.60
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	29	457.16	514.31
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	30	463.70	544.85
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	31	473.50	556.37
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	32	483.31	567.89
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	33	489.44	575.09
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	34	495.97	582.77
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	35	499.24	586.61
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	36	502.51	590.45
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	37	505.78	594.29
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	38	509.05	598.13
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	39	515.58	605.81
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	40	522.12	639.60
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	41	531.93	651.61
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	42	541.32	663.12
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	43	554.40	679.14
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	44	570.74	699.15
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	45	589.94	722.68
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	46	612.82	750.70
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	47	638.56	782.23
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	48	667.97	818.27
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	49	696.98	853.80
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	50	729.66	1003.29
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	51	761.94	1047.66
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	52	797.48	1096.54
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	53	833.43	1145.97
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31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	58	1040.97	1431.34
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31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	60	1108.79	1524.59
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	61	1148.01	1578.52
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	62	1173.75	1613.91
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	63	1206.03	1658.29
31609PA0070003	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	1225.64	1685.25
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	244.44	244.44
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	15	266.17	266.17
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	16	274.48	274.48
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	17	282.78	282.78
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	18	291.73	291.73
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	19	300.68	300.68
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	20	309.95	309.95
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	21	319.53	359.47
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	22	319.53	359.47
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	23	319.53	359.47
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	24	319.53	359.47
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	25	320.81	360.91
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	26	327.20	368.10
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	27	334.87	376.73
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	28	347.33	390.75
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	29	357.56	402.25
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	30	362.67	426.13
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	31	370.34	435.15
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	32	378.01	444.16
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	33	382.80	449.79
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	34	387.91	455.80
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	35	390.47	458.80
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	36	393.02	461.80
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	37	395.58	464.81
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	38	398.14	467.81
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	39	403.25	473.82
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	40	408.36	500.24
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	41	416.03	509.64
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	42	423.38	518.64
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	43	433.60	531.16
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	44	446.38	546.82
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	45	461.40	565.22
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	46	479.30	587.14
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	47	499.43	611.80
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	48	522.43	639.98
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	49	545.12	667.77
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	50	570.68	784.69
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	51	595.93	819.40
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	52	623.72	857.62
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	53	651.84	896.28
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	54	682.20	938.02
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	55	712.55	979.76
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	56	745.47	1025.02
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	57	778.70	1070.71
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	58	814.17	1119.48
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	59	831.74	1143.64
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	60	867.21	1192.41
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	61	897.88	1234.59
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	62	918.01	1262.27
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	63	943.26	1296.98
31609PA0070004	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	958.59	1318.07

