

**SERFF Tracking #:**

AETN-131899868

**State Tracking #:**

AETN-131899868

**Company Tracking #:**

**State:**

Pennsylvania

**Filing Company:**

Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV

**TOI/Sub-TOI:**

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only

**Product Name:**

2020 PA SG AHI Filing

**Project Name/Number:**

2020 PA SG AHI Filing/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	ACA Public Rate Filing PDF
<b>Comments:</b>	
<b>Attachment(s):</b>	AHI 2020 Public PDF_final.pdf 2020_SmGrp_AHI_Attachment1_080619.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



May 21, 2019

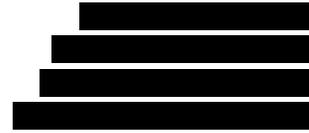
Ms. Jessica Altman  
Insurance Commissioner  
Bureau of Life, Accident & Health Insurance  
1326 Strawberry Square  
Harrisburg, PA 17120

Re: Aetna Health, Inc. & Aetna Health Ins. Co.  
NAIC #: 95109 / 72052  
Market: Small Group  
Exchange: Off-Exchange  
Effective Date: 01/01/2020  
Avg rate change requested: 10.6%  
Range of rate change requested: 10.6% - 10.6%  
Products: HMO, POS  
Rating Areas: Rating Areas 1-3 and 5-9, certain counties excluded  
Metal Levels: Silver  
Current # covered lives: 394  
Current # policyholders: 131  
Number of plans offered vs 2019: 1 in 2019; 1 in 2020  
HIOS Issuer ID / Binder #: 64844 / AETN-PA20-125092024  
Rate Filing Tracking Number: AETN-131899868 & AETN-131899740  
Policy Form(s): HI SG HCOC-2020 04 / HO SG HCOC-2020 04 &  
HI SG HCOC-2020 04  
HI SG-SOB-HMO 04 / HO SG-SOB-POS-  
14042173 04 & HI SG-SOB-HMO 04  
Form Filing Tracking Number: AETN-131928568 & AETN-131928597

Dear Ms. Altman:

The purpose of this filing revision is to provide details of the premium rate development and resulting proposed monthly premium rates for Small Group policies which will be offered off-Exchange in the state of PA for effective dates of January 1, 2020 and later. This filing is being provided to comply with regulatory rate filing requirements, and is not intended to be used for other purposes.

The health benefit plans proposed in this filing are in compliance with all state-specific benefit requirements and rating regulations, as well as the benefit plan requirements of the Patient Protection and Affordability Act (P.L. 111-148). This rate filing is intended for new business issued through the State of PA off-Exchange marketplace effective January 1, 2020.

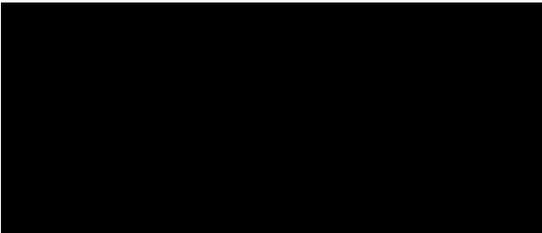


All products and associated proposed monthly premium rates contained within this rate filing will be available to existing business upon their request. Existing business that is not considered grandfathered under PPACA regulation will be converted to the plans and rates in this filing upon renewal.

We have tried to present this information in a manner that will facilitate your Department's review. If there are changes we can make to improve the process or you would like us to present the information differently in the future, please let us know.

Please feel free to contact me at the above listed telephone number and/or e-mail address if you have any additional questions.

Sincerely,



# Attachment I

# Rate Change Summary

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## Aetna Health Inc. (a PA corp.) – Small Group Plans

Rate request filing ID # AETN-131899868 & AETN-131899740 - 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:	7.8%
Revised requested average rate change:	N/A
Range of requested rate change:	7.8% - 7.8%
Effective date:	January 1, 2020
Mapped Members:	384
Available in:	Rating Areas 1-3 and 5-9, certain counties excluded

### Key information

#### Jan. 2018-Dec. 2018 financial experience

Premiums	\$93.1 M
Claims	\$61.9 M
Administrative expenses	\$11.8 M
Taxes & fees	\$7.3 M
<hr/>	
Company made (after taxes)	<b>\$12.1 M</b>

#### How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2020:

Claims:	80.7%
Administrative:	9.6%
Taxes & fees:	7.7%
Profit:	2.0%

The company expects its annual medical costs to increase **12.6%**.

