

<b>SERFF Tracking #:</b>	UPMC-131034852	<b>State Tracking #:</b>	BINDER # UPMC-PA18-125071568, UPMC-13103...	<b>Company Tracking #:</b>
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<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	UPMC Health Coverage, Inc.
<b>TOI/Sub-TOI:</b>	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
<b>Product Name:</b>	2018 IND Health Coverage		
<b>Project Name/Number:</b>	/		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Public Rate Filing PDF
<b>Comments:</b>	
<b>Attachment(s):</b>	UPMC Health Coverage, Inc. Individual Public Rate Filing PDF UPMC-131034852.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

# UPMC HEALTH PLAN

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May 22, 2017

Ms. Johanna Fabian-Marks  
Commonwealth of Pennsylvania Insurance Department  
Insurance Product Regulation & Market Enforcement  
Actuarial Review Division  
Bureau of Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

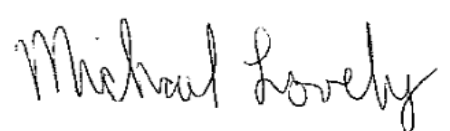
Dear Ms. Fabian-Marks,

UPMC Health Coverage, Inc. respectfully requests approval of a rate filing for Individual Off Exchange HMO products. The rates are proposed for effective dates of 1/1/2018 through 12/31/2018. The revised filing contains a modification to the projected paid Risk Adjustment for 2018, which changed from \$44.50 PMPM to \$3.57 PMPM. Per suggestion from the PID, the revised filing contains a 6% increase in projected morbidity for 2018 due to current uncertainty in the market surrounding the potential repeal of the Individual Mandate. Since we use a fixed dollar amount for the projection of administrative costs, these updates caused the projected administrative expense load for 2018 to decrease from 10.57% to 10.04%.

Company Name/NAIC #: UPMC Health Coverage, Inc./15451  
Market: Individual  
On or Off Exchange: Off Exchange Only  
Effective Date of Coverage: 1/1/2018  
Average Rate Change Requested w/o CSR and Ind Mandate repeal: -12.83% (-\$28.78)  
Range of Rate Change Requested w/o CSR and Ind Mandate repeal: -12.83 to -12.83% (-\$28.78 to -\$28.78)  
Average Rate Change Requested w/ CSR and Ind Mandate repeal: -8.25% (-\$18.50)  
Range of Rate Change Requested w/ CSR and Ind Mandate repeal: -8.25% to -8.25% (-\$18.50 to -\$18.50)  
Products Offered: HMO  
Rating Areas Where Plans are Offered: 1, 2, 4, 5 (no change from 2017)  
Metal Levels Offered: Bronze  
Currently Enrolled Lives: 3  
Currently Enrolled Policyholders: 2  
Number of Plans Offered in 2018: 1  
Corresponding Contract Form #: 660  
Binder ID#: UPMC-PA18-125071568  
HIOS Issuer ID #: 62560  
Submission Tracking #: UPMC-131034852

If you have any questions or require additional information, please call me at 412-454-7849 or email me at lovelymt@upmc.edu.

Sincerely,



Michael Lovely, FSA, CERA, MAAA

## UPMC Health Coverage, Inc. – Individual Plans

Rate request filing ID # UPMC-131034852 - 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:	0.00%
Revised requested average rate change:	-8.25%
Range of requested rate change:	-8.25 % to -8.25%
Effective date:	1/1/2018
People impacted:	3
Available in:	1, 2, 4, 5

### Key information

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

Premiums	\$	18,322
Claims	\$	473
Administrative expenses	\$	2,874
Taxes & fees	\$	629
Company made (after taxes)	\$	<b>14,346</b>

#### How it plans to spend your premium

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

Claims:	86.52%
Administrative:	10.04%
Taxes & fees:	3.44%
Profit:	0.00%

The company expects its annual medical costs to increase by approximately 7.01% for 2018.

### Explanation of requested rate change

The rate increase listed above has been requested due to a change in the projected paid risk adjustment for 2018 after actual 2016 risk adjustment data was released. An error in the calculation of the broker commissions PMPM value used in 2018 rate development has also been corrected in the revised filing.

Unified Rate Review v4.2

Company Legal Name:UPMC Health Coverage, Inc.

State:PA

HIOS Issuer ID:62560

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
	Experience Period		
	Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	\$18,322	\$244.29	100.00%
Incurred Claims in Experience Period	\$473	6.30	2.58%
Allowed Claims:	\$5,464	72.85	29.82%
Index Rate of Experience Period		\$72.85	
Experience Period Member Months	75		

Section II: Allowed Claims, PMPM basis

Benefit Category	Experience Period				Projection Period: 1/1/2018 to 12/31/2018				Mid-point to Mid-point, Experience to Projection: 24 months					
	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				Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
					Morbidity	Other	Cost	Util						
Inpatient Hospital	Admits	0.00	\$0.00	\$0.00	1.060	1.000	0.921	0.971	0.00	\$0.00	\$0.00	61.56	\$12,754.16	\$65.43
Outpatient Hospital	Visits	640.00	452.70	24.14	1.060	1.000	1.030	0.987	661.27	480.26	26.47	1946.87	448.50	72.76
Professional	Visits	1,600.00	221.72	29.56	1.060	1.000	1.020	1.044	1,849.31	230.79	35.57	5778.12	177.47	85.45
Other Medical	Visits	960.00	234.81	18.78	1.060	1.000	1.093	1.000	1,017.60	280.66	23.80	4431.15	422.88	156.15
Capitation	Other	0.00	0.00	0.00	1.060	1.000	1.000	1.000	0.00	0.00	0.00	0.00	0.00	0.00
Prescription Drug	Prescriptions	800.00	5.38	0.36	1.060	1.000	1.142	1.069	968.91	7.02	0.57	14651.24	110.44	134.84
Total				\$72.85							\$86.40			\$514.64
											After Credibility		Projected Period Totals	
Section III: Projected Experience:														
Projected Allowed Claims PMPM (w/applied credibility if applicable)											0.00%		100.00%	\$514.64
Paid to Allowed Average Factor in Projection Period												0.608		\$18,527
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM												\$312.90		\$11,264
Projected Risk Adjustments PMPM												-3.57		(129)
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM												\$316.47		\$11,393
Projected ACA reinsurance recoveries, net of rein prem, PMPM												0.00		0
Projected Incurred Claims												\$316.47		\$11,393
Administrative Expense Load												10.04%	36.71	1,322
Profit & Risk Load												0.00%	0.00	0
Taxes & Fees												3.44%	12.58	453
Single Risk Pool Gross Premium Avg. Rate, PMPM													\$365.76	\$13,167
Index Rate for Projection Period													\$512.49	
% increase over Experience Period													49.72%	
% Increase, annualized:													22.36%	
Projected Member Months														36

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:  
HIOS Issuer ID:  
Effective Date of Rate Change(s):

UPMC Health Coverage, Inc.  
62560  
1/1/2018

State:  
Market:

PA  
Individual

Product/Plan Level Calculations

Section I: General Product and Plan Information		
Product		Individual HMO
Product ID:		62560PA003
Metal:		Bronze
AV Metal Value		0.608
AV Pricing Value		0.703
Plan Category		Renewing
Plan Type:		HMO
Plan Name		UPMC Advantage Essential Bronze
Plan ID (Standard Component ID):		62560PA0030003
Exchange Plan?		No
Historical Rate Increase - Calendar Year - 2		0.00%
Historical Rate Increase - Calendar Year - 1		0.00%
Historical Rate Increase - Calendar Year 0		8.39%
Effective Date of Proposed Rates		1/1/2018
Rate Change % (over prior filing)		-4.86%
Cum'tive Rate Change % (over 12 mos prior)		-4.86%
Proj'd Per Rate Change % (over Exper. Period)		30.85%
Product Rate Increase %		-4.86%

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

Plan ID (Standard Component ID):	Total	62560PA0030003
Inpatient	-\$2.03	-\$2.03
Outpatient	-\$1.65	-\$1.65
Professional	-\$1.79	-\$1.79
Prescription Drug	-\$2.54	-\$2.54
Other	-\$3.03	-\$3.03
Capitation	\$0.00	\$0.00
Administration	-\$1.28	-\$1.28
Taxes & Fees	-\$0.44	-\$0.44
Risk & Profit Charge	\$0.00	\$0.00
Total Rate Increase	-\$12.77	-\$12.77
Member Cost Share Increase	-\$9.38	-\$9.38

Average Current Rate PMPM	\$262.75	\$262.75
Projected Member Months	36	36

Section III: Experience Period Information

Warning Alert	Wsht 1 Total	Plan ID (Standard Component ID):	Total	62560PA0030003
OK WARNING		Plan Adjusted Index Rate	\$278.46	\$278.46
	75	Member Months	75	75
	\$18,322	Total Premium (TP)	\$20,884	\$20,884
		EHB Percent of TP, [see instructions]	98.50%	98.50%
		state mandated benefits portion of TP that are other than EHB	0.00%	0.00%
		Other benefits portion of TP	1.50%	1.50%
		Total Allowed Claims (TAC)	\$5,347	\$5,347
	\$5,464	EHB Percent of TAC, [see instructions]	98.50%	98.50%
		state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%
		Other benefits portion of TAC	1.50%	1.50%
		Allowed Claims which are not the issuer's obligation:	\$4,873	\$4,873
		Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0	\$0
		Portion of above payable by HHS on behalf of insured person, as %	0.00%	0.00%
OK	\$473	Total Incurred claims, payable with issuer funds	\$474	\$474
		Net Amt of Rein	-\$171.75	-\$171.75
OK OK	\$ 6.30	Net Amt of Risk Adj	-\$10.94	-\$10.94
	\$ 72.85	Incurred Claims PMPM	\$6.33	\$6.33
		Allowed Claims PMPM	\$71.29	\$71.29
		EHB portion of Allowed Claims, PMPM	\$70.22	\$70.22

Section IV: Projected (12 months following effective date)

Warning Alert	Wsht 1 Total	Plan ID (Standard Component ID):	Total	62560PA0030003
OK OK		Plan Adjusted Index Rate	\$364.36	\$364.36
	36	Member Months	36	36
	\$13,167	Total Premium (TP)	\$13,117	\$13,117
		EHB Percent of TP, [see instructions]	99.75%	99.75%
		state mandated benefits portion of TP that are other than EHB	0.00%	0.00%
		Other benefits portion of TP	0.25%	0.25%
		Total Allowed Claims (TAC)	\$18,495	\$18,495
	18,527	EHB Percent of TAC, [see instructions]	99.75%	99.75%
		state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%
		Other benefits portion of TAC	0.25%	0.25%
		Allowed Claims which are not the issuer's obligation	\$7,122	\$7,122
		Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0	\$0
		Portion of above payable by HHS on behalf of insured person, as %	0.00%	0.00%
OK	11,393	Total Incurred claims, payable with issuer funds	\$11,374	\$11,374
		Net Amt of Rein	\$0	\$0
#DIV/0!	-	Net Amt of Risk Adj	-\$129	-\$129
		Incurred Claims PMPM	\$315.93	\$315.93
		Allowed Claims PMPM	\$513.76	\$513.76
OK	\$ 316.47	EHB portion of Allowed Claims, PMPM	\$512.49	\$512.49
OK	\$ 514.64			

## RFJ Part II – Consumer Friendly Justification

### Individual Off Exchange HMO Rate Filing

The rate change for UPMC Health Coverage Individual plans is -8.25% for 2018. The revised rate change can be attributed to a change in the projected paid risk adjustment for 2018 after actual 2016 risk adjustment data was released. The revised rate change also stems from current uncertainty in the market surrounding the potential repeal of the Individual Mandate in 2018. An error in the calculation of the broker commissions PMPM value used in 2018 rate development has also been corrected in the revised filing.

#### Scope and Range of the Rate Increase

The number of individuals affected by this rate increase is 3. There will be no variation in the increase among affected members.

#### Financial Experience of the Product

Premiums	\$	18,322
Claims	\$	473
Administrative expenses	\$	2,874
Taxes & fees	\$	629
<hr/>		
Company made (after taxes)	\$	<b>14,346</b>

#### Changes in Medical Service Costs

Cost and utilization increases are expected to increase by approximately 7.01% for 2018.

#### Changes in Benefits

No changes in benefits contributed significantly to the increase.

#### Administrative Costs and Anticipated Profits

No major changes in administrative costs or profits are anticipated and thus did not affect the increase.

## RFJ Part III: Actuarial Memorandum - Redacted

### General Information

The purpose of this actuarial memorandum is to provide certain information related to a rate submission for the company identified below. The relevant index rate is developed in accordance with federal regulations, and plan specific premiums are generated using the allowable modifiers in accordance with the single risk pool rule.

The following section provides information related to the identification of the company that is submitting this rate filing. Much of this information is also displayed in Table 0 of the PA Actuarial Memorandum Exhibits.

#### Company Identifying Information:

Company Legal Name: UPMC Health Coverage, Inc.

NAIC #: 15451

State: PA

HIOS Issuer ID: 62560

Market: Individual

Exchange: Off Exchange

Products: HMO

Effective Date: 1/1/2018

#### Company Contact Information:

[This information redacted for publication.]

#### Filing Information:

Rate Filing SERFF Tracking #: UPMC-131034852

Form Filing SERFF Tracking #: UPMC-131022908

Binder SERFF Tracking #: UPMC-PA18-125071568

#### Rate History:

The proposed rate change does not vary by plan since only one plan is offered under this filing. Historical rate increases for the captioned company and market are presented in the table below.

SERFF Tracking #	Year	Rate Change
UPMC-129629050	2014	0.0%
UPMC-129640573	2015	0.0%
UPMC-130072609	2016	0.0%
UPMC-130536761	2017	9.3%

## Proposed Rate Increase(s)

### Reasons for Rate Increase(s):

The proposed rate increase for 2018 is -8.25%. The major reasons for the increase include the following:

- Revised 2018 paid Risk Adjustment projection after actual 2016 Risk Adjustment data was released

## Market Experience

### Experience Period Premium and Claims

#### Paid Through Date:

The reported claims during the experience period have a paid through date of March 2017.

#### Premiums (net of MLR Rebate) in Experience Period:

Section I, worksheet 1 of the URRT contains calendar year 2016 premium for the captioned company and market. No adjustments were made for MLR rebates as we do not anticipate owing them. HHS cost-sharing is not included in the premium data. Please note that the earned premium is also listed in Table 2 of the PA Actuarial Memorandum Exhibits.

#### Allowed and Incurred Claims Incurred During the Experience Period:

Section I, worksheet 1 of the URRT contains calendar year 2016 claims experience for the captioned company and market, paid through March 2017. Allowed medical claims and pediatric vision claims are pulled directly from our data warehouse. Pediatric dental claims are administered and paid by Dominion Dental. We receive a separate report from Dominion with the claim detail. We used the standard Development/Completion Factor Method to calculate IBNR. Factors were calculated using our entire block of ACA-related Individual business. Because three months run-out is available the impact of IBNR is minimal.

Month	Completion Factor
1/1/2016	0.9999
2/1/2016	0.9997
3/1/2016	0.9996
4/1/2016	0.9994
5/1/2016	0.9992
6/1/2016	0.9978
7/1/2016	0.9961
8/1/2016	0.9931
9/1/2016	0.9849
10/1/2016	0.9790
11/1/2016	0.9721
12/1/2016	0.9580



## Benefit Categories

Medical claims are split into nine categories in our data warehouse. They are mapped into the categories in the URRT as follows:

UPMC Benefit Category	URRT Benefit Category
Inpatient	Inpatient Hospital
Catastrophic	Inpatient Hospital
Outpatient	Outpatient Hospital
Behavioral	Outpatient Hospital
PCP	Professional
Specialist	Professional
Diagnostic	Other Medical
ER	Other Medical
Other	Other Medical
Pediatric Dental	Other Medical
Pediatric Vision	Other Medical

Drug claims are on separate tables and directly mapped into the Prescription Drugs category. The Other Medical category uses visits as units for utilization calculations.

## Projection Factors

### Changes in the Morbidity of the Population Insured:

Due to current uncertainty surrounding the market in 2018 due to the potential repeal of the Individual Mandate, it has been required by the Pennsylvania Insurance Department that an assumption for increased morbidity of the single risk pool be implemented for the projection period. A 6% increase in the original morbidity assumption has been included in the most recent version of the filing to account for this.