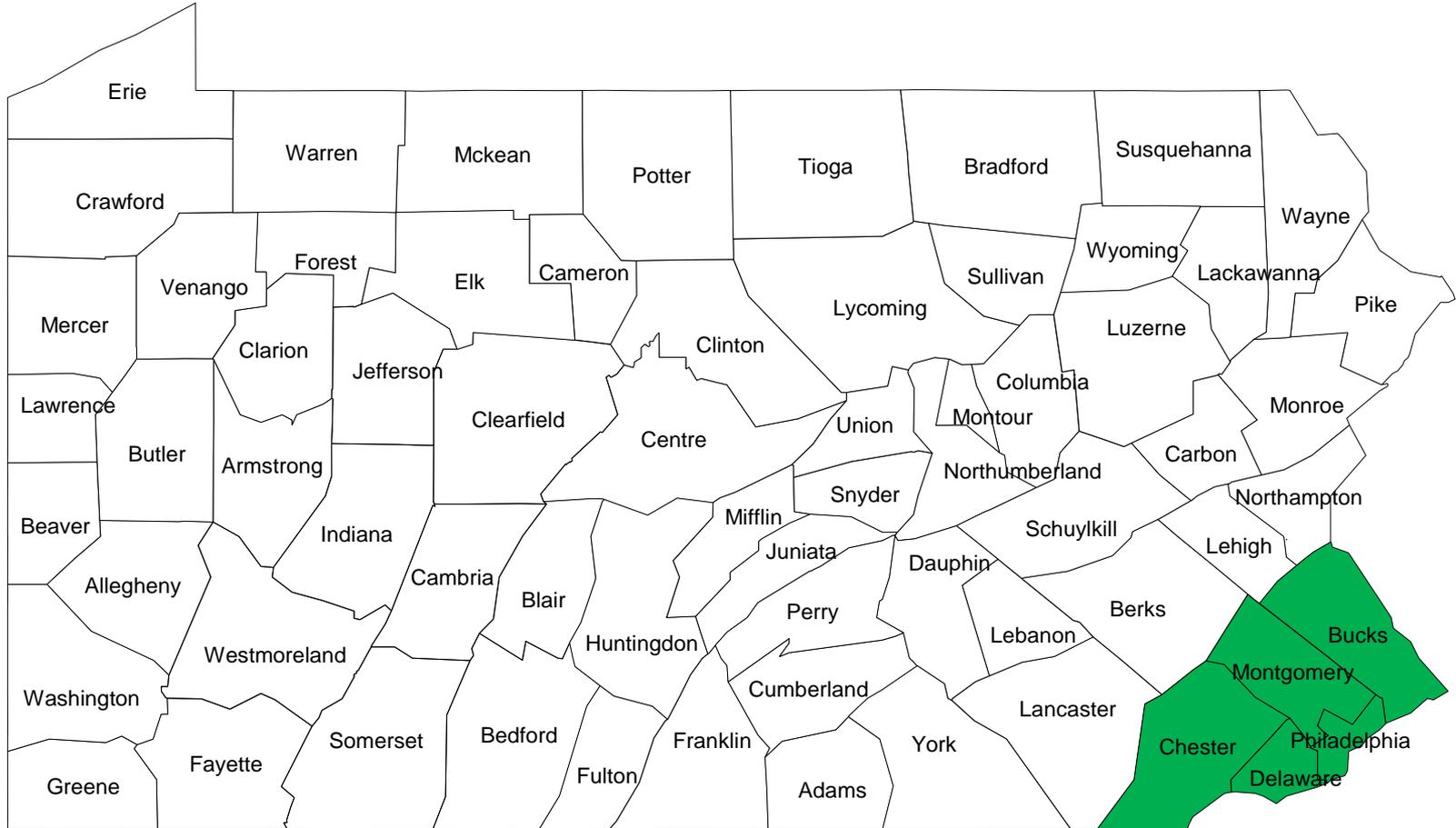
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	202.40	202.40
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	15	220.39	220.39
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	16	227.27	227.27
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	17	234.15	234.15
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	18	241.56	241.56
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	19	248.96	248.96
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	20	256.64	256.64
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	21	264.57	297.65
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	22	264.57	297.65
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	23	264.57	297.65
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	24	264.57	297.65
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	25	265.63	298.84
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	26	270.92	304.79
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	27	277.27	311.93
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	28	287.59	323.54
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	29	296.06	333.07
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	30	300.29	352.84
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	31	306.64	360.30
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	32	312.99	367.77
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	33	316.96	372.43
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	34	321.19	377.40
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	35	323.31	379.89
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	36	325.43	382.38
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	37	327.54	384.86
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	38	329.66	387.35
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	39	333.89	392.32
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	40	338.13	414.20
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	41	344.48	421.98
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	42	350.56	429.44
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	43	359.03	439.81
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	44	369.61	452.77
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	45	382.05	468.01
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	46	396.86	486.16
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	47	413.53	506.57
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	48	432.58	529.91
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	49	451.36	552.92
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	50	472.53	649.73
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	51	493.43	678.47
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	52	516.45	710.12
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	53	539.73	742.13
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	54	564.87	776.69
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	55	590.00	811.25
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	56	617.25	848.72
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	57	644.77	886.56
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	58	674.14	926.94
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	59	688.69	946.95
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	60	718.06	987.33
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	61	743.45	1022.25
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	62	760.12	1045.17
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	63	781.02	1073.91
31609PA0160001	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	793.71	1091.37
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	308.10	308.10
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	15	335.49	335.49
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	16	345.96	345.96
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	17	356.43	356.43
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	18	367.71	367.71
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	19	378.98	378.98
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	20	390.66	390.66
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	21	402.74	453.09
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	22	402.74	453.09
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	23	402.74	453.09
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	24	402.74	453.09
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	25	404.36	454.90
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	26	412.41	463.96
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	27	422.08	474.84
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	28	437.78	492.51
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	29	450.67	507.00
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	30	457.11	537.11
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	31	466.78	548.47
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	32	476.45	559.82
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	33	482.49	566.92
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	34	488.93	574.49
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	35	492.15	578.28
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	36	495.38	582.07
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	37	498.60	585.85
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	38	501.82	589.64
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	39	508.26	597.21
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	40	514.71	630.52
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	41	524.37	642.36
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	42	533.64	653.70
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	43	546.52	669.49
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	44	562.63	689.23
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	45	581.56	712.41
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	46	604.12	740.04
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	47	629.49	771.12
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	48	658.49	806.65
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	49	687.08	841.67
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	50	719.30	989.04
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	51	751.12	1032.79
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	52	786.16	1080.97
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	53	821.60	1129.70
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	54	859.86	1182.31
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	55	898.12	1234.91
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	56	939.60	1291.95
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	57	981.49	1349.55
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	58	1026.19	1411.01
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	59	1048.34	1441.47
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	60	1093.05	1502.94
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	61	1131.71	1556.10
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	62	1157.08	1590.99
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	63	1188.90	1634.74
31609PA0160003	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	1208.22	1661.32