### Explanation of requested rate change

Medical costs are going up, and we are changing our rates to reflect this increase. Medical costs go up for two reasons – providers raise their prices and members get more medical care. Rate increases differ by plan. The exact rate change depends on what benefit plan the group chooses, where the group is located, when the group's contract renews, and the ages and family sizes of enrolling employees. Rates charged to employees also depend upon any change in the amount of premium paid by the employer.

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July 12, 2019

Ms. Jessica Altman  
Insurance Commissioner  
Bureau of Life, Accident & Health Insurance  
1326 Strawberry Square  
Harrisburg, PA 17120

Re:	Aetna Health, Inc. & Aetna Health Ins. Co.
NAIC #:	95109 / 72052
Market:	Small Group
Exchange:	Off-Exchange
Effective Date:	01/01/2020
Avg rate change requested:	7.8%
Range of rate change requested:	7.8% - 7.8%
Products:	HMO, POS
Rating Areas:	Rating Areas 1-3 and 5-9, certain counties excluded
Metal Levels:	Silver
Current # covered lives:	384
Current # policyholders:	263
Number of plans offered vs 2019:	1 in 2019; 1 in 2020
2019 Avg rate change:	11.6%
HIOS Issuer ID / Binder #:	64844 / AETN-PA20-125092024
Rate Filing Tracking Number:	AETN-131899868 & AETN-131899740
Policy Form(s):	HI SG HCOC-2020 04 / HO SG HCOC-2020 04 & HI SG HCOC-2020 04 HI SG-SOB-HMO 04 / HI SG-SOB-HMO 04 & HI SG-SOB-HMO 04
Form Filing Tracking Number:	AETN-131928568 & AETN-131928597

Dear Ms. Altman:

The purpose of this filing revision is to provide details of the premium rate development and resulting proposed monthly premium rates for Small Group policies which will be offered off-Exchange in the state of PA for effective dates of January 1, 2020 and later. This filing is being provided to comply with regulatory rate filing requirements, and is not intended to be used for other purposes.

The health benefit plans proposed in this filing are in compliance with all state-specific benefit requirements and rating regulations, as well as the benefit plan requirements of the Patient Protection and Affordability Act (P.L. 111-148). This rate filing is intended for new business issued through the State of PA off-Exchange marketplace effective January 1, 2020.



All products and associated proposed monthly premium rates contained within this rate filing will be available to existing business upon their request. Existing business that is not considered grandfathered under PPACA regulation will be converted to the plans and rates in this filing upon renewal.

The following modifications have been made from the original filing:

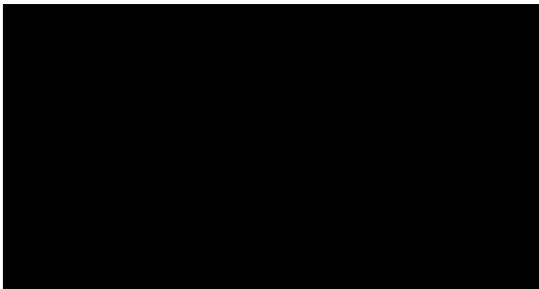
- The Risk Adjustment User Fee has been added to its own line in Table 6 of the PA Actuarial Memorandum Exhibits and removed from the Health Insurer Fee line
- Table 2 has been revised per Objection 20 on June 18, 2019
- Table 7 has been revised per Objection 21 on June 18, 2019
- URRT Worksheet 1 was revised to remove the impact of MLR rebates, per Objection 22 on June 18, 2019
- Table 4 has been revised per Objection 27 on June 18, 2019
- The Profit/Contingency (after tax) on Table 6 of the PA Actuarial Memorandum Exhibits has been revised to reflect 2.0%, a decrease from the initial 4.31%, at the request of the DOI.