### Changes in Benefits:

No changes were made to the PA EHB Benchmark plan for 2018, so no adjustments were necessary.

### Changes in Demographics:

The average age for our 2016 experience period Individual risk pool was 49 with an average premium factor of 1.73. This is comparable to our 2017 experience so far with age 50 and premium factor 1.77. Due to the stability of the population, no demographic adjustment has been made to the rates.

### Other Adjustments:

No other adjustments to the experience period data were needed.

### Trend Factors (cost/utilization):

The overall annual trend used in rate development is 7.01%. Historical allowed claims for our entire ACA-related Individual block of business were used to develop year over year trend factors for use in the projected rates. The large enrollment count and consistent makeup of this population make it appropriate for use in trend development for this filing. The historical data suggests that costs will increase by 8.33%. While this block of business has credible membership for trend calculations, we have observed lower trends in other commercial

lines of business, so we have decided to lower the value used in rate development to 7.01% so that rates are not over inflated by an extreme value of trend. Please see Tables 3 and 3b of the PA Actuarial Memorandum Exhibits for trend development calculations.

### **Credibility Manual Rate Development**

#### Source and Appropriateness of Manual Rate Used:

The equivalent experience period data for UPMC Health Options, Inc. Individual single risk pool product was used. It represents the same risk pool as UPMC Health Coverage, Inc. and has a large member month count of over 1,322,330. Therefore, it has been deemed credible to use.

#### Adjustments Made to the Data:

No adjustments were made to the manual data.

#### Inclusion of Capitation Payments:

No benefits are projected to be paid for via capitation.

### **Credibility of Experience**

The very limited experience period data requires 0% credibility to be used for the experience period data.

### **Paid to Allowed Ratio**

The Paid to Allowed Average Factor is set equal to HHS AV Metal Value as developed using the 2018 HHS AV Calculator for the lone plan in this filing.

### **Risk Adjustment and Reinsurance**

#### Experience Period Risk Adjustment and Reinsurance Adjustments PMPM:

No risk adjustment transfer payment is estimated for the experience period under the captioned company and market per suggestion from the Pennsylvania Insurance Department. An exact amount is not yet known so estimates from two different consultants were used to develop estimates alongside our own internal estimate and the aforementioned estimate provided by PID based on data accrued through April 2017. Based on these estimates and past experience, we believe the latter value is a reasonable estimate until the actual values are released later this year due to the extremely small experience period population associated with this filing. No experience period recoveries for the Transitional Reinsurance Program under PPACA were made for the captioned company and market.

#### Projected Risk Adjustments PMPM:

Projection period risk adjustment PMPM has been estimated to be a payment of \$3.43. Please see Exhibit 1 of the Supporting Exhibits for the derivation of the risk adjustment PMPM amounts for both the experience and projection period. The projected risk adjustment assumes any membership changes involve members of average risk. Thus the total dollar impact of these membership fluctuations was estimated to remain unchanged. \$1.68

PMPY has been subtracted as a projected amount for the Risk Adjustment Administration Fee. The net amount after accounting for the fee is subtracted from the Index Rate of the Projection Period as part of the calculation of the Market Adjusted Index Rate. For the URRT and Table 5 of the PA Actuarial Memorandum Rate Exhibits, it was entered as a negative number because the calculation subtracts this value. The effect is an increase in premium as additional revenue will be required to cover the anticipated payment.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium:

The Transitional Reinsurance Program under PPACA expired at the end of 2016 so no projections were included for 2018.

**Non-Benefit Expenses and Profit & Risk**

Administrative Expense Load:

Administrative expenses are taken from our 2016 Supplemental Health Care Exhibit (SHCE). They are broken out by lines of business and market segments matching this filing and thus are appropriate for use. Differences between the SHCE and section I, worksheet 1 of the URRT stem from the fact that the SHCE include restatements of estimates from the prior year, while the URRT only contains actual experience from 2016 (experience period). The data for Individual Health Coverage in Part 1 of the SHCE is all ACA-related. Please see Exhibit 2 of the Supporting Exhibits for a historical breakdown of the actual and projected administrative expenses by year.

Profit & Risk Margin:

The projected profit margin for this company in 2018 is 0%, which changed from 3.2% in 2017.

Taxes and Fees:

Taxes and Fees increased from 2017 to 2018 to account for the return of the Health Insurance Tax for 2018. A PCORI amount of \$0.20 PMPM has been added based on projections for 2018 by the IRS. Please note that the Risk Adjustment Administration Fee was not included in the Taxes and Fees field. Marketplace user fees are not included in the Taxes and Fees field in the URRT since the lone plan in this filing is only offered off exchange. Therefore, the Taxes and Fees values displayed on both the URRT and Table 6 of the PA Actuarial Memorandum Exhibits match.

**Projected Loss Ratio**

The projected period loss ratio, using the federally-prescribed MLR methodology, is 90.1%.

**Application of Market Reform Rating Rules**

**Single Risk Pool**

The single risk pool consists of members enrolled in ACA-compliant policies offered under the captioned market. Transitional policies are not currently offered in the Individual market under this company. Please note that no

adjustment for Marketplace user fees has been made since the lone plan in this filing is only offered off exchange.

### **Index Rate**

For this filing, the Index Rate of the Experience Period is set equal to the manual rate due to the lack of credibility. The calculation of the manual rate is shown in Table 2b of the PA Actuarial Memorandum Exhibits. The Index Rate of the Projection Period is then calculated in Table 5 by applying two years of 7.01% annual trend to the experience period manual rate. No additional adjustments are applied to the manual data. Claims for routine foot care and acupuncture were not included in the calculation of the index rates despite being covered during the experience period since they are classified as non-EHBs.

### **Market Adjusted Index Rate**

The Projected Index Rate is adjusted by adding estimates for Risk Adjustment and Marketplace Fees (with impacts and costs spread across the whole risk pool) to obtain the projected Market Adjusted Index Rate. Derivation of the PMPM values used for the Risk Adjustment and Marketplace Fees adjustments are described above in the "Projected Risk Adjustments PMPM" and "Taxes and Fees" sections, respectively. Since the Market Adjusted Index Rate is calculated on an allowed claims basis, the projected paid Risk Adjustment and Marketplace Fees were divided by the projected paid-to-allowed ratio when performing market-level adjustments.

### **Plan Adjusted Index Rates**

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2018 Plan Adjusted Index Rates. The allowable modifiers applied in rate development are described below.

#### Plan Actuarial Value:

The AV for the lone plan in this filing was determined using the final 2018 HHS AV Calculator.

#### Benefit Richness (induced demand)

Please see Exhibit 3 in the Supporting Exhibits for the induced utilization exhibit. Since there is only one plan in this filing, an induced demand factor of 1.0 was selected to ensure normalization.

#### Benefits in addition to EHBs

Benefits that will be offered outside EHB include routine foot care and acupuncture. The projected allowed claims for these benefits is \$1.27 PMPM.

#### Provider Network

Since only one network is included in this filing, no network adjustments were deemed necessary for 2018.

#### Catastrophic Eligibility

Catasrophic plans will not be offered under this company and market in 2018, so no adjustment is necessary.

### Tobacco Surcharge Adjustment

Please see the "Tobacco Use Rating Factor Calibration" section below for a discussion of the development of the tobacco surcharge adjustment.

## **Calibration**

### Age Curve Calibration:

The average age factor was calculated using our projected Individual market population with the prescribed HHS Age Factors for 2018. We pulled them in summary alongside network and area data in order to back out age factor differences when determining network/area factors. It was assumed this represents the age distribution of the entire single risk pool. The number of members under each age bracket was multiplied by the corresponding HHS Age Factor. These were then summed and divided by the total number of members to obtain the average age factor. The average age factor is 1.77 and corresponding age band is 50. Please see Exhibit 4 in the Supporting Exhibits for the calculation of this factor.

### Geographic Factor Calibration:

Calibration for geographic factors is not necessary since all rating area factors are set to 1.0.

### Tobacco Use Rating Factor Calibration:

The average tobacco factor and tobacco surcharge adjustment were calculated using projected membership for the single risk pool. The member-weighted average of a 2.5% load applied for enrollees who qualify as tobacco users combined with a 0% load for non-tobacco users yields an average tobacco factor of 1.002, which is displayed in Table 7 of the PA Actuarial Memorandum Exhibits. The tobacco surcharge adjustment of 0.998 displayed in Table 10 is the reciprocal of the average tobacco factor.

## **Consumer Adjusted Premium Rate Development**

The Plan Adjusted Index Rates are divided by the age calibration factor then multiplied by the specific age, geographic, and tobacco factors shown in Tables 12, 13, and 14 of the PA Actuarial Memorandum Exhibits, respectively, to develop the Consumer Adjusted Premium Rates. Please see Exhibit 5 of the Supporting Exhibits for historical Consumer Adjusted Premium Rate changes for this company and market for a 21-year-old non-tobacco user.

## **Plan Product Info**

### **AV Metal Values**

Metal values were determined using the final 2018 HHS AV Calculator.

### **AV Pricing Values**

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2018 Plan Adjusted Index Rates. The allowable modifiers that make up the AV Pricing Values are described in the "Plan Adjusted Index Rates" section above. The AV Pricing Values displayed in the URRT are the ratio of the Plan Adjusted Index Rates to the Market Adjusted Index Rate.

### **Membership Projections**

Membership projections were developed based on our anticipated competitive positioning in the market combined with our current enrollment distribution by plan. Please see Exhibit 6 of the Supporting Exhibits for a breakdown of the projected member months by rating area.

### **Terminated Plans and Products**

No plans were terminated for 2018.

### **Warning Alerts**

Cell A57 on worksheet 2 of the URRT displays a warning alert. This alert arises from the fact the age distribution for 2016 turned out to be different than expected when age calibration was performed during 2016 ACA pricing. This leads to a disparity when using filed Plan Adjusted Index Rates to project 2016 premium against actual experience for 2016.

### **Effective Rate Review Information**

The Pennsylvania Insurance Department is responsible for conductive effective rate review for all submitted rates.

### **Note on Possible Legislation Changes**

Please note that any changes to the ACA involving the elimination of CSR subsidies, removal of the individual mandate for health insurance, or modifications to any other provisions may dramatically affect the makeup of the single risk pool and require us to re-evaluate rate development for this filing.

### **List of Supporting Exhibits**

Supporting exhibits have been included with the rate filing to assist with the review process. Below is a list summarizing the contents of each exhibit.

- Exhibit 1: Development of Risk Adjustment PMPM for Projection Period
- Exhibit 2: Projected and Actual Administrative Expenses
- Exhibit 3: Induced Utilization Derivation

- Exhibit 4: Derivation of Age Calibration Factor
- Exhibit 5: Historical Changes in Consumer Adjusted Premium Rate for Age 21, Non-tobacco User
- Exhibit 6: Projected Enrollment by Rating Area

## Actuarial Certification

I, [REDACTED] am a Member of the American Academy of Actuaries. I am currently a Manager in the Actuarial Services department for UPMC Health Plan. I certify that:

- All factor, benefit and other changes from the prior approved filing have been disclosed in this 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 2017 Rate Filing Justification.
- The projected Index Rate is:
  - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR 156.80 and 147.102)
  - b. Developed in compliance with the applicable Actuarial Standards of Practice
  - c. Reasonable in relation to the benefits provided and the population anticipated to be covered
  - d. Neither excessive nor deficient
- The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 156.80(d)(2) were used to generate plan level rates.
- The percent of total premium that represents EHB included in Worksheet 2, Sections III and IV, was calculated in accordance with actuarial standards of practice.
- The geographic rating factors reflect only differences in the costs of delivery 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 URRT for all plans except those specified in the certification.

[REDACTED]

UPMC Health Plan

5/22/2017

Date



**Appendix I**

<b><u>SCID</u></b>	<b><u>Company</u></b>	<b><u>Market Size</u></b>	<b><u>Metal</u></b>	<b><u>Summary of Changes from 2017</u></b>
62560PA0030003	UPMC Health Coverage	IND	Essential Bronze	No changes made

# PA Actuarial Memorandum - Redacted

## Basic Information and Data

The purpose of this actuarial memorandum is to provide certain information related to a rate submission for the company identified below. The relevant index rate is developed in accordance with federal regulations, and plan specific premiums are generated using the allowable modifiers in accordance with the single risk pool rule.

## Company Information

The following section provides information related to the identification of the company that is submitting this rate filing. Much of this information is also displayed in Table 0 of the PA Actuarial Memorandum Exhibits.

Company Legal Name: UPMC Health Coverage, Inc.

NAIC #: 15451

HIOS Issuer ID: 62560

Market: Individual

Exchange: Off Exchange

Products: HMO

Effective Date: 1/1/2018

### Company Contact Information:

[This information redacted for publication.]

### Filing Information:

Rate Filing SERFF Tracking #: UPMC-131034852

Form Filing SERFF Tracking #: UPMC-131022908

Binder SERFF Tracking #: UPMC-PA18-125071568

## Rate History and Proposed Variations in Rate Changes

The proposed rate change does not vary by plan since only one plan is offered under this filing. Historical rate increases for the captioned company and market are presented in the table below.

SERFF Tracking #	Year	Rate Change
UPMC-129640573	2015	0.0%
UPMC-130072609	2016	0.0%
UPMC-130536761	2017	9.3%

## **Average Rate Change**

The average rate change displayed in Table 10, column AC, of the PA Actuarial Memorandum Exhibits is -8.25%. The change in 21-year-old non-tobacco premium PMPM calculated in table 11, cell AN13, of the PA Actuarial Memorandum Exhibits is -8.3%. The percent increase over Experience Period calculated in cell V45 on worksheet 1 of the URRT is 49.72%. The annualized percent increase calculated in cell V46 on worksheet 1 of the URRT is 22.36%.

## **Membership Count**

Various breakdowns of the membership count for the captioned company and market are displayed in Table 1 of the PA Actuarial Memorandum Exhibits. Please see Exhibit 6 of the Supporting Exhibits for a breakdown of the projected member months by rating area.

## **Benefit Changes**

A table with these changes has been included in Appendix I. No plans have actuarial values that fall in the expanded de minimis range.

## **Experience Period Claims and Premium**

Claims and premium data from the experience period (January 2016 - December 2016) with three months of run-out are displayed in Table 2 of the PA Actuarial Memorandum Exhibits. This section provides a discussion of each field in the table and its relation to the corresponding fields on the URRT. Please note that no data for transitional policies is included in this table since transitional policies were not offered by the captioned company and market in 2016.

### Earned Premium:

This represents the revenue accumulated by the captioned company and market during the experience period. No adjustments were made for MLR rebates as we do not anticipate owing them. HHS cost-sharing is not included in the premium data. Please note that the earned premium listed in Table 2 does match the total premium listed in section I, worksheet 1 of the URRT because the value in the URRT does not include estimated Risk Adjustment receivables/payments per federal instructions.

### Paid Claims:

This field includes uncompleted paid medical, pharmacy, pediatric dental, and pediatric vision experience period claims for the captioned company and market.

### Ultimate Incurred Claims:

This field includes completed paid medical and pharmacy experience period claims for the captioned company and market. We used the standard Development/Completion Factor Method to calculate IBNR. Factors were calculated using our entire ACA-related Individual block of business. Because three months run-out is available the impact of IBNR is minimal. The completion factors used are displayed in the table below. Please note that the ultimate incurred claims shown in Table 2 match the total incurred claims displayed in section I, worksheet 1 of the URRT.

Month	Completion Factor
1/1/2016	0.9999
2/1/2016	0.9997
3/1/2016	0.9996
4/1/2016	0.9994
5/1/2016	0.9992
6/1/2016	0.9978
7/1/2016	0.9961
8/1/2016	0.9931
9/1/2016	0.9849
10/1/2016	0.9790
11/1/2016	0.9721
12/1/2016	0.9580

Member Months:

The sum of the experience period member months shown in Table 1 is also displayed in Table 2.

Estimated Cost Sharing:

This field represents the difference between allowed claims and ultimate incurred claims in Table 2.

Allowed Claims:

This field includes allowed medical and pharmacy experience period claims as well as pediatric dental and vision claims from the experience period for the captioned company and market. Allowed medical claims and pediatric vision claims are pulled directly from our data warehouse. Pediatric dental claims are administered and paid by Dominion Dental. We receive a separate report from Dominion with the claim detail. Please note that the allowed claims shown in Table 2 match the total allowed claims displayed in section I, worksheet 1 of the URRT.