31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	545.87	545.87
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	15	594.40	594.40
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	16	612.95	612.95
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	17	631.50	631.50
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	18	651.48	651.48
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	19	671.46	671.46
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	20	692.15	692.15
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	21	713.56	802.76
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	22	713.56	802.76
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	23	713.56	802.76
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	24	713.56	802.76
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	25	716.42	805.97
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	26	730.69	822.02
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	27	747.81	841.29
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	28	775.64	872.60
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	29	798.47	898.28
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	30	809.89	951.62
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	31	827.02	971.75
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	32	844.14	991.87
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	33	854.85	1004.44
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	34	866.26	1017.86
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	35	871.97	1024.57
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	36	877.68	1031.27
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	37	883.39	1037.98
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	38	889.10	1044.69
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	39	900.51	1058.10
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	40	911.93	1117.12
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	41	929.06	1138.09
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	42	945.47	1158.20
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	43	968.30	1186.17
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	44	996.84	1221.13
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	45	1030.38	1262.22
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	46	1070.34	1311.17
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	47	1115.30	1366.24
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	48	1166.67	1429.17
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	49	1217.33	1491.24
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	50	1274.42	1752.33
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	51	1330.79	1829.84
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	52	1392.87	1915.20
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	53	1455.66	2001.54
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	54	1523.45	2094.75
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	55	1591.24	2187.96
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	56	1664.74	2289.01
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	57	1738.95	2391.05
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	58	1818.15	2499.96
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	59	1857.40	2553.92
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	60	1936.60	2662.83
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	61	2005.11	2757.02
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	62	2050.06	2818.83
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	63	2106.43	2896.34
31609PA0160004	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	2140.68	2943.44
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	223.35	223.35
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	15	243.20	243.20
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	16	250.79	250.79
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	17	258.38	258.38
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	18	266.55	266.55
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	19	274.73	274.73
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	20	283.20	283.20
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	21	291.96	328.45
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	22	291.96	328.45
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	23	291.96	328.45
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	24	291.96	328.45
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	25	293.12	329.76
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	26	298.96	336.33
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	27	305.97	344.21
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	28	317.36	357.02
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	29	326.70	367.53
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	30	331.37	389.36
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	31	338.38	397.59
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	32	345.38	405.82
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	33	349.76	410.97
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	34	354.43	416.46
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	35	356.77	419.20
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	36	359.10	421.95
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	37	361.44	424.69
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	38	363.78	427.44
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	39	368.45	432.93
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	40	373.12	457.07
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	41	380.13	465.65
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	42	386.84	473.88
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	43	396.18	485.32
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	44	407.86	499.63
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	45	421.58	516.44
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	46	437.93	536.47
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	47	456.33	559.00
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	48	477.35	584.75
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	49	498.08	610.14
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	50	521.43	716.97
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	51	544.50	748.68
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	52	569.90	783.61
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	53	595.59	818.93
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	54	623.32	857.07
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	55	651.06	895.21
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	56	681.13	936.56
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	57	711.49	978.30
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	58	743.90	1022.86
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	59	759.96	1044.94
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	60	792.37	1089.50
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	61	820.39	1128.04
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	62	838.79	1153.33
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	63	861.85	1185.05
31609PA0160005	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	875.87	1204.31

# 2017 Service Area

Issuer: QCC Insurance Company

Market: Individual



**Key** (*modify as needed*)

-  : 2017 on-exchange service area
-  : 2017 off-exchange only service area

# 2018 Service Area

Issuer: QCC Insurance Company

Market: Individual



**Key** (*modify as needed*)

-  : 2018 on-exchange service area
-  : 2018 off-exchange only service area

SERFF Tracking INAC-131005808 State: Pennsylvania  
Number:

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Filing Company: QCC Insurance Company State INAC-131005808  
Tracking  
Number:

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Company QCC INDIV 1-1-2018  
Tracking  
Number:

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

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Product Name: QCC Individual PPO effective 1-1-2018

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Project Name:

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Objection Letter Status:Data Request Sent

Objection Letter Date:06/15/2017

Respond By Date:

Submitted Date:06/15/2017 01:47 PM

Dear David Walker,  
Introduction: June 15, 2017

David Walker  
QCC Insurance Company  
1901 Market Street  
Philadelphia, PA 19103

RE: QCC Individual PPO QHP Filing for 2018.  
Pennsylvania Insurance Department ID #: INAC-131005808

Dear David Walker:

The Pennsylvania Insurance Department has received and conducted a preliminary review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided within 5 business days of the date of this letter. If you have any questions or difficulties in providing the data within this time frame, please call me.

The following questions are from Oliver Wyman, our Actuarial Consultant:

1. In Wksh 2 of the URRT, the AV Pricing Values should be equal to the total adjustment from the Market Adjusted Index Rate (MAIR) to the Plan Adjusted Index Rate (PAIR) for each plan (e.g. MAIR x AV Pricing Value = PAIR). However, this does not appear to be the case. Please explain why this is not the case or correct the issue to follow the Part III URRT Instructions Section 4.7.2.
2. The Rate Data template only appears to include renewing on-exchange plans. Please submit the Rate Data Template for all of the off-exchange plans as well (i.e. Products 31609PA019 and 31609PA019)
3. Please provide the numerical development of the Exchange User Fee of \$13.47 applied to the Market Adjusted Index Rate shown in Table 5 of the file [PA Actuarial Memorandum Rate Exhibits - Annual Filings -

05192017\_QCC\_IND\_RV.xlsx].

4. We found the following inconsistencies between the AV Metal Values in the URRT and the AV calculator screenshots:

a. For the plans 31609PA0180003 and 31609PA0160004 the URRT AV Metal values (0.895) do not match the AV Calculator screens shots (0.8738). Please explain and show why they are different or correct the inconsistency.

b. For the plans 31609PA0070002 and 31609PA0190002 the URRT AV Metal values (0.812) do not match the AV Calculator screens shots (0.7985). Please explain and show why they are different or correct the inconsistency.

5. Please show a numerical development of the assumed annual trend used in projecting the experience period claims to the projected 2018 coverage year. Please include the trends based on historical experience for each benefit category for years 2014, 2015, 2016, and 2017 (year to date). We realize 2017 trends will be partially based on estimated claim costs.

6. Please provide further support for the morbidity projection factor of 1.045. Please explain in detail the methodology used to determine this factor and numerical support showing the development. Please be sure to explain why you are projecting the single risk pool to have higher morbidity than that of the experience base.