The initial requested rate change was 10.6% and the revised rate change is 7.8%

We have tried to present this information in a manner that will facilitate your Department's review. If there are changes we can make to improve the process or you would like us to present the information differently in the future, please let us know.

Please feel free to contact me at the above listed telephone number and/or e-mail address if you have any additional questions.

Sincerely,



# 2020 Pennsylvania Actuarial Memorandum

## 1. Basic Information and Data

### A. Company Information

Company Legal Name:	Aetna Health, Inc. & Aetna Health Ins. Co.
NAIC #:	95109 / 72052
Market:	Small Group Off-Exchange
Effective Date:	01/01/2020
Avg rate change requested:	7.8%
Range of rate change requested:	7.8% - 7.8%
Products:	HMO, POS
Rating Areas:	Rating Areas 1-3 and 5-9, certain counties excluded
Metal Levels:	Silver
Current # covered lives:	384
Current # policyholders:	263
Number of plans offered:	2
HIOS Issuer ID / Binder #:	64844
Rate Filing Tracking Number:	AETN-131899868 & AETN-131899740
Policy Form(s):	HI SG HCOC-2020 04 / HO SG HCOC-2020 04 & HI SG HCOC-2020 04
Form Filing Tracking Number:	AETN-131928568 & AETN-131928597

### B. Rate History and Proposed Variations in Rate Changes

- January 1, 2014
  - Introduction of ACA
  - AETN-129037950 & AETN-129037955
- July 1, 2014
  - Lowered previously filed 3Q14-4Q14 rates by 17%
  - AETN-129418257 & AETN-129418258
- January 1, 2015
  - Filed a 4% increase
  - AETN-129621063 & AETN-129621158
- July 1, 2015
  - Lowered previously filed 3Q15-4Q15 rates by 4% by removing commissions and tobacco surcharge load
  - AETN-129920222 & AETN-129920216
- January 1, 2016
  - Filed a 5% rate increase
  - AETN-130046864 & AETN-130046890
- April 1, 2016
  - Increased previously filed 2Q16-4Q16 rates by 4% to add commissions
  - AETN-130242320 & AETN-130242341
- October 1, 2016
  - Increased previously filed 4Q16 rates by 10.8%

- AETN-130565130 & AETN-130565135
- January 1, 2017
  - Filed a 26.5% rate increase
  - AETN-130533489 & AETN-130533478
- January 1, 2018
  - Filed a 5.6% rate increase
  - AETN-131033648 & AETN-131033632
- January 1, 2019
  - Filed a 11.6% rate increase
  - AETN-131455854 & AETN-131455863

**C. Average Rate Change**

The average rate change, as noted in cell AC15 of Table 10 and the percent change rate requested on the SERFF Rate Review Detail screen, is 7.8%. The change in the 21-year-old non-tobacco premium pmpm as stated in cell AN13 on Table 11 is 9.0%.

**D. Membership Count**

Total current membership by age bucket is shown on Table 1.

**E. Benefit Changes**

We are continuing to offer one silver plan for each product; the out-of-pocket maximum on this plan has increased from \$7,900 to \$8,150. The HIOS IDs are as follows:

2019 HIOS Plan ID	2019 Plan Name	2020 HIOS Plan ID	2020 Plan Name
64844PA0070142	PA Silver HMO 6000 80% \$30/75	64844PA0070142	PA Silver HMO 6000 80%
64844PA0060126	PA Silver QPOS 6000 80/50 \$30/75	64844PA0060126	PA Silver QPOS 6000 80/50

**F. Experience Period Claims and Premium**

The experience data reported in Worksheet 1, Section I of the Part I Unified Rate Review Template reflects incurred claims from January 1, 2018 through December 31, 2018 and paid through February 28, 2019, for AHI-AHIC.