Non-EHB portion of Allowed Claims:

No non-EHB claims were allowed during the experience period.

Total Prescription Drug Rebates:

No prescription drug rebates were received for the captioned company and market during the experience period.

Total EHB Capitation:

No benefits were paid for via capitation during the experience period.

Total Non-EHB Capitation:

No benefits were paid for via capitation during the experience period.

Estimated Risk Adjustment:

No risk adjustment transfer payment is estimated for the experience period under the captioned company and market per suggestion from the Pennsylvania Insurance Department. An exact amount is not yet known so estimates from two different consultants were used to develop estimates alongside our own internal estimate and the aforementioned estimate provided by PID based on data accrued through April 2017. Based on these estimates and past experience, we believe the latter value is a reasonable estimate until the actual values are

released later this year due to the extremely small experience period population associated with this filing.

Estimated Reinsurance Recoveries:

No experience period recoveries for the Transitional Reinsurance Program under PPACA were made for the captioned company and market.

**Credibility of Data**

The very limited experience period enrollment requires 0% credibility to be used for the experience period data. The rate manual was developed using equivalent experience period data for UPMC Health Options, Inc. Individual single risk pool product, which is displayed in tables 2b, 3b, and 4b in the PA Actuarial Memorandum Exhibits. This data represents the same risk pool as UPMC Health Coverage, Inc. and has a large member month count of over 1,322,330. Therefore, it has been deemed credible to use.

**Trend Identification**

The overall annual trend used in rate development is 7.01%. Historical allowed claims for our entire ACA-related Individual block of business were used to develop year over year trend factors for use in the projected rates. The large enrollment count and consistent makeup of this population make it appropriate for use in trend development for this filing. The historical data suggests that costs will increase by 8.33%. While this block of business has credible membership for trend calculations, we have observed lower trends in other commercial lines of business, so we have decided to lower the value used in rate development to 7.01% so that rates are not over inflated by an extreme value of trend. Please see Tables 3 and 3b of the PA Actuarial Memorandum Exhibits for trend development calculations.

**Historical Experience**

Historical data from the three most recent calendar years for the captioned company and market with three months of run-out are provided in Table 4. Allowed claims were developed using the same manner described above for Table 2. The historical data listed in Table 4b belongs to our entire block of ACA-related Individual business and was used to develop trend as described above. Data for transitional policies was not included in Table 4.

**Rate Development & Change**

**Projected Index Rate, Market-Adjusted Index Rate, & Total Allowed Claims**

Table 5 of the PA Actuarial Memorandum Exhibits shows the development of the projected index rate, Market-Adjusted Index Rate, and projected total allowed claims. Detailed discussions on the development of each quantity are provided below.

#### Index Rate:

For this filing, the Index Rate of the Experience Period is set equal to the manual rate due to the lack of credibility. The calculation of the manual rate is shown in Table 2b of the PA Actuarial Memorandum Exhibits. The Index Rate of the Projection Period is then calculated in Table 5 by applying two years of 7.01% annual trend to the experience period manual rate. Due to current uncertainty surrounding the market in 2018 due to the potential repeal of the Individual Mandate, it has been required by the Pennsylvania Insurance Department that an assumption for increased morbidity of the single risk pool be implemented for the projection period. A 6% increase in the original morbidity assumption has been included in the most recent version of the filing to account for this. Claims for routine foot care and acupuncture were not included in the calculation of the index rates despite being covered during the experience period since they are classified as non-EHBs.

#### Market-Adjusted Index Rate:

The Projected Index Rate is adjusted by adding estimates for risk adjustment and marketplace fees (with impacts and costs spread across the whole risk pool) to obtain the projected Market Adjusted Index Rate. Projection period risk adjustment PMPM has been estimated to be a payment of \$3.43. Please see Exhibit 1 of the Supporting Exhibits for the derivation of the risk adjustment PMPM amounts for both the experience and projection period. The projected risk adjustment assumes any membership changes involve members of average risk. Thus the total dollar impact of these membership fluctuations was estimated to remain unchanged. \$1.68 PMPY has been subtracted as a projected amount for the Risk Adjustment Administration Fee. The net amount after accounting for the fee is subtracted from the Index Rate of the Projection Period as part of the calculation of the Market Adjusted Index Rate. For the URRT and Table 5 of the PA Actuarial Memorandum Rate Exhibits, it was entered as a negative number because the calculation subtracts this value. The effect is an increase in premium as additional revenue will be required to cover the anticipated payment. No adjustment was made for the Marketplace User Fee since the lone plan offered under this filing is only offered off exchange.

#### Total Allowed Claims:

The Market-Adjusted Index Rate is further modified to develop the projected total allowed claims PMPM by adding the projected allowed non-EHB claims PMPM. Benefits that were offered outside EHB include routine foot care and acupuncture. The projected allowed claims for these benefits is \$1.27 PMPM.

#### **Retention Items**

Retention items related to this filing are shown in Table 6 of the PA Actuarial Memorandum Exhibits. Detailed discussions on each item are provided below.

#### Administrative Expenses:

Administrative expenses are taken from our 2016 Supplemental Health Care Exhibit (SHCE). They are broken out by lines of business and market segments matching this filing and thus are appropriate for use. Differences between the SHCE and section I, worksheet 1 of the URRT stem from the fact that the SHCE include restatements of estimates from the prior year, while the URRT only contains actual experience from 2016 (experience period). The data for Individual Health Coverage in Part 1 of the SHCE is all ACA-related. Please see Exhibit 2 of the Supporting Exhibits for a historical breakdown of the actual and projected administrative expenses by year.

The calculation of the average commission is displayed in the table below. Commissions are paid under all circumstances and in all geographic locations. Commissions are not paid for Special Enrollment Periods. Broker agreements have been uploaded in the Supporting Documentation section in SERFF.

Monthly Payout for Market	Members	Average Commission
\$762,634	50,818	\$15.01

Taxes and Fees:

Taxes and Fees increased from 2017 to 2018 to account for the return of the Health Insurance Tax for 2018. A PCORI amount of \$0.20 PMPM has been added. Please note that the Risk Adjustment Administration Fee was not included in the Taxes and Fees field.

Profit/Contingency:

The projected profit margin for this company in 2018 is 0%, which changed from 3.2% in 2017.

**Normalized Market-Adjusted Projected Allowed Total Claims**

Normalization factors for 2017 and 2018 are provided in Table 7 of the PA Actuarial Memorandum Exhibits. 2017 factors have been taken from the prior rate filing of the captioned company and market. Detailed discussion on each of the 2018 factors are provided below.

Average Age Factor:

The average age factor was calculated using our projected Individual market population with the prescribed HHS Age Factors for 2018. We pulled them in summary alongside network and area data in order to back out age factor differences when determining network/area factors. It was assumed this represents the age distribution of the entire single risk pool. The number of members under each age bracket was multiplied by the corresponding HHS Age Factor. These were then summed and divided by the total number of members to obtain the average age factor. The average factor is 1.77 and corresponding age band is 50. Please see Exhibit 4 in the Supporting Exhibits for the calculation of this factor.

Average Geographic Factor:

The average geographic factor is 1.0 since all rating area factors are set to 1.0.

Average Tobacco Factor:

The average tobacco factor was calculated using projected membership. The member-weighted average of a 2.5% load applied for enrollees who qualify as tobacco users combined with a 0% load for non-tobacco users yields an average tobacco factor of 1.002.

Average Benefit Richness:

The benefit richness factor applied to the lone plan in this filing is 1.0 to ensure that normalization is not necessary.

Average Network Factor:

The network factor applied for the lone network included in this filing is 1.0.

## **Components of Rate Change**

Data to support the calculation of the components of the rate change is presented in Tables 8 and 9 of the PA Actuarial Memorandum Exhibits. Values presented in the 2017 columns have been taken from this company's 2017 rate filing.

## **Plan Rate Development**

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2018 Plan Adjusted Index Rates. The allowable modifiers that make up the AV Pricing Values are described below.

### Plan Actuarial Value:

The AV for the lone plan in this filing was determined using the final 2018 HHS AV Calculator.

### Benefit Richness (induced demand)

Please see Exhibit 3 in the Supporting Exhibits for the induced utilization exhibit. Since there is only one plan in this filing, an induced demand factor of 1.0 was selected to ensure normalization and that the induced demand factor does not exceed the federal factors used in the risk adjustment program.

### Benefits in addition to EHBs

Benefits that will be offered outside EHB include routine foot care and acupuncture. The projected allowed claims for these benefits is \$1.27 PMPM.

### Provider Network

The network factor applied for the lone network included in this filing is 1.0, so no adjustment is necessary.

### Catastrophic Eligibility

Catasrophic plans will not be offered under this company and market in 2018, so no adjustment is necessary.

### Tobacco Surcharge Adjustment

The tobacco surcharge adjustment of 0.998 is the reciprocal of the average tobacco factor discussed in the "Average Tobacco Factor" section above.

## **Plan Premium Development for 21-Year-Old Non-Tobacco User**

Table 11 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance. Please see Exhibit 5 of the Supporting Exhibits for historical rate changes for this company and market for a 21-year-old non-tobacco user.



## **Plan Factors**

### **Age and Tobacco Factors**

As indicated in Table 12 of the PA Actuarial Memorandum Exhibits, the default federal standard age curve for 2018 is used in the development of the Consumer Adjusted Premium Rates. A tobacco load of 2.5% will be used for the Individual market in 2018.

### **Geographic Factors**

All geographic factors for this company and market were set to 1.0 for 2017 and will remain this way for 2018 as we do not anticipate significant variations in cost by geographical location.

### **Network Factors**

Since only one network is included in this filing, no network adjustments were deemed necessary for 2018.

### **Service Area Composition**

Table 13 of the PA Actuarial Memorandum Exhibits shows the areas in which plans will be offered in 2018. Service area maps for 2017 and 2018 have been uploaded in the Supporting Documentation section in SERFF.

### **Composite Rating**

No composite rating is used with these plans.

### **Note on Possible Legislation Changes**

Please note that any changes to the ACA involving the elimination of CSR subsidies, removal of the individual mandate for health insurance, or modifications to any other provisions may dramatically affect the makeup of the single risk pool and require us to re-evaluate rate development for this filing.

## **List of Supporting Exhibits**

Supporting exhibits have been included with the rate filing to assist with the review process. Below is a list summarizing the contents of each exhibit.

- Exhibit 1: Development of Risk Adjustment PMPM for Experience and Projection Periods
- Exhibit 2: Projected and Actual Administrative Expenses
- Exhibit 3: Induced Utilization Derivation
- Exhibit 4: Derivation of Age Calibration Factor
- Exhibit 5: Historical Changes in Consumer Adjusted Premium Rate for Age 21, Non-tobacco User
- Exhibit 6: Projected Enrollment by Rating Area

## Actuarial Certification

I, [REDACTED] am a Member of the American Academy of Actuaries. I am currently a Manager in the Actuarial Services department for UPMC Health Plan. I certify that:

- All factor, benefit and other changes from the prior approved filing have been disclosed in this 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 2017 Rate Filing Justification.
- The projected Index Rate is:
  - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR 156.80 and 147.102)
  - b. Developed in compliance with the applicable Actuarial Standards of Practice
  - c. Reasonable in relation to the benefits provided and the population anticipated to be covered
  - d. Neither excessive nor deficient
- The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 156.80(d)(2) were used to generate plan level rates.
- The percent of total premium that represents EHB included in Worksheet 2, Sections III and IV, was calculated in accordance with actuarial standards of practice.
- The geographic rating factors reflect only differences in the costs of delivery 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 URRT for all plans except those specified in the certification.

[REDACTED]

UPMC Health Plan

5/22/2017

Date

**Appendix I**

<b><u>SCID</u></b>	<b><u>Company</u></b>	<b><u>Market Size</u></b>	<b><u>Metal</u></b>	<b><u>Summary of Changes from 2017</u></b>
62560PA0030003	UPMC Health Coverage	IND	Essential Bronze	No changes made

## Exhibit 1: Development of Risk Adjustment PMPM for Projection Period

2018 Total Received Risk Adjustment Estimate	2018 Projected Member Months	2018 Received Risk Adjustment PMPM	2018 Risk Adjustment Admin Fee PMPM	2018 Projected Received Net Risk Adjustment PMPM
\$ (123.48)	36	\$ (3.43)	\$ 0.14	\$ (3.57)

## Exhibit 2: Projected and Actual Administrative Expenses

Year	Projected General and Claims	Projected Agent/Broker Fees and Commissions	Projected Quality Improvement Initiatives	Actual General and Claims	Actual Agent/Broker Fees and Commissions	Actual Quality Improvement Initiatives
2014	8.8%	0.2%	0.1%	10.2%	0.2%	0.1%
2015	7.1%	1.5%	0.4%	14.4%	3.0%	0.8%
2016	7.1%	1.5%	0.4%	13.5%	0.6%	0.7%
2017	10.2%	2.1%	0.5%			

### Exhibit 3: Induced Utilization Derivation

Plan ID (1)	Metal Level (2)	Projected Membership (3)	Projected Allowed EHB Claims (4)	Projected Paid EHB Claims (5)	Paid to Allowed Factor (6)	Average Tobacco Factor (7)	AV & Cost Sharing Factor (8)	(8)/(6*7)
62560PA0030003	Bronze	36	\$ 18,450	\$ 11,217	0.608	0.998	0.608	1.002

## Exhibit 4: Derivation of Age Calibration Factor

\*Claims Data Range 01/01/2016 - 12/31/2016, Paid Through 03/31/2017

Age Band	Age Factor	Member Months
0-14	0.765	75,882
15	0.833	6,329
16	0.859	6,656
17	0.885	6,821
18	0.913	8,070
19	0.941	9,941
20	0.970	10,539
21	1.000	9,312
22	1.000	8,903
23	1.000	7,842
24	1.000	7,671
25	1.004	11,075
26	1.024	18,260
27	1.048	14,920
28	1.087	14,176
29	1.119	13,128
30	1.135	13,042
31	1.159	13,092
32	1.183	12,291
33	1.198	12,888
34	1.214	12,188
35	1.222	12,172
36	1.23	12,546
37	1.238	12,178
38	1.246	11,648
39	1.262	11,267
40	1.278	12,199
41	1.302	12,073
42	1.325	12,704
43	1.357	14,331
44	1.397	13,657
45	1.444	15,817
46	1.5	15,743
47	1.563	16,828
48	1.635	17,131
49	1.706	18,446
50	1.786	19,587
51	1.865	21,876
52	1.952	22,404
53	2.04	22,909
54	2.135	25,440
55	2.23	27,560
56	2.333	28,181
57	2.437	29,568
58	2.548	31,010
59	2.603	33,333
60	2.714	36,436
61	2.81	41,509
62	2.873	47,574
63	2.952	45,605
64+	3	2,885

Final Age Factor used: **1.771**



Exhibit 5: Historical Changes in Consumer Adjusted Premium Rate for Age 21, Non-tobacco User

Geographic Area 1					2014	2015	2015	2016	2016	2017	2017	2018	2018
Plan ID	Metal Level	Product Name	Plan Name	Exchange Plan (Y/N)	Age 21, NT Prem	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change
62560PA0030003	Bronze	Individual HMO	UPMC Advantage Essential Bronze	N	\$ 210.48	\$ 210.48	0.0%	\$ 210.48	0.0%	\$ 224.29	6.6%	\$ 205.78	-8.3%

Geographic Area 2					2014	2015	2015	2016	2016	2017	2017	2018	2018
Plan ID	Metal Level	Product Name	Plan Name	Exchange Plan (Y/N)	Age 21, NT Prem	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change
62560PA0030003	Bronze	Individual HMO	UPMC Advantage Essential Bronze	N	\$ 210.48	\$ 210.48	0.0%	\$ 210.48	0.0%	\$ 224.29	6.6%	\$ 205.78	-8.3%

Geographic Area 4					2014	2015	2015	2016	2016	2017	2017	2018	2018
Plan ID	Metal Level	Product Name	Plan Name	Exchange Plan (Y/N)	Age 21, NT Prem	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change
62560PA0030003	Bronze	Individual HMO	UPMC Advantage Essential Bronze	N	\$ 205.20	\$ 205.20	0.0%	\$ 205.20	0.0%	\$ 224.29	9.3%	\$ 205.78	-8.3%