7. Please show the quantitative development of the 'Demo' factors shown in the file [Exhibit A.xlsx]. Are these values based on average age curve factors? If so, what age curve is being used (e.g. 2018 federal default age curve, internal age curve)?

8. Please provide numerical support for the age calibration factor of 1.6317. In your support, please provide the projected 2018 distribution of membership by age.

9. We have the following questions regarding the benefit richness (induced demand) column in Table 10.

a. Please provide numerical support for the benefit richness (induced demand) factors shown in Table 10.

b. Please confirm and demonstrate in your support that health status was not taken into account when developing these factors.

c. Please explain why these values vary within a given metal level if health status is not taken into account; specifically for Bronze plans, where the factors range from 0.852 to 0.984 and Silver plans, where they range from 0.971 to 1.041.

10. We have the following questions regarding the provider network adjustment (column N) of Table 10.

a. Please describe the methodology used to determine the provider network factors.

b. Please explain why this value varies across plans given the network indicated in the file [31609QCC STATE 2018 v1 05112017 RV.xlsx] does not vary by plan. Additionally, the network factors do not appear to be applied such that they are all the same by plan type (i.e. PPO and EPO).

c. Although the differences are small, we did notice the network factor for the two Personal Choice Bronze Reserve plans are slightly different based on the values in Table 10 for Plan 5 and Plan 13. Plan ID 31609PA0070006 shows a factor of 0.970 which is different than the rest of the network factors assigned to the Personal Choice Reserve plans. Was this intentional or was this done in error? Please explain why this would be different if this was in fact intentional.

11. Please provide the numerical development of the tobacco surcharge of 1.013 shown in column P of Table 10.

12. Please provide the numerical development of the projected 2018 MLR that shows compliance with the 80% minimum MLR.

13. Please provide the numerical development of the average paid to allowed factor of 0.738 as entered in the URRT Wksh 1 Section III.

14. We have the following questions regarding the risk adjustment PMPM value:

a. Please provide the quantitative development of the projected risk adjustment receipt PMPM equal to \$160.34.

b. Please demonstrate quantitatively how the 0.86 factor which is to be applied to the statewide average

premium in the 2018 risk adjustment calculation was taken into account in developing the projected risk adjustment receipt PMPM of \$160.34.

The following are additional questions from the PID:

1. The 2017 administrative expenses PMPM were  $\$53.18 = (0.0812) * (\$654.80)$  from Table 6 while the 2018 administrative expenses PMPM are  $\$62.95 = (0.10) * (\$629.54)$ . Please explain why the administrative expenses on a PMPM basis went up 18% from 2017 to 2018.
2. The PCORI fee should be  $\$2.47/12 = \$0.2058$  PMPM but the value of .04 in cell C54 of Table 6 shows that QCC is using  $(.04) * (\$629.54) = .25$  PMPM. Please revise the value in cell C54 to bring the PCORI fee within the range of 20 to 21 cents PMPM.
3. Please confirm that a risk adjustment user fee of \$0.14 PMPM was included in the "Projected Risk Adjustment PMPM" of \$160.34 shown in the Department's Table 5.
4. Please show the development of the average commission and circumstances in which broker commissions will be paid and if they will vary based on geographic location, metal level, plan, open enrollment vs SEP enrollment, etc. Additionally, the current and 2018 broker agreements should be included and used to develop the percent shown in Table 6 as well as the associated PMPM amount.
5. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Conclusion: Upon receipt of your responses to the above requested data, the Department will continue to review your filing. Please note that there may be additional questions and/or requirements as the Department conducts a more in-depth review.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117 or e-mail at [jlaverty@pa.gov](mailto:jlaverty@pa.gov).

Sincerely,

James Laverty, ASA, MAAA  
Actuary  
Bureau of Accident & Health Insurance

Conclusion:  
Sincerely,  
Jim Laverty

**QCC INDIVIDUAL  
JUNE 15 RESPONSES**

- 1. In Wksh 2 of the URRT, the AV Pricing Values should be equal to the total adjustment from the Market Adjusted Index Rate (MAIR) to the Plan Adjusted Index Rate (PAIR) for each plan (e.g. MAIR x AV Pricing Value = PAIR). However, this does not appear to be the case. Please explain why this is not the case or correct the issue to follow the Part III URRT Instructions Section 4.7.2.**

Please see Table 10 of the PA Actuarial Memo Rate Exhibits for the numeric demonstration of the calculation of Plan Adjusted Index Rate from Market Adjusted Index Rates. The Market Adjusted Index Rate is in cell C11 on the "III- Plan rates" tab. The Plan Adjusted Index Rates are in column AA of this tab.

This also impacts our response to question 13, since we set the Pricing AV in the URRT to the expected Paid to Allowed.

- 2. The Rate Data template only appears to include renewing on-exchange plans. Please submit the Rate Data Template for all of the off-exchange plans as well (i.e. Products 31609PA019 and 31609PA019)**

We have historically only included our on exchange plans in the Federal rate template. This is done out of an abundance of caution. We are concerned that our "Off exchange" plans might accidentally show up on the exchange if we include those rates in the federal rate templates. The rates for the off exchange plans are included in the state rate templates.