Allowed and incurred claims are sourced from our actuarial experience databases. These databases provide member-level detail on total allowed and incurred claims but do not include unit cost or utilization metrics. We allocate claims to cost categories and estimate the corresponding unit costs and utilization metrics by using an alternate reporting system that calculates unit cost and utilization metrics by medical cost category but only permits inclusion/exclusion of experience at the market and segment levels. A reconciliation of aggregate data in our actuarial experience databases is performed to ensure that data is consistent with the experience data contained in our enterprise-wide data warehouse.

Total incurred claims are developed by estimating the incurred but not paid (IBNP) reserves using aggregate block of business paid claims. Paid claims are adjusted using the IBNP completion factors. More specifically, historical claim payment patterns are used to predict the ultimate incurred claims for

each date-of-service month. The IBNP is estimated using actuarial principles and assumptions which consider historical claim submission and adjudication patterns, unit cost and utilization trends, claim inventory levels, changes in membership and product mix, seasonality, and other relevant factors including a review of large claims. This same process is used to develop IBNP estimates for allowed claims.

Experience period premiums are date-of-service premiums from our actuarial experience databases for Small Group business in Pennsylvania. Our internal projections indicate that no MLR rebate is expected to be paid in 2019 (for 2018 experience) for the Small Group MLR Pool in Pennsylvania. As such, no adjustment was made to premiums to account for expected rebates.

The products discussed in this filing provide coverage for only those benefits defined as Essential Health Benefits (EHB).

The manual experience includes capitation for the same services that are expected to be capitated for the products in this filing in 2020.

Transitional Reinsurance recoveries do not apply to Small Group business. Risk Adjustment transfer is accrued at the issuer and market level based on 2018 Wakely data and our internal projections of how our risk relative to market has changed since that report was issued. The transfer is allocated to the member-level by applying the HHS risk transfer calculation to each member relative to the imputed market-average, such that members with higher resulting relative transfers scores may have a receivable and members with lower resulting scores may have a payable, regardless of the net market risk transfer result.

Pharmacy rebates have been subtracted out of the experience period data. The loss ratio for the experience period is 66.5%.

**G. Credibility of Data**

No credibility is assigned to the experience data. This is due to the use of alternate experience data that more accurately captures the essential characteristics of the market for which we are developing rates.

The source data for our manual rate is the experience incurred from January 1, 2018 to December 31, 2018 and paid through February 28, 2019 for Aetna community-rated policies in the Pennsylvania Small Group (HMO / PPO) market. The Small Group market experience is considered an appropriate source for the manual rate.

The Small Group experience used as the basis for the manual rate was adjusted in a similar manner as the base period experience for changes in population risk morbidity, benefits, and demographic and area normalizations. The data is further adjusted for projected changes in network, provider contract rates, and claims adjudication, in addition to unit cost and utilization trend.

**H. Trend Identification**

The trend values are:

Service Type	Unit Cost	Utilization
Facility Inpatient	5.5%	2.8%
Facility Outpatient	4.1%	6.8%
Physician	1.7%	6.3%
Capitation	0.0%	0.0%

<b>Medical</b>	3.8%	5.5%
Pharmacy	10.4%	2.4%
<b>Total (Med + Rx)</b>	5.1%	4.9%

The quarterly trend factors for this filing are:

<b>Effective Quarter</b>	<b>Trend Factor</b>
1 Q 2020	1.000
2Q 2020	1.030
3Q 2020	1.061
4Q 2020	1.093
Total	1.047

Medical trend factors are based on our Medical Economics Unit's local trend and network experience, based on analysis of a continuous normalized population, excluding catastrophic claims. Allowed medical trend includes known and anticipated changes in provider contract rates, severity and medical technology impacts, and expected changes in utilization. The impact of benefit leveraging is accounted for separately in the projected paid to allowed ratio.

Pharmacy trends are based on national commercial group Rx trend analysis. Pharmacy trend considers the impact of formulary changes, patent expirations, new drugs, other general market share shifts, and overall utilization trend. Pharmacy Trend is expressed in terms of allowed trend less rebates.