Geographic Area 5					2014	2015	2015	2016	2016	2017	2017	2018	2018
Plan ID	Metal Level	Product Name	Plan Name	Exchange Plan (Y/N)	Age 21, NT Prem	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change	Age 21, NT Prem	% Change
62560PA0030003	Bronze	Individual HMO	UPMC Advantage Essential Bronze	N	\$ 211.64	\$ 211.64	0.0%	\$ 211.64	0.0%	\$ 224.29	6.0%	\$ 205.78	-8.3%

## Exhibit 6: Projected Enrollment by Rating Area

2018 Individual Health Coverage SCID	Total Projected Member Months	Rating Areas Covered	Projected Member Months for Rating Area 1	Projected Member Months for Rating Area 2	Projected Member Months for Rating Area 4	Projected Member Months for Rating Area 5
62560PA0030003	36	1, 2, 4, 5	12	0	24	0

PA Rate Template Part I  
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	UPMC Health Coverage, Inc.		
Product(s):	HMO		
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	49	50	50
Total	75	3	36
<18	25	1	12
18-24	-	-	-
25-29	-	-	-
30-34	-	-	-
35-39	24	1	12
40-44	-	-	-
45-49	24	1	12
50-54	-	-	-
55-59	-	-	-
60-63	2	-	-
64+	-	-	-

\*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
\$ 18,322.07	\$ 469.93	\$ 472.71	75	\$ 4,991.01	\$ 5,463.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 72.85
Loss Ratio											2.58%

\*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite URRT Trend **	Weight*
Inpatient Hospital	-7.85%	-2.87%	0.00%	-10.49%	18.40%
Outpatient Hospital	3.00%	-1.27%	0.00%	1.69%	14.91%
Professional	2.03%	4.42%	0.00%	6.54%	16.25%
Other Medical	9.33%	0.00%	0.00%	9.33%	27.41%
Capitation				0.00%	0.00%
Prescription Drugs	14.16%	6.89%	0.00%	22.03%	23.03%
Total Annual Trend				7.01%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.145	

\* 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	\$ 6,444,520.36	\$ 812,005.36	1.0000	\$ 812,005.36	571	\$ 1,422.08	\$ 969,396.06	\$ -	\$ 873,751.76	\$ 1,530.21
Feb-14		\$ 1,863,893.01	1.0000	\$ 1,863,893.01	694	\$ 2,685.72		\$ -	\$ 1,915,541.59	\$ 2,760.15
Mar-14		\$ 876,188.02	1.0000	\$ 876,188.02	891	\$ 983.38		\$ -	\$ 957,626.03	\$ 1,074.78
Apr-14		\$ 1,335,253.86	1.0000	\$ 1,335,253.86	1,105	\$ 1,208.37		\$ -	\$ 1,416,780.88	\$ 1,282.15
May-14		\$ 1,280,595.70	1.0000	\$ 1,280,595.70	1,240	\$ 1,032.74		\$ -	\$ 1,364,950.47	\$ 1,100.77
Jun-14		\$ 1,168,932.16	1.0000	\$ 1,168,932.16	1,290	\$ 906.15		\$ -	\$ 1,243,241.91	\$ 963.75
Jul-14		\$ 2,182,199.45	1.0000	\$ 2,182,199.45	1,450	\$ 1,504.97		\$ -	\$ 2,252,864.42	\$ 1,553.70
Aug-14		\$ 1,691,857.52	1.0000	\$ 1,691,857.52	1,579	\$ 1,071.47		\$ -	\$ 1,772,936.28	\$ 1,122.82
Sep-14		\$ 2,635,561.19	1.0000	\$ 2,635,561.19	1,697	\$ 1,553.07		\$ -	\$ 2,722,370.50	\$ 1,604.23
Oct-14		\$ 1,661,726.96	1.0000	\$ 1,661,726.96	1,758	\$ 945.24		\$ -	\$ 1,759,862.51	\$ 1,001.06
Nov-14		\$ 1,207,450.44	1.0000	\$ 1,207,450.44	1,831	\$ 659.45		\$ -	\$ 1,293,550.14	\$ 706.47
Dec-14		\$ 1,794,286.70	1.0000	\$ 1,794,286.70	2,059	\$ 871.44		\$ -	\$ 1,905,869.94	\$ 925.63
Jan-15	\$ 6,444,520.36	\$ 3,310.23	1.0000	\$ 3,310.23	17	\$ 194.72	\$ 969,396.06	\$ -	\$ 4,050.57	\$ 238.27
Feb-15		\$ -	1.0000	\$ -	16	\$ -		\$ -	\$ 7.42	\$ 0.46
Mar-15		\$ 4.01	1.0000	\$ 4.01	15	\$ 0.27		\$ -	\$ 142.87	\$ 9.52
Apr-15		\$ -	1.0000	\$ -	14	\$ -		\$ -	\$ 25.09	\$ 1.79
May-15		\$ -	1.0000	\$ -	13	\$ -		\$ -	\$ 27.69	\$ 2.13
Jun-15		\$ 82.86	1.0000	\$ 82.86	13	\$ 6.37		\$ -	\$ 134.86	\$ 10.37
Jul-15		\$ 37.98	1.0000	\$ 37.98	13	\$ 2.92		\$ -	\$ 52.98	\$ 4.08
Aug-15		\$ 61.25	1.0000	\$ 61.25	12	\$ 5.10		\$ -	\$ 124.11	\$ 10.34
Sep-15		\$ 93.15	1.0000	\$ 93.15	12	\$ 7.76		\$ -	\$ 135.12	\$ 11.26
Oct-15		\$ 20.15	1.0000	\$ 20.15	13	\$ 1.55		\$ -	\$ 37.53	\$ 2.89
Nov-15		\$ 80.35	1.0000	\$ 80.35	9	\$ 8.93		\$ -	\$ 132.72	\$ 14.75
Dec-15		\$ 154.61	1.0000	\$ 154.61	8	\$ 19.33		\$ -	\$ 191.43	\$ 23.93
Jan-16	\$ 39,083.03	\$ 0.01	0.9999	\$ 0.01	8	\$ 0.00	\$ 1,217.80	\$ -	\$ 187.55	\$ 23.44
Feb-16		\$ -	0.9997	\$ -	7	\$ -		\$ -	\$ 16.83	\$ 2.40
Mar-16		\$ -	0.9996	\$ -	6	\$ -		\$ -	\$ 45.50	\$ 7.58
Apr-16		\$ -	0.9994	\$ -	6	\$ -		\$ -	\$ 164.96	\$ 27.49
May-16		\$ 122.18	0.9992	\$ 122.18	6	\$ 20.38		\$ -	\$ 261.31	\$ 43.55
Jun-16		\$ -	0.9978	\$ -	6	\$ -		\$ -	\$ 79.82	\$ 13.30
Jul-16		\$ -	0.9961	\$ -	6	\$ -		\$ -	\$ -	\$ -
Aug-16		\$ 314.24	0.9931	\$ 316.41	6	\$ 52.73		\$ -	\$ 316.41	\$ 52.73
Sep-16		\$ 33.50	0.9849	\$ 34.01	6	\$ 5.67		\$ -	\$ 186.66	\$ 31.11
Oct-16		\$ -	0.9790	\$ -	6	\$ -		\$ -	\$ 548.31	\$ 91.38
Nov-16		\$ -	0.9721	\$ -	6	\$ -		\$ -	\$ 231.30	\$ 38.55
Dec-16		\$ -	0.9580	\$ -	6	\$ -	\$ 4,991.01	\$ -	\$ 3,425.06	\$ 570.84

\* Express Completion Factor as a percentage

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

Carrier Name:  
Product(s):  
Market Segment:  
Rate Effective Date:

UPMC Health Coverage, Inc.  
HMO  
Individual  
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
\$ 409,611,581.86	\$ 447,340,573.42	\$ 451,266,696.53	1,322,330	\$ 127,047,195.49	\$ 578,313,892.02	\$ 1,255,711.18	\$ (18,803,532.60)	\$ -	\$ -	\$ (5,211,297.00)	\$ 13,904,371.00
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 422.17
Loss Ratio											103.50%

\*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	-7.85%	-2.87%	0.00%	-10.49%	18.40%
Outpatient Hospital	3.00%	-1.27%	0.00%	1.69%	14.91%
Professional	2.03%	4.42%	0.00%	6.54%	16.25%
Other Medical	9.33%	0.00%	0.00%	9.33%	27.41%
Capitation				0.00%	0.00%
Prescription Drugs	14.16%	6.89%	0.00%	22.03%	23.03%
Total Annual Trend				7.01%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.145	

\* 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	\$ 52,418.26	\$ 2,335.25	1.0000	\$ 2,335.25	7	\$ 333.61	\$ 6,355.09	\$ 99.54	\$ 2,821.86	\$ 403.12
Feb-14		\$ 1,703.52	1.0000	\$ 1,703.52	7	\$ 243.36		\$ 99.54	\$ 2,938.06	\$ 419.72
Mar-14		\$ 5,375.42	1.0000	\$ 5,375.42	7	\$ 767.92		\$ 99.54	\$ 5,969.30	\$ 852.76
Apr-14		\$ 7,578.84	1.0000	\$ 7,578.84	7	\$ 1,082.69		\$ 99.54	\$ 8,340.44	\$ 1,191.49
May-14		\$ 5,765.37	1.0000	\$ 5,765.37	7	\$ 823.62		\$ 99.54	\$ 6,210.95	\$ 887.28
Jun-14		\$ 7,715.91	1.0000	\$ 7,715.91	7	\$ 1,102.27		\$ 99.54	\$ 8,347.54	\$ 1,192.51
Jul-14		\$ 7,815.57	1.0000	\$ 7,815.57	8	\$ 976.95		\$ 113.76	\$ 8,662.00	\$ 1,082.75
Aug-14		\$ 14,696.57	1.0000	\$ 14,696.57	9	\$ 1,632.95		\$ 127.98	\$ 15,079.79	\$ 1,675.53
Sep-14		\$ 11,039.31	1.0000	\$ 11,039.31	9	\$ 1,226.59		\$ 127.98	\$ 11,382.35	\$ 1,264.71
Oct-14		\$ 23,682.94	1.0000	\$ 23,682.94	9	\$ 2,631.44		\$ 127.98	\$ 24,169.24	\$ 2,685.47
Nov-14		\$ 11,643.47	1.0000	\$ 11,643.47	10	\$ 1,164.35		\$ 142.20	\$ 11,913.88	\$ 1,191.39
Dec-14		\$ 14,732.41	1.0000	\$ 14,732.41	12	\$ 1,227.70		\$ 170.64	\$ 16,012.04	\$ 1,334.34
Jan-15	\$ 170,035,700.46	\$ 10,895,862.26	1.0000	\$ 10,895,862.26	38,102	\$ 285.97	\$ 42,738,962.26	\$ 541,810.44	\$ 14,492,186.27	\$ 380.35
Feb-15		\$ 12,397,449.29	1.0000	\$ 12,397,449.29	44,106	\$ 281.08		\$ 627,187.32	\$ 16,354,530.16	\$ 370.80
Mar-15		\$ 16,953,437.78	1.0000	\$ 16,953,437.78	53,545	\$ 316.62		\$ 761,409.90	\$ 21,926,417.58	\$ 409.50
Apr-15		\$ 17,916,935.37	1.0000	\$ 17,916,935.37	54,073	\$ 331.35		\$ 768,918.06	\$ 22,578,446.83	\$ 417.55
May-15		\$ 18,238,561.93	1.0000	\$ 18,238,561.93	54,241	\$ 336.25		\$ 771,307.02	\$ 22,770,646.30	\$ 419.81
Jun-15		\$ 19,813,329.49	1.0000	\$ 19,813,329.49	54,305	\$ 364.85		\$ 772,217.10	\$ 24,380,464.05	\$ 448.95
Jul-15		\$ 19,399,173.30	1.0000	\$ 19,399,173.30	54,519	\$ 355.82		\$ 775,260.18	\$ 23,855,707.08	\$ 437.57
Aug-15		\$ 20,721,703.81	1.0000	\$ 20,721,703.81	54,897	\$ 377.47		\$ 780,635.34	\$ 24,818,745.64	\$ 452.10
Sep-15		\$ 18,751,669.34	1.0000	\$ 18,751,669.34	55,153	\$ 339.99		\$ 784,275.66	\$ 22,931,765.02	\$ 415.78
Oct-15		\$ 20,329,102.03	1.0000	\$ 20,329,102.03	55,305	\$ 367.58		\$ 786,437.10	\$ 24,649,125.90	\$ 445.69
Nov-15		\$ 19,923,622.81	1.0000	\$ 19,923,622.81	55,359	\$ 359.90		\$ 787,204.98	\$ 24,050,810.43	\$ 434.45
Dec-15		\$ 20,892,089.74	1.0000	\$ 20,892,089.74	55,856	\$ 374.03		\$ 794,272.32	\$ 25,113,989.58	\$ 449.62
Jan-16	\$ 409,611,581.86	\$ 26,857,550.70	0.9999	\$ 26,860,951.44	104,656	\$ 256.66	\$ 127,047,195.49	\$ 1,488,208.32	\$ 39,924,285.88	\$ 381.48
Feb-16		\$ 33,769,376.91	0.9997	\$ 33,780,975.21	110,762	\$ 304.99		\$ 1,575,035.64	\$ 47,441,074.60	\$ 428.32
Mar-16		\$ 38,178,839.37	0.9996	\$ 38,195,285.47	114,473	\$ 333.66		\$ 1,627,806.06	\$ 52,675,708.99	\$ 460.16
Apr-16		\$ 36,430,707.16	0.9994	\$ 36,453,669.27	113,911	\$ 320.02		\$ 1,619,814.42	\$ 49,345,612.60	\$ 433.19
May-16		\$ 37,505,574.41	0.9992	\$ 37,535,418.31	112,916	\$ 332.42		\$ 1,605,665.52	\$ 49,994,543.28	\$ 442.76
Jun-16		\$ 37,418,442.48	0.9978	\$ 37,502,747.24	112,032	\$ 334.75		\$ 1,593,095.04	\$ 49,494,326.11	\$ 441.79
Jul-16		\$ 37,271,766.43	0.9961	\$ 37,416,945.81	111,336	\$ 336.07		\$ 1,583,197.92	\$ 48,815,830.98	\$ 438.46
Aug-16		\$ 40,087,597.17	0.9931	\$ 40,364,161.48	110,587	\$ 365.00		\$ 1,572,547.14	\$ 51,941,309.27	\$ 469.69
Sep-16		\$ 39,776,284.69	0.9849	\$ 40,387,383.16	109,773	\$ 367.92		\$ 1,560,972.06	\$ 51,763,560.82	\$ 471.55
Oct-16		\$ 40,727,044.24	0.9790	\$ 41,600,837.37	108,902	\$ 382.00		\$ 1,548,586.44	\$ 52,735,274.01	\$ 484.25
Nov-16		\$ 39,275,247.57	0.9721	\$ 40,404,286.82	107,555	\$ 375.66		\$ 1,529,432.10	\$ 50,931,072.40	\$ 473.54
Dec-16		\$ 40,042,142.31	0.9580	\$ 41,796,974.99	105,427	\$ 396.45		\$ 1,499,171.94	\$ 52,054,825.67	\$ 493.75

\* Express Completion Factor as a percentage

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



PA Rate Template Part II  
Rate Development and Change

Carrier Name:	UPMC Health Coverage, Inc.
Product(s):	HMO
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	\$ 72.85	\$ 422.17	<- Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection Factor	1.145	1.145	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 83.43	\$ 483.48	
<u>Single Risk Pool Adjustment Factors</u>			
Change in Morbidity	1.060	1.060	<- See URRT Instructions
Change in Other	1.000	1.000	
Change in Demographics	1.000	1.000	<- See URRT Instructions
Change in Network	1.000	1.000	<- See URRT Instructions
Change in Benefits	1.000	1.000	<- See URRT Instructions
Change in Other	1.000	1.000	<- See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 88.43	\$ 512.49	
Credibility Factors	0%	100%	<- See Instructions
Blended Projected EHB Claims PMPM		\$ 512.49	<- Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Projected Allowed EHB Claims PMPM	\$ 512.49		<- 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	0.608		<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	\$ 311.59		
<u>Market-wide Adjustments</u>			
Projected Risk Adjustment PMPM	\$ (3.57)		
Projected Paid Exchange User Fees PMPM	\$ -		
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 315.16		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 518.36		<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ 1.27		
Market-Adjusted Projected Paid Total Claims PMPM	\$ 315.93		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 519.63		