- 3. Please provide the numerical development of the Exchange User Fee of \$13.47 applied to the Market Adjusted Index Rate shown in Table 5 of the file [PA Actuarial Memorandum Rate Exhibits - Annual Filings - 05192017\_QCC\_IND\_RV.xlsx].**

The Exchange user fee is 3.5% of Premium for on exchange plans. From Table 10 it is evident that about 58% of the membership is On-exchange. Therefore about 2.0% of overall premium would be for exchange use fees. This is about \$13.47 PMPM. (i.e. Calibrated plan adjusted index rate in cell AA15 on table 10 x Aggregate Calibration factor in cell T6 on table 10 x 0.58 x 0.035)

- 4. We found the following inconsistencies between the AV Metal Values in the URRT and the AV calculator screenshots:**
- a. For the plans 31609PA0180003 and 31609PA0160004 the URRT AV Metal values (0.895) do not match the AV Calculator screens shots (0.8738). Please explain and show why they are different or correct the inconsistency.**
  - b. For the plans 31609PA0070002 and 31609PA0190002 the URRT AV Metal values (0.812) do not match the AV Calculator screens shots (0.7985). Please explain and show why they are different or correct the inconsistency.**

We have corrected these in the URRT as well as on Table 10 of the PA Actuarial Memo Rate exhibits.

5. Please show a numerical development of the assumed annual trend used in projecting the experience period claims to the projected 2018 coverage year. Please include the trends based on historical experience for each benefit category for years 2014, 2015, 2016, and 2017 (year to date). We realize 2017 trends will be partially based on estimated claim costs.

Please see below for information on the projected unit cost trends.

	Inpatient	Outpatient	Professional
2017 PPO PA Individual	3.7%	2.4%	1.3%
2018 PPO PA Individual	2.7%	2.6%	1.8%
2019 PPO PA Individual	2.7%	2.6%	1.8%

6. Please provide further support for the morbidity projection factor of 1.045. Please explain in detail the methodology used to determine this factor and numerical support showing the development. Please be sure to explain why you are projecting the single risk pool to have higher morbidity than that of the experience base.

Enrollment in 2017 on exchanges has been lower overall than in years past. (Source: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-03-15.html>)

The CMS report shows about a 4% nationwide reduction in On exchange membership between 2017 and 2016.

In PA, the reduction is about 3%. (I.e. The 2016 “Week 13” report had 439,238 open enrollment members, while the 2017 report shows 426,059 open enrollment members)

We are anticipating that the members that “opted out” in 2017 are healthier than average and will contribute to an increase in statewide average morbidity of 4.5%, which we have reflected in our single risk pool projection.

	Expected Avg Claims per year			
60%	7,792			
40%	92			
	4,712			
60%	7,792			
40%	104			
	4,924			
	4.5%	<-- Expected morbidity impact		

- 7. Please show the quantitative development of the 'Demo' factors shown in the file [Exhibit A.xlsx]. Are these values based on average age curve factors? If so, what age curve is being used (e.g. 2018 federal default age curve, internal age curve)?**

The change is based on the 2017 Federal age curve. Please see derivation below.

2017	QCC	Demo
0-20	8,749	0.635
21-29	8,198	1.018
30-39	7,701	1.187
40-49	7,932	1.444
50-59	12,046	2.189
60-63	6,398	2.821
64+	2,178	3.000
Total	53,202	1.606
2016	QCC	Demo
0-20	8,073	0.635
21-29	6,106	1.010
30-39	5,198	1.151
40-49	6,144	1.411
50-59	9,511	2.169
60-63	5,100	2.793
64+	1,707	3.000
Total	41,839	1.576

- 8. Please provide numerical support for the age calibration factor of 1.6317. In your support, please provide the projected 2018 distribution of membership by age.**

Please see below. Note, as is appropriate, calibration uses the 2018 Federal age curve.

	2018 Expected Age distribution	2018 Demo Factors
0-20	17%	0.824
21-29	16%	1.040
30-39	15%	1.204

40-49	15%	1.468
50-59	23%	2.225
60-63	12%	2.843
64+	2%	3.000
Total		1.632

**9. We have the following questions regarding the benefit richness (induced demand) column in Table 10.**

- a. Please provide numerical support for the benefit richness (induced demand) factors shown in Table 10.**
- b. Please confirm and demonstrate in your support that health status was not taken into account when developing these factors.**
- c. Please explain why these values vary within a given metal level if health status is not taken into account; specifically for Bronze plans, where the factors range from 0.852 to 0.984 and Silver plans, where they range from 0.971 to 1.041.**

Our induced demand factors do not take into account health status. For 2018 we did not update the induced demand factors, rather we first solved for the induced demand factors that would generate the 2017 rates slope in 2018 before benefit changes.

We utilized this approach because we are trying to preserve the rate relationship we currently have in the market.

**10. We have the following questions regarding the provider network adjustment (column N) of Table 10.**

- a. Please describe the methodology used to determine the provider network factors.**
- b. Please explain why this value varies across plans given the network indicated in the file [31609QCC STATE 2018 v1 05112017 RV.xlsx] does not vary by plan. Additionally, the network factors do not appear to be applied such that they are all the same by plan type (i.e. PPO and EPO).**
- c. Although the differences are small, we did notice the network factor for the two Personal Choice Bronze Reserve plans are slightly different based on the values in Table 10 for Plan 5 and Plan 13. Plan ID 31609PA0070006 shows a factor of 0.970 which is different than the rest of the network factors assigned to the Personal Choice Reserve plans. Was this intentional or was this done in error? Please explain why this would be different if this was in fact intentional.**

The provider network factor is calculated based on the expected unit cost differences between the EPO and PPO networks. The difference is due to the fact that the PPO plan covers Out of Network benefits and the EPO plan does not.