Our internal systems assign claims to several benefit categories. We have mapped these categories to the categories described in the Unified Rate Review Instructions released in March 2019. Inpatient Hospital consists of care delivered at an inpatient facility and associated expenses, including day-based mental health services. Outpatient Hospital includes outpatient surgical, outpatient mental health, and emergency care and associated expenses. Professional includes both specialty physician and primary care physician expenses, including office-based mental health services. Other includes dental, home health care, medical pharmacy expenses, laboratory expenses, and radiology expenses. Non-capitated ambulance is included in the Outpatient Hospital category when billed by the facility and included in Specialist Physician otherwise. Prescription Drug includes drugs dispensed by a pharmacy.

The utilization for these services is counted by service type and aggregated for each benefit category. Inpatient Hospital utilization is counted as days; Outpatient Hospital, Professional, and Other Medical utilization are counted as visits. Prescription Drug utilization is counted per script.

Trend factors are developed from annual forward-looking trend and leveraging. A trend factor of 1.00 corresponds to a policy period that begins January 1, 2020.

### **I. Historical Experience**

As described above, medical trend factors are based on our Medical Economics Unit's local trend and network experience, and pharmacy trends are based on national commercial group Rx trend analysis.

## 2. Rate Development & Change

Please refer to the file titled *PA\_SG\_64844\_Off\_1Q2020\_Exhibits\_v2.xlsx* for any exhibits referenced in the sections below.

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

The index rates for the experience and projection periods are set equal to the actual and projected allowed claims, respectively.

The index rate reflects the projected mix of business by plan. The AV pricing values for each plan are based on our internal company modeling of plan cost-sharing designs, the plan's provider network, delivery system characteristics, and utilization management practices, the impacts (as applicable) of benefits in addition to EHBs and catastrophic eligibility criteria, and the distribution and administrative costs applicable to the plan/product. Rates do not differ for any characteristic other than those allowable under the regulations as described in 45 CFR 156 §156.80(d)(2).

Exhibit 12 illustrates the quarterly trend factors, the resulting index rate for effective dates during each calendar quarter, the projected membership distribution by effective date, and the weighted-average index rate. Trend factors are developed from annual forward-looking trend and leveraging. A trend factor of 1.00 corresponds to a policy period that begins January 1, 2020. The annual trend for this filing, applied quarterly, is 12.6%. The application of this factor is shown in Table 5A.

Exhibit E-1 illustrates the development of the Market Adjusted Index Rate. The market-wide adjustment for Risk Adjustment was discussed, previously. The risk adjustment is displayed on a paid-basis and the exchange user fee is estimated as a PMPM based on the target premium rate on Worksheet 1 of the URRT. These values have each been converted to percent of allowed claims in this Exhibit.

#### Single Risk Pool Adjustment Factors:

Change in Morbidity => The experience period data includes experience for community-rated policies issued to small employers in 2018 and medically underwritten policies renewed under the Transitional Policy. We considered the expected relationships between the morbidity of each of these populations and the likely population that will be covered by Small Group Single Risk Pool policies in 2020. The factor used is 1.080, which represents two years of morbidity change, from the 2018 experience period to the 2020 projection period

Change in Demographics => Experience data was normalized for projected changes in the age/gender mix and area mix using internally developed factors. Exhibits 5 and 6 contain detail on the calculations of the impact of demographic mix shifts. The change in demographic factor is 1.023. The increase is due to the changes in geographic factors, which is discussed in section 5B of this memorandum.

Change in Network => Included in 'Change in Other' below.

Change in Benefits => Discussed in Section 1E above.

Change in Other => The 'Other' adjustment includes, but is not limited to, the projected impact of changes in network composition, provider contracts, deductible suppression, and pooling.

Paid-to-Allowed Ratio => The projected paid to allowed ratio is 82.8%. Paid to allowed ratios are based on 2018 experience that is adjusted for the impact of any plan benefit changes based on our internal pricing models and trend deductible-leveraging.