For Information

Blended

Blended

Blended

Table

# of Months Adjusted

Months

Annual Trend

Single Risk Pool

Quarterly

2018 Trend

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 422.17	<- Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 409,611,581.86	
Blended Loss Ratio	103.50%	

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	\$ 512.49	\$ 512.49	\$ 512.49	\$ 512.49	\$ 512.49
Months of Trend	-	3	6	9	
Annual Trend	7.01%	7.01%	7.01%	7.01%	
Single Risk Pool Projected Allowed Claims	\$ 512.49	\$ 521.25	\$ 530.16	\$ 539.22	\$ -
Quarterly Trend Factor	100.0%	101.7%	103.4%	105.2%	0.0%
2018 Trend Factors by Quarter	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

Table 6. Retention

<u>Retention Items - Express in percentages</u>	
Administrative Expenses	10.04%
General and Claims	9.14%
Agent/Broker Fees and Commissions	0.43%
Quality Improvement Initiatives	0.47%
Taxes and Fees	3.44%
PCORI Fees (Enter \$ amount here: \$0.20 PMPM )	0.06%
Pa Premium Tax (if applicable)	0.00%
Federal Income Tax	0.00%
Health Insurance Providers Fee	3.38%
Profit/Contingency (after tax)	0.00%
Total Retention	13.48%
Projected Required Revenue PMPM	\$ 365.14

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

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

<u>Normalization Factors</u>	2017	2018
Average Age Factor	1.670	1.771
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.003	1.002
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	1.119	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 501.81	\$ 519.63
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 267.77	\$ 292.84

Table 8. Components of Rate Change

Rate Components	2017	2018	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	224.2892119	205.7838324	-\$18.51	-8.3%
B. Base period allowed claims before normalization	\$ 405.67	\$ 422.17	\$16.51	7%
C. Normalization factor component of change	\$ (189.20)	-184.2538567	\$4.95	\$0.02
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 216.46	\$ 237.92	\$ 21.46	10%
D2. URRT Trend	\$ -	\$ 34.55	\$ 34.55	15%
D3. URRT Morbidity	\$ (6.49)	\$ 16.35	\$ 22.84	10%
D4. URRT Other	\$ 25.09	\$ 0.00	\$ (25.09)	-11%
D5. Normalized URRT RA/RI on an allowed basis	\$ 13.76320985	\$ 3.309106929	\$ (10.45)	-5%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0%
D7. Subtotal - Sum(D1:D6)	\$ 248.82	\$ 292.13	\$ 43.31	19%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ 29.73	\$ 0	\$ (29.73)	-13%
E2. Pricing AV	\$ (105.96)	\$ (114.51)	\$ (8.55)	-4%
E3. Benefit Richness	\$ -	\$ -	\$ -	0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0%
E5. Subtotal - Sum(E1:E4)	\$ (76.23)	\$ (114.51)	\$ (38.28)	-17%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 28.80	\$ 20.65	\$ (8.14)	-4%
F2. Taxes and Fees	\$ 2.56	\$ 7.08	\$ 4.52	2%
F3. Profit and/or Contingency	\$ 7.18	\$ -	\$ (7.18)	-3%
F4. Subtotal - Sum(F1:F3)	\$ 38.54	\$ 27.73	\$ (10.80)	-5%
G. Change in Miscellaneous Items	\$ -	\$ -	\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 211.12	\$ 205.34	\$ (5.78)	-3%

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

	2017	2018	
Paid-to-Allowed	0.620	0.608	
URRT Trend (Total Applied Trend Factor)	1.000	1.145	<- URRT W1, S2
URRT Morbidity	0.970	1.060	<- URRT W1, S2
URRT "Other"	1.119	1.000	<- URRT W1, S2
Risk Adjustment	\$ 15.98	\$ 3.57	<- URRT W1, S3
Exchange User Fee	\$ -	\$ -	<- URRT W1, S3
Capitation	\$ -	\$ -	<- URRT W1, S2
Network	1.119	1.000	
Pricing AV	0.620	0.608	
Benefit Richness	1.000	1.000	
Catastrophic Eligibility	1.000	1.000	
Administrative Expenses	12.84%	10.04%	
Taxes and Fees	1.14%	3.44%	
Profit and/or Contingency	3.20%	0.00%	



PA Rate Template Part III  
Table 10. Plan Rates

Carrier Name: UPMC Health Coverage, Inc.  
Product(s): HMO  
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: \$ 516.36

Calibration	
Age Calibration Factor	1.771
Geographic Calibration Factor	1.000
Aggregate Calibration Factor	1.771

Total Covered Lives @ 02-01-2017
3

Date of Most Recent Membership		2/1/2017																		
Market Adjusted Index Rate		\$ 518.36		45 CFR Part 156.8 (d) (2) Allowable Factors																
	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,D,M, DNM) for 2018	1/1/18 Plan HIOS Plan ID (If 1/1/17 Plan Discontinued & Mapped)	Metallic Tier	Metallic Tier Actuarial Value	Standard AV, Approach (1)	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
Plan Number																				

Totals							0.608			0.608	1.000	1.002	1.000	1.000	0.998	\$ 315.26	10.0%	3.4%	0.0%
Plan 1	62560PA0030003	HMO	UPMC Advantage Essential Bronze	M		Bronze	0.608	Standard AV	Off Exchange	0.608	1.000	1.002	1.000	1.000	0.998	\$315.26	10.0%	3.4%	0.0%

Total Covered Lives Mapped into 2018 Plans @ 02-01-2017	Total Policyholders @ 02-01-2017
3	2

2017 Calibrated Plan Adjusted Index Rate PMPM	2018 Calibrated Plan Adjusted Index Rate PMPM
\$ 224.29	\$ 205.78

Proposed Rate Change Compared to Prior 12 months
-8.25%

% of Total Covered Lives
100.0%

02-01-2017 Number of Covered Lives by Rating Area										2018 Continued/ Discontinued Plans Indicator
1	2	3	4	5	6	7	8	9	Total	
1	-	-	2	-	-	-	-	-	3	
1	-	-	2	-	-	-	-	-	3	1

PA Rate Template Part IV A - Individual  
Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User

Carrier Name: UPMC Health Coverage, Inc.  
Product(s): HMO  
Market Segment: Individual  
Rate Effective Date: 1/1/2018

							2017 21-year-old, Non-Tobacco Premium PMPM										2018 21-year-old, Non-Tobacco Premium PMPM										Change in 21-year-old Non-Tobacco Premium PMPM									
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	1	2	3	4	5	6	7	8	9	(weighted by enrollment by rating area)	1	2	3	4	5	6	7	8	9	(weighted by enrollment by rating area)	1	2	3	4	5	6	7	8	9	(weighted by enrollment by rating area)
Totals	These cells auto-fill using the data entered in Table 10.						\$ 224.29	\$ -	\$ -	\$ 224.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224.29	\$ 205.78	\$ -	\$ -	\$ 205.78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205.78	-8.3%	0.0%	0.0%	-8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.3%
	62560PA0030003	UPMC Advantage Essent	M	0	Bronze	Off Exchange Only	\$ 224.29	\$ 224.29	\$ -	\$ 224.29	\$ 224.29	\$ -	\$ -	\$ -	\$ -	\$ 224.29	\$ 205.78	\$ 205.78	\$ -	\$ 205.78	\$ 205.78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205.78	-8.3%	-8.3%		-8.3%	-8.3%				-8.3%

## PA Rate Quarterly Template Part V Consumer Factors

<b>Carrier Name:</b>	UPMC Health Coverage, Inc.
<b>Product(s):</b>	HMO
<b>Market Segment:</b>	Individual
<b>Rate Effective Date:</b>	1/1/2018

### Table 12. Age and Tobacco Factors

Projection Period Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-14	0.765			40	1.278	1.025
15	0.833			41	1.302	1.025
16	0.859			42	1.325	1.025
17	0.885			43	1.357	1.025
18	0.913	1.025		44	1.397	1.025
19	0.941	1.025		45	1.444	1.025
20	0.970	1.025		46	1.500	1.025
21	1.000	1.025		47	1.563	1.025
22	1.000	1.025		48	1.635	1.025
23	1.000	1.025		49	1.706	1.025
24	1.000	1.025		50	1.786	1.025
25	1.004	1.025		51	1.865	1.025
26	1.024	1.025		52	1.952	1.025
27	1.048	1.025		53	2.040	1.025
28	1.087	1.025		54	2.135	1.025
29	1.119	1.025		55	2.230	1.025
30	1.135	1.025		56	2.333	1.025
31	1.159	1.025		57	2.437	1.025
32	1.183	1.025		58	2.548	1.025
33	1.198	1.025		59	2.603	1.025
34	1.214	1.025		60	2.714	1.025
35	1.222	1.025		61	2.810	1.025
36	1.230	1.025		62	2.873	1.025
37	1.238	1.025		63	2.952	1.025
38	1.246	1.025		64+	3.000	1.025
39	1.262	1.025				

\*PA follows the federal default age curve.

### Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1	Erie, Crawford, Warren, Venango, Forest, Clarion, McKean, Mercer	1.000	1.000
Rating Area 2	Elk, Cameron, Potter	1.000	1.000
Rating Area 3			
Rating Area 4	Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland	1.000	1.000
Rating Area 5	Cambria, Blair, Clearfield, Bedford, Somerset, Jefferson, Huntingdon	1.000	1.000
Rating Area 6			
Rating Area 7			
Rating Area 8			
Rating Area 9			

### Table 14. Network Factors

[illegible]

UPMC Health Coverage, Inc.  
Individual  
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
62560PA0030003	UPMC Advantage Essential Bronze	HMO	Bronze	Off Exchange	IND 28 County HMO - 28C Standard Referral w/Dominion PPO	1, 2, 4, 5	Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Huntingdon, Indiana, Jefferson, Lawrence, Mckean, Mercer, Potter, Somerset, Venango, Warren, Washington, Westmoreland

Company Name: UPMC Health Coverage, Inc.

Market: Individual

Product: HMO

Effective Date of Rates:	January 1, 2018	Ending date of Rates:	31-Dec-18
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HIOS Plan ID (On Exchange)=>								
HIOS Plan ID (Off Exchange)=>	62560PA0030003		62560PA0030003		62560PA0030003		62560PA0030003	
Plan Marketing Name =>	UPMC Advantage Essential Bronze		UPMC Advantage Essential Bronze		UPMC Advantage Essential Bronze		UPMC Advantage Essential Bronze	
Form # =>	660		660		660		660	
Rating Area =>	1		2		4		5	
Network =>	HMO - 28C Standard Referral w		HMO - 28C Standard Referral w		HMO - 28C Standard Referral w		HMO - 28C Standard Referral w	
Metal =>	Bronze		Bronze		Bronze		Bronze	
Deductible =>	\$6,250/\$12,500		\$6,250/\$12,500		\$6,250/\$12,500		\$6,250/\$12,500	
Coinsurance =>	80%		80%		80%		80%	
Copays =>	20% / 20%		20% / 20%		20% / 20%		20% / 20%	
OOP Maximum =>	\$7,000/\$14,000		\$7,000/\$14,000		\$7,000/\$14,000		\$7,000/\$14,000	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$157.42	\$157.42	\$157.42	\$157.42	\$157.42	\$157.42	\$157.42	\$157.42
15	\$171.41	\$171.41	\$171.41	\$171.41	\$171.41	\$171.41	\$171.41	\$171.41
16	\$176.77	\$176.77	\$176.77	\$176.77	\$176.77	\$176.77	\$176.77	\$176.77
17	\$182.12	\$182.12	\$182.12	\$182.12	\$182.12	\$182.12	\$182.12	\$182.12
18	\$187.88	\$192.58	\$187.88	\$192.58	\$187.88	\$192.58	\$187.88	\$192.58
19	\$193.64	\$198.49	\$193.64	\$198.49	\$193.64	\$198.49	\$193.64	\$198.49
20	\$199.61	\$204.60	\$199.61	\$204.60	\$199.61	\$204.60	\$199.61	\$204.60
21	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93
22	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93
23	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93
24	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93	\$205.78	\$210.93
25	\$206.60	\$211.77	\$206.60	\$211.77	\$206.60	\$211.77	\$206.60	\$211.77
26	\$210.72	\$215.99	\$210.72	\$215.99	\$210.72	\$215.99	\$210.72	\$215.99
27	\$215.66	\$221.05	\$215.66	\$221.05	\$215.66	\$221.05	\$215.66	\$221.05
28	\$223.68	\$229.28	\$223.68	\$229.28	\$223.68	\$229.28	\$223.68	\$229.28
29	\$230.27	\$236.03	\$230.27	\$236.03	\$230.27	\$236.03	\$230.27	\$236.03
30	\$233.56	\$239.41	\$233.56	\$239.41	\$233.56	\$239.41	\$233.56	\$239.41
31	\$238.50	\$244.47	\$238.50	\$244.47	\$238.50	\$244.47	\$238.50	\$244.47
32	\$243.44	\$249.53	\$243.44	\$249.53	\$243.44	\$249.53	\$243.44	\$249.53
33	\$246.52	\$252.69	\$246.52	\$252.69	\$246.52	\$252.69	\$246.52	\$252.69
34	\$249.82	\$256.07	\$249.82	\$256.07	\$249.82	\$256.07	\$249.82	\$256.07
35	\$251.46	\$257.76	\$251.46	\$257.76	\$251.46	\$257.76	\$251.46	\$257.76
36	\$253.11	\$259.44	\$253.11	\$259.44	\$253.11	\$259.44	\$253.11	\$259.44
37	\$254.76	\$261.13	\$254.76	\$261.13	\$254.76	\$261.13	\$254.76	\$261.13
38	\$256.40	\$262.82	\$256.40	\$262.82	\$256.40	\$262.82	\$256.40	\$262.82
39	\$259.69	\$266.19	\$259.69	\$266.19	\$259.69	\$266.19	\$259.69	\$266.19
40	\$262.99	\$269.57	\$262.99	\$269.57	\$262.99	\$269.57	\$262.99	\$269.57
41	\$267.93	\$274.63	\$267.93	\$274.63	\$267.93	\$274.63	\$267.93	\$274.63
42	\$272.66	\$279.48	\$272.66	\$279.48	\$272.66	\$279.48	\$272.66	\$279.48
43	\$279.24	\$286.23	\$279.24	\$286.23	\$279.24	\$286.23	\$279.24	\$286.23
44	\$287.47	\$294.67	\$287.47	\$294.67	\$287.47	\$294.67	\$287.47	\$294.67
45	\$297.15	\$304.58	\$297.15	\$304.58	\$297.15	\$304.58	\$297.15	\$304.58
46	\$308.67	\$316.40	\$308.67	\$316.40	\$308.67	\$316.40	\$308.67	\$316.40
47	\$321.63	\$329.68	\$321.63	\$329.68	\$321.63	\$329.68	\$321.63	\$329.68
48	\$336.45	\$344.87	\$336.45	\$344.87	\$336.45	\$344.87	\$336.45	\$344.87
49	\$351.06	\$359.85	\$351.06	\$359.85	\$351.06	\$359.85	\$351.06	\$359.85
50	\$367.52	\$376.72	\$367.52	\$376.72	\$367.52	\$376.72	\$367.52	\$376.72
51	\$383.78	\$393.38	\$383.78	\$393.38	\$383.78	\$393.38	\$383.78	\$393.38
52	\$401.68	\$411.74	\$401.68	\$411.74	\$401.68	\$411.74	\$401.68	\$411.74
53	\$419.79	\$430.30	\$419.79	\$430.30	\$419.79	\$430.30	\$419.79	\$430.30
54	\$439.34	\$450.34	\$439.34	\$450.34	\$439.34	\$450.34	\$439.34	\$450.34
55	\$458.89	\$470.37	\$458.89	\$470.37	\$458.89	\$470.37	\$458.89	\$470.37
56	\$480.08	\$492.10	\$480.08	\$492.10	\$480.08	\$492.10	\$480.08	\$492.10
57	\$501.49	\$514.04	\$501.49	\$514.04	\$501.49	\$514.04	\$501.49	\$514.04
58	\$524.33	\$537.45	\$524.33	\$537.45	\$524.33	\$537.45	\$524.33	\$537.45
59	\$535.65	\$549.05	\$535.65	\$549.05	\$535.65	\$549.05	\$535.65	\$549.05
60	\$558.49	\$572.46	\$558.49	\$572.46	\$558.49	\$572.46	\$558.49	\$572.46
61	\$578.24	\$592.71	\$578.24	\$592.71	\$578.24	\$592.71	\$578.24	\$592.71
62	\$591.21	\$606.00	\$591.21	\$606.00	\$591.21	\$606.00	\$591.21	\$606.00
63	\$607.46	\$622.67	\$607.46	\$622.67	\$607.46	\$622.67	\$607.46	\$622.67
64+	\$617.34	\$632.79	\$617.34	\$632.79	\$617.34	\$632.79	\$617.34	\$632.79