We expect the PPO plan to be 5.3% more expensive than the EPO plan on average. We then normalized so that the weighted average of the factors equals 1.00.

This results in a factor of 0.969 for EPO and 1.021 for PPO. (i.e.  $1.021/0.969 = 1.053$  or a 5.3% difference)

We have corrected the value for Plan 13 to match Plan 5.

**11. Please provide the numerical development of the tobacco surcharge of 1.013 shown in column P of Table 10.**

Please see table below. The calculation uses the expected age distribution and expected % tobacco use by age, as well as our previously approved tobacco factors to determine the impact of tobacco rating.

	2018 Expected Age distribution	Expected % tobacco use	Approved Tobacco Factors
0-20	17%	5.0%	-
21-29	16%	5.0%	0.125
30-39	15%	5.0%	0.175
40-49	15%	6.0%	0.225
50-59	23%	6.0%	0.375
60-63	12%	6.0%	0.375
64+	2%	6.0%	0.375
Total			1.3%

**12. Please provide the numerical development of the projected 2018 MLR that shows compliance with the 80% minimum MLR.**

Projected Premium from table 6 = \$629.54

Projected Paid claims from table = \$663.14

Projected Risk adjustment = \$160.34

QI = 0.39%; Taxes and fees = 5.69% (From table 6)

$MLR = (663.14 + (629.54 \times 0.0039)) / (629.54 + 160.34 - (629.54 \times 0.0569)) = 88.3\% > 80\%$  minimum

**13. Please provide the numerical development of the average paid to allowed factor of 0.738 as entered in the URRT Wksh 1 Section III.**

Please see column K of table 10 for the derivation of the aggregate paid to allowed.

**14. We have the following questions regarding the risk adjustment PMPM value:**

**a. Please provide the quantitative development of the projected risk adjustment receipt PMPM equal to \$160.34.**

Please see below.

This is the risk adjustment calculation.

$$T_i = \left[ \frac{PLRS_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot PLRS_i \cdot IDF_i \cdot GCF_i)} - \frac{AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i)} \right] \bar{P}_S$$

Where

PS = State average premium \* 0.86; PLRS<sub>i</sub> = plan i's plan liability risk score; AV<sub>i</sub> = plan i's metal level AV; ARF<sub>i</sub> = allowable rating factor; IDF<sub>i</sub> = plan i's induced demand factor; GCF<sub>i</sub> = plan i's geographic cost factor;

QCC										
Issuer	Metal	BMMO	PLRS	State Avg Premium	ARF	GCF	IDF	AV	Product with Risk	Product w/o Risk
QCC	Plat (1)	458,825	3.3257		1.5642	1.1687	1.1500	90%	4.4697	1.8921
QCC	Gold (2)	434,681	1.5132		1.5461	1.1687	1.0800	80%	1.9099	1.5611
QCC	Silver (3)	243,751	1.0110		1.7117	1.1687	1.0300	70%	1.2170	1.4423
QCC	Bronze (4)	265,742	0.9713		1.8165	1.1687	1.0000	60%	1.1352	1.2737
<b>Total</b>		<b>1,402,999</b>	<b>1.9160</b>	<b>\$593.24</b>	<b>1.6320</b>	<b>1.1687</b>	<b>1.0791</b>	<b>78%</b>	<b>2.4799</b>	<b>1.5943</b>
Statewide Average			1.5092	593.24	1.6537	1.0000	1.0000	73%	1.5092	1.1999
									160.34	

$$160.34 = [(2.4799 / 1.5092 - 1.5943 / 1.1999) \times 593.24 \times 0.86] - 0.14$$

(Per PID guidance, the 0.14 Risk adjustment user fee is included in the risk adjustment calculation)

**b. Please demonstrate quantitatively how the 0.86 factor which is to be applied to the statewide average premium in the 2018 risk adjustment calculation was taken into account in developing the projected risk adjustment receipt PMPM of \$160.34.**

The 0.86 factor was taken into account by multiplying the expected statewide average premium by 0.86 when calculating the risk transfer amount. This is new for 2018.

$$\bar{P}_S = \left( \sum_i (s_i \cdot P_i) \right) * 0.86$$

The following are additional questions from the PID:

1. The 2017 administrative expenses PMPM were \$53.18 = (0.0812)\*(\$654.80) from Table 6 while the 2018 administrative expenses PMPM are \$62.95 = (0.10)\*(\$629.54). Please explain why the administrative expenses on a PMPM basis went up 18% from 2017 to 2018.

We have updated the admin allocation in the Pricing to align with the financials.

- 2. The PCORI fee should be  $\$2.47/12 = \$0.2058$  PMPM but the value of .04 in cell C54 of Table 6 shows that QCC is using  $(.04)*(\$629.54) = .25$  PMPM. Please revise the value in cell C54 to bring the PCORI fee within the range of 20 to 21 cents PMPM.**

We have updated to 0.03%.

- 3. Please confirm that a risk adjustment user fee of \$0.14 PMPM was included in the “Projected Risk Adjustment PMPM” of \$160.34 shown in the Department’s Table 5.**

Confirmed, please see response to question 14 for the calculation.