Risk Adjustment – Projection Period =>

We started with 2018 Risk Adjustment accruals to determine our current risk transfer relative to the market. We trended the accrual forward two years to determine the expected risk transfer relative to the market for 2020.

In addition, the projected risk adjustment transfer includes changes that were outlined in the 2020 Notice of Benefit and Payment Parameters. The 2020 projected market average premium used in the payment transfer formula is also reduced by 14% to remove administrative cost. We subtracted from that Risk Adjustment transfer 0.5% of premiums for National High Risk pool funding and added our anticipated High Risk Pool recoveries. High Risk Pool recoveries were estimated based on the average of member-level recoveries that we would have received under this program for 2015-2018 claims as a percent of premium, for Silver Off-Exchange plans.

As a result, we project a risk adjustment receivable of [REDACTED] PMPM, net of the 2020 user fee of \$0.18 PMPM. This value is shown in Worksheet 1, Section III of the URRT. Note that the risk adjustment value in Table 5 reflects the impact of quarterly premium trend, as the incurred premium over the full year is used as the basis for risk transfer payments.

Reinsurance – Projection Period => There will be no reinsurance recoveries in 2019.

Exchange User Fee => The EUF is not applicable for this filing.

Projected Allowed non-EHB Claims PMPM => The products discussed in this filing provides coverage for only those benefits defined as Essential Health Benefits (EHB).

## **B. Retention Items**

The retention portion of the projected premium is illustrated in Exhibit 10.

The prospective general and administrative expenses are set to achieve the 80% MLR threshold requirement. Actual general and administrative expenses are based on historical corporate Small Group market expense levels, 2019 projections, and projected changes in expenses, inflation, and membership for 2020 for our National book of Small Group business. The commission expense factor covers anticipated sales and marketing expenses. Those may include, without limitation, purchase of television, internet and other advertising; payments of commissions and other incentive compensation to Company's internal sales force; and payment of commissions to external brokers. The exact amounts and distribution among the categories of sales and marketing expenses will depend on a variety of factors including competitive conditions, business strategy, consumer behaviors, and legal and regulatory requirements. The consumer behaviors would capture whether they use a particular distribution channel, commissioned or not, as well as their experience.

Federal taxes include PPACA Taxes and Fees are based on the Notice of Benefit and Payment Parameters for 2019, as well as Federal income tax and State Premium taxes. The risk adjustment user fee of \$0.18 PMPM is included in the taxes and fees shown under non-benefit expenses. State premium taxes are estimated on most current known levels and include any known assessments.

## **C. Normalized Market-Adjusted Projected Allowed Total Claims**

The age factors are based on the HHS Default Standard Age curve. The factors are shown in Exhibit C-2. Exhibit C-2 demonstrates the determination of the Plan-Level Average Age Factor. Plan membership is based on issuer's similar January 2019 plan membership and projected changes in the market.

To Age-Calibrate the Plan-Adjusted Index Rates, We project a premium-weighted average age factor for the 2020 membership using the prescribed age curve and the projected age for each plan, as illustrated on Exhibit C-2. The overall Age Calibration factor is developed in Column B of Exhibit C-1. This factor is based on the weighting of plan-adjusted index rate and membership weighted by each plan's average age factor membership. The Age-Calibrated Plan Adjusted Index Rate is determined multiplying each Plan Adjusted Index Rate by the Plan-Level Average Age Factor and then dividing by the weighted over-all average age factor.

The average age for the single risk pool is the age that most closely corresponds to the premium weighted overall average age factor.

Exhibit C-2 summarizes the rating area definitions and factors and displays the projected premium by area to develop the projected average area factor. The geographic calibration factor is the reciprocal of the projected average area factor and is applied in column F of Exhibit C-1. Projected area factors are shown in Exhibits 6 and C-2. Unit cost trend studies were used to evaluate whether there were significant changes to network costs that would require changes from previously filed rating area factors.

The rates in this filing do not differ based on tobacco usage. As such, no adjustment is needed to remove the impact of rating for tobacco.