Market	Individual
<p>1. <b>Market</b></p> <p>2. <b>Individual</b></p> <p>3. <b>Market</b></p> <p>4. <b>Individual</b></p> <p>5. <b>Market</b></p> <p>6. <b>Individual</b></p> <p>7. <b>Market</b></p> <p>8. <b>Individual</b></p> <p>9. <b>Market</b></p> <p>10. <b>Individual</b></p> <p>11. <b>Market</b></p> <p>12. <b>Individual</b></p> <p>13. <b>Market</b></p> <p>14. <b>Individual</b></p> <p>15. <b>Market</b></p> <p>16. <b>Individual</b></p> <p>17. <b>Market</b></p> <p>18. <b>Individual</b></p> <p>19. <b>Market</b></p> <p>20. <b>Individual</b></p> <p>21. <b>Market</b></p> <p>22. <b>Individual</b></p> <p>23. <b>Market</b></p> <p>24. <b>Individual</b></p> <p>25. <b>Market</b></p> <p>26. <b>Individual</b></p> <p>27. <b>Market</b></p> <p>28. <b>Individual</b></p> <p>29. <b>Market</b></p> <p>30. <b>Individual</b></p> <p>31. <b>Market</b></p> <p>32. <b>Individual</b></p> <p>33. <b>Market</b></p> <p>34. <b>Individual</b></p> <p>35. <b>Market</b></p> <p>36. <b>Individual</b></p> <p>37. <b>Market</b></p> <p>38. <b>Individual</b></p> <p>39. <b>Market</b></p> <p>40. <b>Individual</b></p> <p>41. <b>Market</b></p> <p>42. <b>Individual</b></p> <p>43. <b>Market</b></p> <p>44. <b>Individual</b></p> <p>45. <b>Market</b></p> <p>46. <b>Individual</b></p> <p>47. <b>Market</b></p> <p>48. <b>Individual</b></p> <p>49. <b>Market</b></p> <p>50. <b>Individual</b></p> <p>51. <b>Market</b></p> <p>52. <b>Individual</b></p> <p>53. <b>Market</b></p> <p>54. <b>Individual</b></p> <p>55. <b>Market</b></p> <p>56. <b>Individual</b></p> <p>57. <b>Market</b></p> <p>58. <b>Individual</b></p> <p>59. <b>Market</b></p> <p>60. <b>Individual</b></p> <p>61. <b>Market</b></p> <p>62. <b>Individual</b></p> <p>63. <b>Market</b></p> <p>64. <b>Individual</b></p> <p>65. <b>Market</b></p> <p>66. <b>Individual</b></p> <p>67. <b>Market</b></p> <p>68. <b>Individual</b></p> <p>69. <b>Market</b></p> <p>70. <b>Individual</b></p> <p>71. <b>Market</b></p> <p>72. <b>Individual</b></p> <p>73. <b>Market</b></p> <p>74. <b>Individual</b></p> <p>75. 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<b>Market</b></p> <p>13. <b>Individual</b></p> <p>14. <b>Market</b></p> <p>15. <b>Individual</b></p> <p>16. <b>Market</b></p> <p>17. <b>Individual</b></p> <p>18. <b>Market</b></p> <p>19. <b>Individual</b></p> <p>20. <b>Market</b></p> <p>21. <b>Individual</b></p> <p>22. <b>Market</b></p> <p>23. <b>Individual</b></p> <p>24. <b>Market</b></p> <p>25. <b>Individual</b></p> <p>26. <b>Market</b></p> <p>27. <b>Individual</b></p> <p>28. <b>Market</b></p> <p>29. <b>Individual</b></p> <p>30. <b>Market</b></p> <p>31. <b>Individual</b></p> <p>32. <b>Market</b></p> <p>33. <b>Individual</b></p> <p>34. <b>Market</b></p> <p>35. <b>Individual</b></p> <p>36. <b>Market</b></p> <p>37. <b>Individual</b></p> <p>38. <b>Market</b></p> <p>39. <b>Individual</b></p> <p>40. <b>Market</b></p> <p>41. <b>Individual</b></p> <p>42. <b>Market</b></p> <p>43. <b>Individual</b></p> <p>44. <b>Market</b></p> <p>45. <b>Individual</b></p> <p>46. <b>Market</b></p> <p>47. <b>Individual</b></p> <p>48. <b>Market</b></p> <p>49. <b>Individual</b></p> <p>50. <b>Market</b></p> <p>51. <b>Individual</b></p> <p>52. <b>Market</b></p> <p>53. <b>Individual</b></p> <p>54. <b>Market</b></p> <p>55. <b>Individual</b></p> <p>56. <b>Market</b></p> <p>57. <b>Individual</b></p> <p>58. <b>Market</b></p> <p>59. <b>Individual</b></p> <p>60. <b>Market</b></p> <p>61. <b>Individual</b></p> <p>62. <b>Market</b></p> <p>63. <b>Individual</b></p> <p>64. <b>Market</b></p> <p>65. <b>Individual</b></p> <p>66. <b>Market</b></p> <p>67. <b>Individual</b></p> <p>68. <b>Market</b></p> <p>69. <b>Individual</b></p> <p>70. <b>Market</b></p> <p>71. <b>Individual</b></p> <p>72. <b>Market</b></p> <p>73. <b>Individual</b></p> <p>74. <b>Market</b></p> <p>75. <b>Individual</b></p> <p>76. <b>Market</b></p> <p>77. <b>Individual</b></p> <p>78. <b>Market</b></p> <p>79. <b>Individual</b></p> <p>80. <b>Market</b></p> <p>81. <b>Individual</b></p> <p>82. <b>Market</b></p> <p>83. <b>Individual</b></p> <p>84. <b>Market</b></p> <p>85. <b>Individual</b></p> <p>86. <b>Market</b></p> <p>87. <b>Individual</b></p> <p>88. <b>Market</b></p> <p>89. <b>Individual</b></p> <p>90. <b>Market</b></p> <p>91. <b>Individual</b></p> <p>92. <b>Market</b></p> <p>93. <b>Individual</b></p> <p>94. <b>Market</b></p> <p>95. <b>Individual</b></p> <p>96. <b>Market</b></p> <p>97. <b>Individual</b></p> <p>98. <b>Market</b></p> <p>99. <b>Individual</b></p> <p>100. <b>Market</b></p>

## RATING AREA 2

<b>Elk</b>	<b>Cameron</b>
\$205.78	\$205.78

Market	Individual
<p>1. <b>Market</b></p> <p>2. <b>Individual</b></p> <p>3. <b>Market</b></p> <p>4. <b>Individual</b></p> <p>5. <b>Market</b></p> <p>6. <b>Individual</b></p> <p>7. <b>Market</b></p> <p>8. <b>Individual</b></p> <p>9. <b>Market</b></p> <p>10. <b>Individual</b></p> <p>11. <b>Market</b></p> <p>12. <b>Individual</b></p> <p>13. <b>Market</b></p> <p>14. <b>Individual</b></p> <p>15. <b>Market</b></p> <p>16. <b>Individual</b></p> <p>17. <b>Market</b></p> <p>18. <b>Individual</b></p> <p>19. <b>Market</b></p> <p>20. <b>Individual</b></p> <p>21. <b>Market</b></p> <p>22. <b>Individual</b></p> <p>23. <b>Market</b></p> <p>24. <b>Individual</b></p> <p>25. <b>Market</b></p> <p>26. <b>Individual</b></p> <p>27. <b>Market</b></p> <p>28. <b>Individual</b></p> <p>29. <b>Market</b></p> <p>30. <b>Individual</b></p> <p>31. <b>Market</b></p> <p>32. <b>Individual</b></p> <p>33. <b>Market</b></p> <p>34. <b>Individual</b></p> <p>35. <b>Market</b></p> <p>36. <b>Individual</b></p> <p>37. <b>Market</b></p> <p>38. <b>Individual</b></p> <p>39. <b>Market</b></p> <p>40. <b>Individual</b></p> <p>41. <b>Market</b></p> <p>42. <b>Individual</b></p> <p>43. <b>Market</b></p> <p>44. <b>Individual</b></p> <p>45. <b>Market</b></p> <p>46. <b>Individual</b></p> <p>47. <b>Market</b></p> <p>48. <b>Individual</b></p> <p>49. <b>Market</b></p> <p>50. <b>Individual</b></p> <p>51. <b>Market</b></p> <p>52. <b>Individual</b></p> <p>53. <b>Market</b></p> <p>54. <b>Individual</b></p> <p>55. <b>Market</b></p> <p>56. <b>Individual</b></p> <p>57. <b>Market</b></p> <p>58. <b>Individual</b></p> <p>59. <b>Market</b></p> <p>60. <b>Individual</b></p> <p>61. <b>Market</b></p> <p>62. <b>Individual</b></p> <p>63. <b>Market</b></p> <p>64. <b>Individual</b></p> <p>65. <b>Market</b></p> <p>66. <b>Individual</b></p> <p>67. <b>Market</b></p> <p>68. <b>Individual</b></p> <p>69. <b>Market</b></p> <p>70. <b>Individual</b></p> <p>71. <b>Market</b></p> <p>72. <b>Individual</b></p> <p>73. <b>Market</b></p> <p>74. <b>Individual</b></p> <p>75. <b>Market</b></p> <p>76. <b>Individual</b></p> <p>77. <b>Market</b></p> <p>78. <b>Individual</b></p> <p>79. <b>Market</b></p> <p>80. <b>Individual</b></p> <p>81. <b>Market</b></p> <p>82. <b>Individual</b></p> <p>83. <b>Market</b></p> <p>84. <b>Individual</b></p> <p>85. <b>Market</b></p> <p>86. <b>Individual</b></p> <p>87. <b>Market</b></p> <p>88. <b>Individual</b></p> <p>89. <b>Market</b></p> <p>90. <b>Individual</b></p> <p>91. <b>Market</b></p> <p>92. <b>Individual</b></p> <p>93. <b>Market</b></p> <p>94. <b>Individual</b></p> <p>95. <b>Market</b></p> <p>96. <b>Individual</b></p> <p>97. <b>Market</b></p> <p>98. <b>Individual</b></p> <p>99. <b>Market</b></p> <p>100. <b>Individual</b></p>	<p>1. <b>Individual</b></p> <p>2. <b>Market</b></p> <p>3. <b>Individual</b></p> <p>4. <b>Market</b></p> <p>5. <b>Individual</b></p> <p>6. <b>Market</b></p> <p>7. <b>Individual</b></p> <p>8. <b>Market</b></p> <p>9. <b>Individual</b></p> <p>10. <b>Market</b></p> <p>11. <b>Individual</b></p> <p>12. <b>Market</b></p> <p>13. <b>Individual</b></p> <p>14. <b>Market</b></p> <p>15. <b>Individual</b></p> <p>16. <b>Market</b></p> <p>17. <b>Individual</b></p> <p>18. <b>Market</b></p> <p>19. <b>Individual</b></p> <p>20. <b>Market</b></p> <p>21. <b>Individual</b></p> <p>22. <b>Market</b></p> <p>23. <b>Individual</b></p> <p>24. <b>Market</b></p> <p>25. <b>Individual</b></p> <p>26. <b>Market</b></p> <p>27. <b>Individual</b></p> <p>28. <b>Market</b></p> <p>29. <b>Individual</b></p> <p>30. <b>Market</b></p> <p>31. <b>Individual</b></p> <p>32. <b>Market</b></p> <p>33. <b>Individual</b></p> <p>34. <b>Market</b></p> <p>35. <b>Individual</b></p> <p>36. <b>Market</b></p> <p>37. <b>Individual</b></p> <p>38. <b>Market</b></p> <p>39. <b>Individual</b></p> <p>40. <b>Market</b></p> <p>41. <b>Individual</b></p> <p>42. <b>Market</b></p> <p>43. <b>Individual</b></p> <p>44. <b>Market</b></p> <p>45. <b>Individual</b></p> <p>46. <b>Market</b></p> <p>47. <b>Individual</b></p> <p>48. <b>Market</b></p> <p>49. <b>Individual</b></p> <p>50. <b>Market</b></p> <p>51. <b>Individual</b></p> <p>52. <b>Market</b></p> <p>53. <b>Individual</b></p> <p>54. <b>Market</b></p> <p>55. <b>Individual</b></p> <p>56. <b>Market</b></p> <p>57. <b>Individual</b></p> <p>58. <b>Market</b></p> <p>59. <b>Individual</b></p> <p>60. <b>Market</b></p> <p>61. <b>Individual</b></p> <p>62. <b>Market</b></p> <p>63. <b>Individual</b></p> <p>64. <b>Market</b></p> <p>65. <b>Individual</b></p> <p>66. <b>Market</b></p> <p>67. <b>Individual</b></p> <p>68. <b>Market</b></p> <p>69. <b>Individual</b></p> <p>70. <b>Market</b></p> <p>71. <b>Individual</b></p> <p>72. <b>Market</b></p> <p>73. <b>Individual</b></p> <p>74. <b>Market</b></p> <p>75. <b>Individual</b></p> <p>76. <b>Market</b></p> <p>77. <b>Individual</b></p> <p>78. <b>Market</b></p> <p>79. <b>Individual</b></p> <p>80. <b>Market</b></p> <p>81. <b>Individual</b></p> <p>82. <b>Market</b></p> <p>83. <b>Individual</b></p> <p>84. <b>Market</b></p> <p>85. <b>Individual</b></p> <p>86. <b>Market</b></p> <p>87. <b>Individual</b></p> <p>88. <b>Market</b></p> <p>89. <b>Individual</b></p> <p>90. <b>Market</b></p> <p>91. <b>Individual</b></p> <p>92. <b>Market</b></p> <p>93. <b>Individual</b></p> <p>94. <b>Market</b></p> <p>95. <b>Individual</b></p> <p>96. <b>Market</b></p> <p>97. <b>Individual</b></p> <p>98. <b>Market</b></p> <p>99. <b>Individual</b></p> <p>100. <b>Market</b></p>

### RATING AREA 3

[illegible]

Company Name   UPMC Health Coverage, Inc.  
Market           Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING A

RATING AREA 4

RATING AREA 5

HIOS Plan ID	Plan Marketing Name	Wyoming
62560PA0030003	UPMC Advantage Essential Bronze	

Allegheny	Armstrong	Beaver	Butler	Fayette	Greene	Indiana	Lawrence	Washington	Westmoreland
\$205.78	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78

Bedford	Blair
\$205.78	\$205.78



Company Name   UPMC Health Coverage, Inc.  
Market           Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING A

RATING AREA 6

HIOS Plan ID	Plan Marketing Name	Clearfield	Cambria	Huntingdon	Jefferson	Somerset
62560PA0030003	UPMC Advantage Essential Bronze	\$205.78	\$205.78	\$205.78	\$205.78	\$205.78

Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland

Company Name   UPMC Health Coverage, Inc.  
Market           Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING A

RATING AREA 7

RATING AREA 8

HIOS Plan ID	Plan Marketing Name	Schuylkill	Snyder	Union
62560PA0030003	UPMC Advantage Essential Bronze			

Adams	Berks	Lancaster	York

Bucks	Chester	Delaware	Montgomery	Philadelphia

Company Name    UPMC Health Coverage, Inc.