- 4. Please show the development of the average commission and circumstances in which broker commissions will be paid and if they will vary based on geographic location, metal level, plan, open enrollment vs SEP enrollment, etc. Additionally, the current and 2018 broker agreements should be included and used to develop the percent shown in Table 6 as well as the associated PMPM amount.**

We have reached out to our Sales department to get the current and 2018 broker agreements.

5. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

- 1. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.**

Thank you for bringing this to our attention. We will update the PA Plan Design Summary and Rate Tables and the Federal Rate template for the on exchange plans (The off exchange plans are not included in the Federal Rate template).

When the rate grids were created the 45 year old rate was used as the index (i.e. the one rounded to the nearest dollar) and all rates were calculated off of that using the federal age curve. This causes the 21 year old rate to be slightly different from Table 11.

We are updating our rate grid to index off the 21 year old rate from Table 11 instead. We will submit revised rate tables after we have completed our QA processes on them.

SERFF Tracking Number:	INAC-131005808	State:	Pennsylvania
Filing Company:	QCC Insurance Company	State Tracking Number:	INAC-131005808
Company Tracking Number:	QCC INDIV 1-1-2018		
TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense	Sub-TOI:	H15I.001 Health - Hospital/Surgical/Medical Expense
Product Name:	QCC Individual PPO effective 1-1-2018		
Project Name:			

Objection Letter Status:Data Request Sent

Objection Letter Date:07/06/2017

Respond By Date:

Submitted Date:07/06/2017 04:19 PM

Dear David Walker,

Introduction: July 6, 2017

David Walker  
QCC Insurance Company  
1901 Market Street  
Philadelphia, PA 19103

RE: QCC Individual PPO QHP Filing for 2018.  
Pennsylvania Insurance Department ID #: INAC-131005808

Dear David Walker:

The Pennsylvania Insurance Department has received and conducted a review of your responses to our June 15th data request letter. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided by July 14, 2017. If you have any questions or difficulties in providing the data within this time frame, please call me.

The following questions are from Oliver Wyman, our Actuarial Consultant:

1. Please provide the actual year-over-year trend rates which were observed over the time period of 2014-2016 based on the historical normalized single risk pool claims experience. To the extent the assumed annual trend rate utilized in the development of the proposed 2018 rates is significantly different than recent trend levels which have been observed, provide the specific reason(s) future trend rates are expected to be different than historical levels.
2. Please provide further clarification regarding the calculation of the 1.045 morbidity adjustment shown in the table provided with your response to Question 6. In particular, please describe the following:
  - a. How were the "Expected Avg. Claims per year" amounts (e.g. 7,792) developed?
  - b. What do the values equal to 60% and 40% represent?
  - c. How were the two aggregate "Expected Avg. Claims per year" amounts (i.e. 4,712 and 4,924) calculated?
3. Per your response to Question 9, it is our understanding that the induced demand factors for 2018 were solved for such that a similar pricing slope by plan would be used in 2018 as was used in 2017.
  - a. Recognizing this, please describe in greater detail how the initial pricing slope filed for in 2017 was developed. In particular, please describe how the induced demand factors filed for in 2017 were developed.
  - b. In original development of the induced demand factors (and corresponding slope of those factors) describe how it was ensured that health status was not taken into account.
4. The following questions are related to the Risk Adjustment payment PMPM calculation provided in response to Question 14:
  - a. Please provide additional detail regarding how the assumed statewide average PLRS, ARF, and AV values were determined.
  - b. Please reconcile the statewide average values used in the calculation provided to the statewide average values for these items which were recently released on 6/30/2017 by CMS in Appendix A of the Summary

Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2016 Benefit Year.

c. If significantly different, please explain why the differences are reasonable or specify how using the actual statewide average values for 2016 would change the risk adjustment transfer assumption.

d. Please demonstrate quantitatively how the statewide average premium amount equal to \$593.24 PMPM was developed.

The following are additional questions or comments from the PID:

1. If you wish to make adjustments to the projected RA amount included in this rate submission and the URRT, based on the June 30, 2017 Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers, then you must do so by July 14th. Provide narrative and an Excel spreadsheet demonstrating the development and assumptions.

2. Please provide a PDF file for public review (Public Rate Filing PDF) in SERFF to show the updated rate request. The following updated supporting items must be included:

- Cover Letter
- Rate Change Request Summary (Attachment 1)
- Part 1 - Unified Rate Review Template (URRT)
- Part II – Consumer Friendly Justification
- Part III – Federal Actuarial Memorandum (redacted)
- PA Actuarial Memorandum (redacted)
- PA Actuarial Memorandum Rate Exhibits
- PA Plan Design Summary and Rate Tables
- Federal Rates Templates
- Service Area Maps
- Correspondence – Q&A's

Please remain cognizant of the limited redactions as outlined on pages 3 and 4 of the 2018 Guidance. Only those specific items may be redacted. Since AV screenshots and commission schedules are proprietary, they should not be included in this public PDF. Additionally, please ensure that documents and spreadsheets are internally consistent and that the Excel exhibit with formula corrections emailed to you on June 15, 2017 is used. The deadline for the revised PDF is COB July 18, 2017.

3. Please note that all revisions must be reflected in this resubmission. The Department shall not allow any changes to the rates after this submission.

Conclusion: Upon receipt of your responses to the above requested data, the Department will continue to review your filing. Please note that there may be additional questions and/or requirements as the Department conducts a more in-depth review.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117 or e-mail at [jlaverty@pa.gov](mailto:jlaverty@pa.gov).