#### **D. Components of Rate Change**

The overall change in the weighted average Calibrated Plan Adjusted Index Rate is 7.8%, as indicated in Table 8 row A. The components of this rate change are as follows:

- The change in normalized allowed claims is worth -8.0%
- The change in allowable plan adjusted level components is worth 12.2%
- The change in retention components is worth 4.4%

### **3. Plan Rate Development**

The following briefly describes how each set of adjustments was determined.

#### *Pricing AV / Benefit Richness:*

These adjustments are discussed in Section 2C above.

#### *Benefits in addition to EHBs:*

The products discussed in this filing provide coverage for only those benefits defined as Essential Health Benefits (EHB). The factor for the impact of benefits in addition to EHBs is a 1.00.

#### *Provider Network:*

This adjustment reflects the impact of differences in the network size, efficiency, and provider contract terms. We worked with our contracting area and other subject matter experts to review the impact of these differences and the expected impact on allowed claims.

#### *Catastrophic Eligibility:*

This filing does not include catastrophic plans.

*Tobacco Surcharge Adjustment:*

The rates in this filing do not differ based on tobacco usage. As such, no adjustment is needed to remove the impact of rating for tobacco.

*Admin Costs / Taxes & Fees / Profit or Contingency:*

These factors reflect the adjustment for projected administrative costs, including sales, marketing, and any commission expense, and profit & risk. These are discussed above in the Retention section.

An AV Certification is included in this filing, titled [PA\\_SG\\_64844\\_AV Certification\\_OFF\\_1Q20\\_v1.pdf](#).

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

The Calibrated Plan Adjusted Index Rates for 2019 and 2020 are shown in Columns Z and AA. The 2020 rates in Column AA differ from the Calibrated Plan Adjusted Index Rates on Exhibit E-2 for two reasons: (1) The CPAIR on Exhibit E-2 are 1/1/2020 rates while the rates in Column AA are average 2020 rates, and (2) our internal modeling incorporates the average trend to develop a Net Risk Adjustment factor as indicated on Exhibit E-1 to go from the Projected Index Rate to the Market Adjusted Index Rate. This is not accounted for in Table 5. In addition, age and geographic calibration factors have been used in the rate development as follows:

- Age Calibration: The age calibration factor estimates the average age factor that will be used in the premium calculation for the expected enrollment population. The age calibration factor used to develop the 2020 CPAIR is 1.457. This is based on the assumption that the projected enrollment will mirror the interim enrollment as of February 2019.
- Geographic calibration: The geographic calibration factor estimates the average geographic factor of the expected enrollment population. The geographic calibration factor used to develop the 2020 CPAIR is 1.007. This is based on the assumption that the projected enrollment will mirror the interim enrollment as of February 2019.

#### **5. Plan Factors**

##### **A. Age and Tobacco Factors**

The age factors are based on the HHS Default Standard Age curve. The rates in this filing do not differ based on tobacco usage. As such, no adjustment is needed for tobacco rating and factors of 1.0 have been entered.

##### **B. Geographic Factors**

The proposed geographic factors are identical to the current approved factors.

##### **C. Network Factors**

All plans use the same network. The difference in the network factors is due to whether or not there is an out-of-network benefit offered on the plan.

##### **D. Service Area Composition**

The Service Area composition for this rate filing is the same as the current approved 2019 rate filing.

##### **E. Composite Rating**

While PA allows composite rating, we are not offering this option at this time. However, the member level rates in this filing would not be impacted if we allow the composite rating option at a later time.