Market            Individual

RATES FOR AGE 21, NON-TOBACCO USER, BY RATING A

RATING AREA 9

HIOS Plan ID	Plan Marketing Name	Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
62560PA0030003	UPMC Advantage Essential Bronze							

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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*	62560
Federal TIN*	46-2824537
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*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	157.42	157.42
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	15	171.41	171.41
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	16	176.77	176.77
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	17	182.12	182.12
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	18	187.88	192.58
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	19	193.64	198.49
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	20	199.61	204.60
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	21	205.78	210.93
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	22	205.78	210.93
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	23	205.78	210.93
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	24	205.78	210.93
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	25	206.60	211.77
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	26	210.72	215.99
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	27	215.66	221.05
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	28	223.68	229.28
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	29	230.27	236.03
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	30	233.56	239.41
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	31	238.50	244.47
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	32	243.44	249.53
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	33	246.52	252.69
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	34	249.82	256.07
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	35	251.46	257.76
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	36	253.11	259.44
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	37	254.76	261.13
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	38	256.40	262.82
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	39	259.69	266.19
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	40	262.99	269.57
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	41	267.93	274.63
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	42	272.66	279.48
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	43	279.24	286.23
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	44	287.47	294.67
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	45	297.15	304.58
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	46	308.67	316.40
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	47	321.63	329.68
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	48	336.45	344.87
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	49	351.06	359.85
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	50	367.52	376.72
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	51	383.78	393.38
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	52	401.68	411.74

2018 Rates Table Template v7.1

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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*	62560
Federal TIN*	46-2824537
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*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	53	419.79	430.30
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	54	439.34	450.34
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	55	458.89	470.37
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	56	480.08	492.10
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	57	501.49	514.04
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	58	524.33	537.45
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	59	535.65	549.05
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	60	558.49	572.46
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	61	578.24	592.71
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	62	591.21	606.00
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	63	607.46	622.67
62560PA0030003	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	617.34	632.79
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	157.42	157.42
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	15	171.41	171.41
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	16	176.77	176.77
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	17	182.12	182.12
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	18	187.88	192.58
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	19	193.64	198.49
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	20	199.61	204.60
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	21	205.78	210.93
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	22	205.78	210.93
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	23	205.78	210.93
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	24	205.78	210.93
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	25	206.60	211.77
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	26	210.72	215.99
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	27	215.66	221.05
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	28	223.68	229.28
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	29	230.27	236.03
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	30	233.56	239.41
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	31	238.50	244.47
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	32	243.44	249.53
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	33	246.52	252.69
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	34	249.82	256.07
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	35	251.46	257.76
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	36	253.11	259.44
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	37	254.76	261.13
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	38	256.40	262.82
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	39	259.69	266.19
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	40	262.99	269.57

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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*	62560
Federal TIN*	46-2824537
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*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	41	267.93	274.63
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	42	272.66	279.48
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	43	279.24	286.23
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	44	287.47	294.67
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	45	297.15	304.58
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	46	308.67	316.40
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	47	321.63	329.68
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	48	336.45	344.87
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	49	351.06	359.85
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	50	367.52	376.72
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	51	383.78	393.38
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	52	401.68	411.74
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	53	419.79	430.30
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	54	439.34	450.34
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	55	458.89	470.37
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	56	480.08	492.10
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	57	501.49	514.04
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	58	524.33	537.45
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	59	535.65	549.05
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	60	558.49	572.46
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	61	578.24	592.71
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	62	591.21	606.00
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	63	607.46	622.67
62560PA0030003	Rating Area 2	Tobacco User/Non-Tobacco User	64 and over	617.34	632.79
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	157.42	157.42
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	15	171.41	171.41
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	16	176.77	176.77
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	17	182.12	182.12
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	18	187.88	192.58
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	19	193.64	198.49
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	20	199.61	204.60
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	21	205.78	210.93
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	22	205.78	210.93
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	23	205.78	210.93
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	24	205.78	210.93
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	25	206.60	211.77
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	26	210.72	215.99
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	27	215.66	221.05
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	28	223.68	229.28



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*	62560
Federal TIN*	46-2824537
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*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	29	230.27	236.03
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	30	233.56	239.41
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	31	238.50	244.47
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	32	243.44	249.53
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	33	246.52	252.69
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	34	249.82	256.07
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	35	251.46	257.76
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	36	253.11	259.44
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	37	254.76	261.13
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	38	256.40	262.82
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	39	259.69	266.19
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	40	262.99	269.57
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	41	267.93	274.63
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	42	272.66	279.48
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	43	279.24	286.23
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	44	287.47	294.67
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	45	297.15	304.58
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	46	308.67	316.40
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	47	321.63	329.68
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	48	336.45	344.87
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	49	351.06	359.85
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	50	367.52	376.72
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	51	383.78	393.38
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	52	401.68	411.74
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	53	419.79	430.30
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	54	439.34	450.34
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	55	458.89	470.37
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	56	480.08	492.10
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	57	501.49	514.04
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	58	524.33	537.45
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	59	535.65	549.05
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	60	558.49	572.46
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	61	578.24	592.71
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	62	591.21	606.00
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	63	607.46	622.67
62560PA0030003	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	617.34	632.79
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	0-14	157.42	157.42
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	15	171.41	171.41
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	16	176.77	176.77

2018 Rates Table Template v7.1

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HIOS Issuer ID*	62560
Federal TIN*	46-2824537
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*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	17	182.12	182.12
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	18	187.88	192.58
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	19	193.64	198.49
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	20	199.61	204.60
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	21	205.78	210.93
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	22	205.78	210.93
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	23	205.78	210.93
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	24	205.78	210.93
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2018 Rates Table Template v7.1

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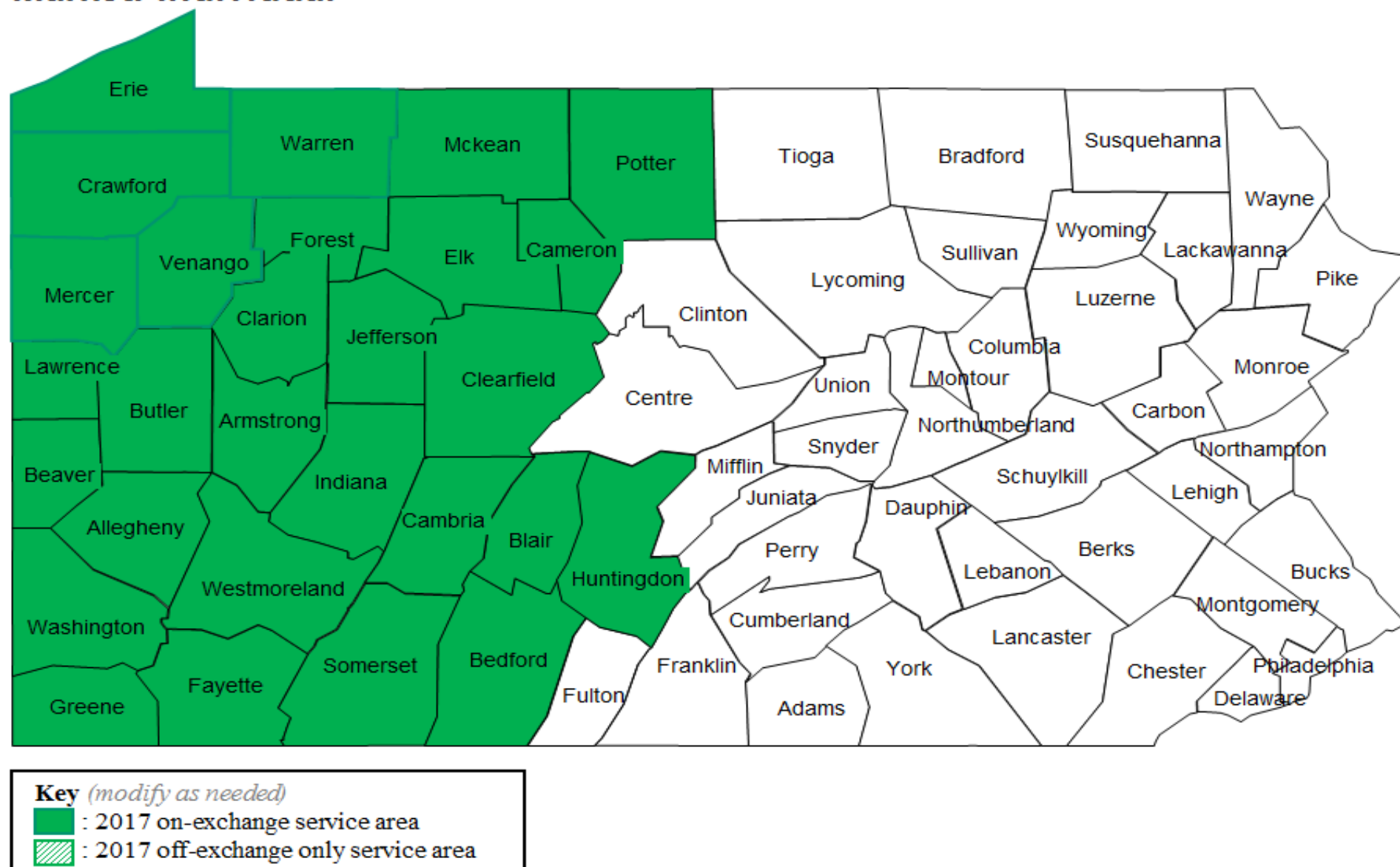
HIOS Issuer ID*	62560
Federal TIN*	46-2824537
Rate Effective Date*	1/1/2018
Rate Expiration Date*	12/31/2018
Rating Method*	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
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62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	57	501.49	514.04
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	58	524.33	537.45
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62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	63	607.46	622.67
62560PA0030003	Rating Area 5	Tobacco User/Non-Tobacco User	64 and over	617.34	632.79

## 2017 Service Area

**Issuer: UPMC Health Coverage**

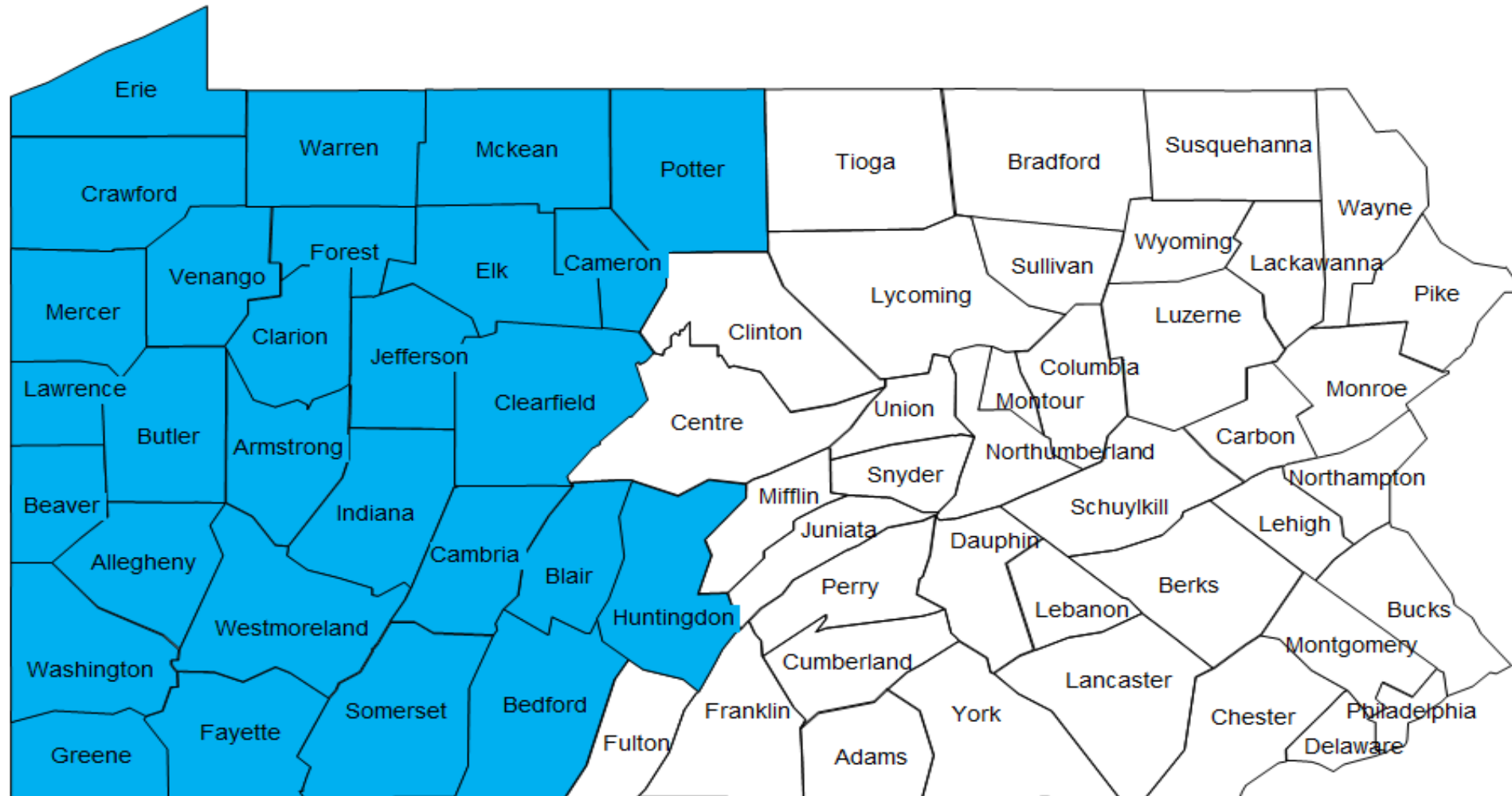
**Market: Individual**





## 2018 Service Area

**Issuer: UPMC Health Coverage**

**Market: Individual**



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

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

## Questions and Responses submitted 6/23/17

Question	Comment/Request	Response
1	The cover letter shows an NAIC # of 22350. The NAIC # for the captioned company is 15451. Please revise.	This has been revised in the cover letter, bulletin information, and memoranda.
2	Confirm HIOS submission and provide tracking number.	The submission has been confirmed. The tracking number is 62560-963015710651495427.
3	The Department rate table indicates on/off exchange, while the Plan Design Summary and cover letter indicate off exchange. Please review all tables and documents and revise for consistency.	This has been revised in the Department rate table.
4	Table 6, cell B54, indicates the PCORI fee is \$7.20. The 2018 PCORI pmpm amount should be no \$0.20. Please revise. Also review the percent of premium in cell C54 to ensure the yielding amount is consistent with \$0.20.	The value listed in Table 6 has been revised. We can confirm that the percent of premium in cell C54 is consistent with \$0.20 PMPM.
5	Table 6 cell C63 indicates the Single Risk Pool pmpm is \$397.85, while the Single risk pool in the URRT in cell V43 indicates \$398.32. Please reconcile.	This disparity arises from differences in the way trend is implemented in Table 3 versus the URRT. Table 3 uses weights for each benefit category when calculating the total applied trend projection factor. These weights were determined using the proportion of allowed claims that corresponded to each benefit category during the experience period. Since the trend adjustment for each benefit category is lumped into one factor that is applied to the total allowed EHB claims in Table 5 to account for the entire two-year period between the experience and projection periods, the weights implicitly remain static on an annual basis within this factor. However, the URRT applies the trend adjustment to the allowed claims and utilization for each benefit category separately. Handling the calculation in this manner allows the implicit weights to remain dynamic for each year and change as the allowed claims and utilization values are adjusted. The marginal error that arises from these two different styles of trend implementation propagates all the way to the values mentioned in this question.
6	Worksheet II cell G29 projected product increase indicates a 3.69% rate increase, while Department exhibits Tables 10 and Table 11 show 0%. Please reconcile.	The rate change % in the worksheet II cell G29 uses the consumer adjusted premium rate to account for the current distribution of enrollment by age, geographic area, and tobacco status per the federal instruction. The PID Table 10 and 11 shows the rate increase between the plan adjusted index rates which don't account for these adjustments. Therefore, these values should be different especially with the change in the age factors from 2017 to 2018.
7	Please show the development of the Health Insurance Industry Fee of 3.38% as shown in Table 6 cell C57.	Our actual insurer's tax for 2016 was 1.7% of our total revenue. According to the IRS website, the 2018 overall applicable amount (\$14,300,000,000) is set to be about 126.5 % of the 2016 overall applicable amount (\$11,300,000,000). We adjusted our 2016 rate of 1.7% by the same 126.5%. We then divided that value by 65% to account for the 35% corporate tax which ended up 3.38%.
8	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 "HC IND Work for Responses to Objection Letter 06-23-17" for the requested data.
9	Per Table 2b, it appears that the average paid-to-allowed ratio of the benefit plans underlying the Manual Rate was approximately 78.0% (i.e. "Ultimate Incurred Claims" / "Allowed Claims (Non-Capitated)"). Given the benefit plan associated with this filing is a Bronze plan with an AV Metal Value of 0.610, please describe and demonstrate quantitatively how the Index Rate equal to \$483.48 PMPM was adjusted to reflect the impact of lower induced utilization. If it was not, please provide justification for not applying this adjustment.	Due to the low AV of this plan, a factor accounting for induced utilization would lead to lower rates. In previous years, an adjustment accounting for the broad Standard Network associated with this plan was made. This adjustment lead to an increase in rates due to the factor that the Standard Network has broad offerings relative to the mixture of broad and narrow networks associated with the manual data used in this filing. Ultimately, these two adjustments end up canceling each other out, and neither adjustment was applied in 2018 rate development.
10	Please provide the numerical development of the projected 2018 MLR that shows compliance with the 80% minimum MLR.	Please see "HC IND Work for Responses to Objection Letter 06-23-17" for the calculation of the projected MLR using the prescribed methodology in PPACA.