Sincerely,  
James Laverty, ASA, MAAA  
Actuary  
Bureau of Accident & Health Insurance

Conclusion:  
Sincerely,  
Jim Laverty

## QCC INDIVIDUAL

### JULY 6 RESPONSES

1. Please provide the actual year-over-year trend rates which were observed over the time period of 2014-2016 based on the historical normalized single risk pool claims experience. To the extent the assumed annual trend rate utilized in the development of the proposed 2018 rates is significantly different than recent trend levels which have been observed provide the specific reason(s) future trend rates are expected to be different than historical levels.

Please see the tables below.

#### Unit Cost

		Inpatient	Outpatient	Professional	Capitation
2014	PPO PA Individual	8.5%	4.5%	2.1%	
2015	PPO PA Individual	5.8%	2.6%	1.6%	
2016	PPO PA Individual	4.1%	1.7%	1.8%	

#### Utilization

		Inpatient	Outpatient	Professional	Capitation
2014	PPO PA Individual	7.6%	10.1%	5.1%	
2015	PPO PA Individual	12.0%	13.7%	15.6%	
2016	PPO PA Individual	9.5%	30.1%	13.1%	

2. Please provide further clarification regarding the calculation of the 1.045 morbidity adjustment shown in the table provided with your response to Question 6. In particular, please describe the following:
  - a. How were the "Expected Avg Claims per year" amounts (e.g. 7,792) developed?
  - b. What do the values equal to 60% and 40% represent?
  - c. How were the two aggregate "Expected Avg Claims per year" amounts (i.e. 4,712 and 4,924) calculated?

Starting with 2016 member level incurred medical claims for both KHPE and QCC combined in the Individual market (Note, excludes pharmacy claims). The members are sorted from highest to lowest claims amount per year. They were then grouped into the top 60% and the bottom 40%.

The same claims trend was then applied to both of these cohorts to come up with the 2018 expected cost.

The higher 60% of members have a projected annual claims amount of \$7,792. The lower 40% of members have a projected annual claim amount of \$97. Therefore, the blended annual claims amount is \$4,712.

We then assume that 3% of members that opt out come from the healthier cohort. Therefore, the average cost of the healthier cohort goes up to \$104 and the blended annual claims amount becomes \$4,924.

- 3. Per your response to Question 9, it is our understanding that the induced demand factors for 2018 were solved for such that a similar pricing slope by plan would be used in 2018 as was used in 2017.**
- a. Recognizing this, please describe in greater detail how the initial pricing slope filed for in 2017 was developed. In particular, please describe how the induced demand factors filed for in 2017 were developed.**
- b. In original development of the induced demand factors (and corresponding slope of those factors) describe how it was ensured that health status was not taken into account.**

This question is similar to the question we received on our 2017 filing that we responded to on July 22<sup>nd</sup> 2016 for the 2017 filing. Below is the response that we provided on July 22<sup>nd</sup> 2016.

“The attached exhibit shows our induced utilization calculation. We have deviated slightly from the format requested to demonstrate our calculations.

Included in this file are (1) an excel spreadsheet with formulas that shows the calculation of each Pricing AV and cost sharing factors for each plan.

(2) This file also demonstrates how our factors normalize to 1.000 as well as shows quantitatively that plan premiums are proportional to Plan AVs.

Note that this is based on information that was known at the time of the filing and does not reflect the updated risk transfer information that was received on June 30, 2016.

Our methodology incorporates the induced demand utilization factors from the risk adjustment model in the expected risk adjustment transfer payments. “

\*\*\* REDACTED \*\*\*

4. The following questions are related to the Risk Adjustment payment PMPM calculation provided in response to Question 14:
- a. Please provide additional detail regarding how the assumed statewide average PLRS, ARF, and AV values were determined.
  - b. Please reconcile the statewide average values used in the calculation provided to the statewide average values for these items which were recently released on 6/30/2017 by CMS in Appendix A of the Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2016 Benefit Year.
  - c. If significantly different, please explain why the differences are reasonable or specify how using the actual statewide average values for 2016 would change the risk adjustment transfer assumption.
  - d. Please demonstrate quantitatively how the statewide average premium amount equal to \$593.24 PMPM was developed.

- a. They were calculated using the new methodology outlined in the 2018 Notice of Benefit and payment parameters. The changes affect the PLRS primarily. The major changes include that the PLRS will now include Pharmacy data in the calculation and coefficients were updated.
- b. Please see below for the statewide average factors for PA by year since 2014.  
As described in a. the PLRS is changing due to updates to the risk adjustment model in 2018. The ARF and AV are in line with historic values.

	<u>Consumer</u>			
	<u>PLRS</u>	<u>ARF</u>	<u>AV</u>	<u>Statewide avg Prem</u>
2014	1.900	1.717	0.734	\$ 343.40
2015	1.762	1.658	0.724	\$ 347.47
2016	1.750	1.685	0.706	\$ 379.91
Expected 2018	1.509	1.654	0.726	\$ 593.24

- c. ARF and AV are in line with historic values. If we were to do the calculation using 2016 AV and ARF. The resulting risk transfer PMPM would be (46.78) versus the (41.95) we have calculated using our expected 2018 ARF and AV.
- d.  $\$593.24 = \$379.91 \times \text{Average 2017 rate increase} \times \text{Average 2018 rate increase} = \$379.91 \times 1.42 \times 1.1 = \$593.$