11	<p>The following questions are related to the demographic adjustment equal to 1.000 and age calibration factor equal to 1.771:</p> <p>a. Per the Actuarial Memorandum, it appears that the age calibration factor equal to 1.771 is based on 2017 experience so far, which reflects a slightly higher average age than in the manual rate base experience, where the average premium factor was 1.73. Please confirm that this is correct.</p> <p>b. It is stated in the Actuarial Memorandum that no demographic adjustment was made in developing the Index Rate due to the stability of the population. Please provide additional clarification regarding why a demographic adjustment was not made to the Index Rate to reflect a demographic mix similar to that of the 2017 membership even though the age calibration factor appears to have been updated to reflect the age mix of that membership.</p>	<p>a. We can confirm that this is correct.</p> <p>b. The change in age calibration factor from the experience period to the projection period was small enough that the insured population is considered to be stable, and no additional adjustment for demographics was deemed necessary. Also, the calibration performed using the age calibration factor already account for changes in the age of the underlying population from year to year, meaning that an adjustment for demographics is not necessary simply due to a change in the age calibration factor.</p>
12	Please indicate if the Company included an adjustment to account for the regulation that prohibits charging for more than three children per family, and, if applicable, demonstrate how the adjustment was derived and where it is included in the filing.	No adjustment was made to account for this regulation.
13	Please provide the numerical development of the tobacco surcharge adjustment of 0.998 shown in column P of Table 10.	Please see "HC IND Work for Responses to Objection Letter 06-23-17" for the calculation of the tobacco surcharge adjustment.
14	<p>We have the following questions regarding the risk adjustment PMPM value:</p> <p>a. Please provide the quantitative development of the projected 2018 risk adjustment transfer payment equal to \$1,597.01, or \$44.36 PMPM</p> <p>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 payment PMPM of \$44.36.</p>	<p>a. This calculation is shown in Exhibit 1 of the Supporting Exhibits.</p> <p>b. In early May, PID released 2016 risk adjustment transfer payment estimates for each carrier in each market. These estimates were used as the basis for calculating the risk adjustment PMPM for the projection period. It was assumed that this estimate was already calculated on a claims basis, which would eliminate the need to include the 0.86 factor in the calculations.</p>
15	Does UPMC HC have individual transitional business? If so, provide the experience period claims, premium and number of member months.	UPMC Health Coverage does not offer transitional products in the Individual market, as is mentioned in the "Experience Period Claims and Premium" section of the PA Actuarial Memorandum.
16	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.	Commissions are paid under all circumstances and in all geographic locations. They will not vary by metal level or plan. Commissions are not paid for Special Enrollment Periods. Please see the "Administrative Expenses" section of the unredacted PA Actuarial Memorandum for a discussion on commissions and the calculation of the average commission. The current and 2018 broker agreement is located in the Supporting Documentation section in SERFF.
17	The number of policyholders on the Rate/Rule Tab in SERFF should be the number of lives as per Department Guidelines on Page 5 – Section A. 2D. SERFF Rate/Rule Schedule Tab.	This change has been made in the post-submission update.
18	<p>Please explain the discrepancy noted in the following:</p> <p>a) Ultimate Incurred Claims shown in Table 2b (\$451,226,697) versus Table 4b (\$452,299,637 – adding the 2016 ultimate incurred claims)</p> <p>b) Estimated Cost Sharing shown in Table 2b (\$127,047,195) versus Table 4b (\$125,615,924)</p>	In Table 4b, the completion factors are applied to incurred claims to generate the ultimate incurred claims. The incurred claims consist of both medical and pharmacy claims. For our internal calculations, we do not apply completion factors to pharmacy claims, but it is not possible to do this given the way Table 4b is set up. Table 2b reflects the claims data from our internal calculations, which leads to the disparity between the observed values.
19	Please explain why the trends do not include an induced utilization component.	The minor changes made to benefit designs in order to keep plan actuarial values within the allowed ranges were not significant enough to warrant an adjustment for induced demand with regard to trend.
20	The sum of the rate increase components shown in Table 8 line H does not approximate line A as indicated by the label. Please explain why this value is so different from the change in Calibrated Plan Adjusted Index Rate.	This disparity arises from various inconsistencies in Table 8. Network adjustments are accounted for twice and change in age calibration factors from year to year are not accounted for in row H of Table 8, which is being compared to the change in the Calibrated Plan Adjusted Index Rate.
21	The average age in Table 1 should be the true age based on single year bands distribution. If not, please revise Table 1.	The average ages have been revised in Table 1 and the memoranda.
22	Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, Federal Rates Template and the binder are identical.	This has been confirmed.

Question 8

ACA\_INDIVIDUAL

Completion Factor for Jan-May 2017: 0.796106138

MED TREND

2017 year-to-date through May 31

Outpatient Hospital					
YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$4,842,298	19,519	44,105	\$109.79	5,310.7
2015	\$39,254,469	161,969	630,009	\$62.31	3,085.1
2016	\$85,309,913	334,884	1,322,405	\$64.51	3,038.9
2017	\$48,250,275	148,051	709,148	\$68.04	2,505.3

Professional					
YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$4,378,934	41,076	44,105	\$99.28	11,175.9
2015	\$43,250,914	454,283	630,009	\$68.65	8,652.9
2016	\$92,952,937	1,003,278	1,322,405	\$70.29	9,104.1
2017	\$54,859,556	482,743	709,148	\$77.36	8,168.8

Inpatient Hospital					
YEAR	ALLOWED AMT	ADMIT CNT	ENROLLMENT	PMPM	UTILIZATION ADMIT PTPM
2014	\$12,341,827	477	44,105	\$279.83	129.8
2015	\$55,277,196	3,345	630,009	\$87.74	63.7
2016	\$105,282,742	6,784	1,322,405	\$79.61	61.6
2017	\$55,335,390	2,877	709,148	\$78.03	48.7

Other Medical					
YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$10,103,799		44,105	\$229.09	
2015	\$67,320,027		630,009	\$106.86	
2016	\$156,853,151		1,322,405	\$118.61	
2017	\$89,591,800		709,148	\$126.34	

RX TREND

2017 year-to-date through June 15

Generic					
YEAR	ALLOWED AMT	CLAIM CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$1,940,686	52,546	44,105	\$44.00	14,296.6
2015	\$14,453,324	517,218	630,009	\$22.94	9,851.6
2016	\$32,022,638	1,175,935	1,322,405	\$24.22	10,670.9
2017	\$16,627,567	694,955	850,738	\$19.54	9,802.6

Brand					
YEAR	ALLOWED AMT	CLAIM CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$2,665,984	8,264	44,105	\$60.45	2,248.5
2015	\$19,525,613	65,889	630,009	\$30.99	1,255.0
2016	\$50,460,959	147,252	1,322,405	\$38.16	1,336.2
2017	\$ 32,046,843.32	86,363	850,738	\$37.67	1,218.2

Specialty					
YEAR	ALLOWED AMT	CLAIM CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$2,821,081	726	44,105	\$63.96	197.5
2015	\$19,807,692	4,243	630,009	\$31.44	80.8
2016	\$49,274,653	9,875	1,322,405	\$37.26	89.6
2017	\$32,635,504	6,308	850,738	\$38.36	89.0

Total					
YEAR	ALLOWED AMT	CLAIM CNT	ENROLLMENT	PMPM	UTILIZATION PTPM
2014	\$7,427,752	61536	44,105	\$168.41	16,742.6
2015	\$53,786,629	587350	630,009	\$85.37	11,187.5
2016	\$131,758,249	1333062	1,322,405	\$99.64	12,096.7
2017	\$81,309,914	787626	850,738	\$95.58	11,109.8

Trend Output to go into PID tables/URRT

Service Category	2016 Allowed Amt	Weight	Cost	Utilization	Overall	Adj Cost	Adj Util	Overall
Inpatient Hospital	\$105,282,742	18.4%	-9.26%	-3.38%	-2.27%	-7.85%	-2.87%	-1.92%
Outpatient Hospital	\$85,309,913	14.9%	3.54%	-1.50%	0.30%	3.00%	-1.27%	0.25%
Professional	\$92,952,937	16.2%	2.39%	5.21%	1.26%	2.03%	4.42%	1.06%
Other Medical	\$156,853,151	27.4%	11.00%	0.00%	3.02%	9.33%	0.00%	2.56%
Prescription Drugs	\$131,758,249	23.0%	16.70%	8.13%	6.03%	14.16%	6.89%	5.11%

OVERALL TREND 8.33% OVERALL TREND 7.06%

FACTOR USED TO ADJUST COST/UTIL TRENDS 0.8480

## Question 10

Projected Paid Claims	Projected Net Amount of Risk Adjustment	Projected Quality Improvement Initiatives	Projected Taxes & Fees	Projected Premium	Loss Ratio
\$ 11,245.13	\$ (128.52)	\$ 60.51	\$ 446.96	\$ 13,116.84	90.1%

### Question 13

Tobacco Status	April 2017 Enrollment	Portion of Enrollment	Tobacco Load	Tobacco Surcharge Adjustment
Non-User	145,010	91.3%	1.000	0.998
User	13,899	8.7%	1.025	



## Questions and Responses submitted 7/14/17

Question	Comment/Request	Response
1	In response to question #3 of my June 16 letter, you indicate that the Department rate table has been revised. There continues to be discrepancies between the Plan Design Summary, PID Rate Table and the Binder. Please review all tables and documents and revise for consistency.	The rates templates included in the binder were not updated along with the updates made based on correspondence with PID. After this re-submission, the final rates templates will be updated in the binder.
2	In response to question 16, you have not shown the development of the average commission according to the broker agreement (i.e. by metal and renewal year). Please provide.	The broker transactions are handled through a vendor. We reached out to them, and we are currently waiting for a response.
3	<p>The following questions are related to your response to Question 11:</p> <p>a. Please confirm whether the average premium factor equal to 1.73 based on the 2016 manual rate experience was developed using the 2018 federal age factors or the 2017 federal age factors.</p> <p>i. If it is based on the 2017 federal age factors, please provide what the average premium factor would have been if using the 2018 federal age factors.</p> <p>ii. If it is based on the 2018 federal age factors, please clarify what is meant in your response by the statement that “the calibration performed using the age calibration factor already accounts for the changes in the age of the underlying population from year to year.” It is our expectation that if the projected Index Rate reflects cost levels associated with an average age factor of 1.73 (due to using the manual experience as a basis with no demographic adjustment), but the Plan Adjusted Index Rates are divided by an age calibration factor equal to 1.77 (based on the 2017 membership) the resulting rates will be approximately 2.3% too low (i.e. <math>1.73/1.77 - 1</math>), all else equal.</p>	<p>a. The 1.73 age factor was developed using the 2017 federal age factors.</p> <p>i. When using 2018 federal age factors, this factor is 1.75.</p> <p>ii. The 1.77 factor used in rate development was calculated using the 2018 federal age factors along with projected membership for each age band, for which current enrollment was the basis. Furthermore, the HHS age curve does not necessarily reflect the difference in costs for different age groups. We mainly used the average age factor as a general comparison measure to see if there was a drastic change from one year to another that would require additional adjustments.</p>
4	Per your response to Question 12, no adjustment was made to account for the regulation that prohibits charging for more than three dependents under the age of 21 per family. Is the reason for not applying an adjustment based on analysis by the company showing that the impact would be minimal? Or is there another reason for not applying the adjustment?	No adjustment was made because the impact of this regulation on projected costs would be minimal.
5	<p>The following questions are related to your response to Question 14 regarding the risk adjustment PMPM value:</p> <p>a. It is noted that the 2016 risk transfer payment estimates released by PID in early May were assumed to be on a claims basis and so the 0.86 factor was not accounted for. Please describe why this was assumed to be the case.</p> <p>b. Based on your response, it is our understanding that anticipated changes to the statewide average premium between 2016 and 2018 were not considered in developing the projected risk adjustment transfer payment equal to \$44.36 PMPM. Please confirm that this understanding is correct. If it is not correct, please clarify.</p> <p>c. Please describe how credibility was taken into account, if at all, in the development of the assumed risk adjustment transfer payment equal to \$44.36.</p> <p>d. Given that 100% credibility is being assigned to the manual rate and no morbidity adjustment was applied in the development of the Index Rate (i.e. the Index Rate for UPMC Health Coverage reflects the same morbidity level as the Index Rate for UPMC Health Options), please explain why it is appropriate to assume the projected risk adjustment transfer payment in 2018 will be equal to that which occurred in 2016 for UPMC Health Coverage rather than that which occurred in 2016 for UPMC Health Options.</p> <p>e. Please provide the actual risk adjustment transfer payment PMPM for each of UPMC Health Coverage and UPMC Health Options per the CMS risk adjustment transfer report for the 2016 benefit year, released on 6/30/2017.</p> <p>f. 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.</p>	<p>a. The PID estimate that was released didn't specify that the 0.86 was unaccounted for. We assumed that was the complete estimated Risk Adjustment Transfer Amount for our company.</p> <p>b. Yes, we confirm that is correct.</p> <p>c. No credibility was taken into account for the development of this risk transfer payment estimate due to the very small enrollment under this company in the Individual market.</p> <p>d. As discussed in the "Market-Adjusted Index Rate" section of the PA Actuarial Memorandum, the projected payment for UPMC Health Coverage is equal to a decreased value of the bronze metal level estimate of the projected transfer payment for UPMC Health Options in the Individual market developed by a consultant.</p> <p>e. The actual risk adjustment transfer amount is \$0 pmpm.</p> <p>f. No revision will be made since the estimate used for projected 2016 risk adjustment was nearly identical to the actual value.</p>
6	In response to question 21, you indicate that Table 1 has been revised. Please confirm that the average age in Table 1 is the true average age and not the average age based on the default age curve.	In question 21 of our initial correspondence with PID for our Health Coverage Small Group rate filing, we were instructed, "per CMS instructions, once the average factor is determined, the nearest age on HHS Age Curve should be selected as the average age." This revision has been made in Table 1 to ensure consistency across all filings.
7	Please ensure that all revisions are reflected in this resubmission.	All revisions are reflected in this submission.

8	<p>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:</p> <ul style="list-style-type: none"><li>• Cover Letter</li><li>• Rate Change Request Summary (Attachment 1)</li><li>• Part 1 - Unified Rate Review Template (URRT)</li><li>• Part II – Consumer Friendly Justification</li><li>• Part III – Federal Actuarial Memorandum (redacted)</li><li>• PA Actuarial Memorandum (redacted)</li><li>• PA Actuarial Memorandum Rate Exhibits</li><li>• PA Plan Design Summary and Rate Tables</li><li>• Federal Rates Templates</li><li>• Service Area Maps</li><li>• Correspondence – Q&amp;A’s</li></ul> <p>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 6, 2017 is used. The deadline for the revised PDF is COB July 18, 2017.</p>	<p>We will upload the final public rate filing pdf by 07/18/2017 as instructed.</p>
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