## 6. Actuarial Certifications

### Reliance

While I have reviewed the reasonableness of the assumptions and data in support of both the preparation of the Part I Unified Rate Review Template and the rate development applicable to the products discussed in this filing, I relied on the expertise of other Aetna employees, along with work products produced at their direction, for the following items:

- Risk Adjustment Transfer
- Actuarial Value, Modifications, and Benefit Relativities
- Supplemental EHB Pricing
- Population Risk Morbidity
- Medical Cost and Utilization Trend
- Rx Cost and Utilization Trend
- Components of Retention/Administrative Fees
- Value of Network Arrangements
- Experience Period Data – Small Group

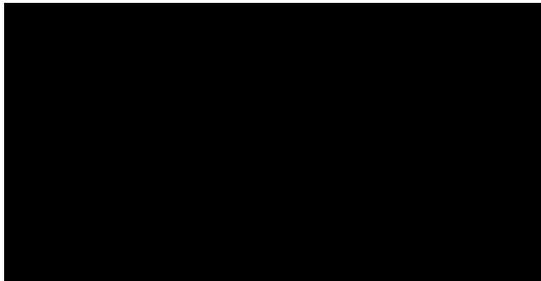
### Certification

While this memorandum discusses both our development of rates for these products and the completion of the Part I Unified Rate Review Template (URRT), the Part I URRT does not demonstrate the process used by Aetna to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally-facilitated marketplaces, and for certification that the index rate is developed in accordance with Federal regulation, is used consistently, and is only adjusted by the allowable modifiers. The information provided above is intended to comply with these requirements.

I, [REDACTED], am an Associate of the Society of Actuaries, a member of the American Academy of Actuaries, and am qualified in the area of health insurance. I hereby certify that to the best of my knowledge and judgment:

1. This rate filing is in compliance with the applicable laws and regulations of Pennsylvania, the requirements under federal law and regulation, and all applicable Actuarial Standards of Practice, including but not limited to:
  - a. ASOP No. 5, Incurred Health and Disability Claims
  - b. ASOP No. 8, Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health
  - c. ASOP No. 12, Risk Classification
  - d. ASOP No. 23, Data Quality
  - e. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
  - f. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans
  - g. ASOP No. 41, Actuarial Communications
  - h. ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
2. The Projected Index Rate is:

- a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1) 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, deficient, nor unfairly discriminatory.
3. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan-level rates.
  4. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
  5. The geographic rating factors reflect only differences in the costs of delivery (which include unit costs and provider practice pattern differences) and do not include differences for population morbidity by geographic area.
  6. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. Adjustments made to reflect benefit features not handled by the AV Calculator are discussed in the attached certification required by 45 CFR Part 156, §156.135.



July 12, 2019

\_\_\_\_\_  
Date

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

**Table 0. Identifying Information**

Carrier Name: Product(s): Market Segment:	Aetna Health Inc. (a PA corp.) HMO and QPOS Small Group	to	12/31/2020
Rate Effective Date:	1/1/2020	to	12/31/2018
Base Period Start Date	1/1/2018		
Date of Most Recent Membership	2/1/2019		

**Table 1. Number of Members**

	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2019)	Projected Rating Period
Average Age	46.0	47.0	45.0
Total	206,639	384	4,722
<18	38,885	60	869
18-24	23,015	23	402
25-29	15,628	34	428
30-34	15,582	35	431
35-39	15,901	42	436
40-44	14,882	23	393
45-49	17,862	31	465
50-54	21,234	39	470
55-59	22,483	49	467
60-63	18,050	40	263
64+	3,117	8	86

\*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
\$ 93,124,195.02	\$ 52,642,652.99	\$ 63,049,172.73	206,639	\$ 14,721,480.63	\$ 78,909,906.74	\$ -	\$ (2,530,415.58)	\$ 1,391,162.20	\$ -	\$ (25,816.16)
<b>Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)</b>										<b>\$ 376.36</b>
<b>Loss Ratio</b>										<b>66.50%</b>

\*Express Prescription Drug Rebates as a negative number

**Table 3. Trend Components**

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	5.54%	2.82%	0.00%	8.51%	21.32%
Outpatient Hospital	4.09%	6.82%	0.00%	11.19%	17.60%
Professional	1.68%	6.32%	0.00%	8.10%	18.71%
Other Medical	4.09%	6.82%	0.00%	11.19%	20.92%
Capitation				0.00%	1.79%
Prescription Drugs	10.42%	2.37%	0.00%	13.03%	19.67%
Total Annual Trend				10.23%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.215	

\* 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-15		\$ 14,480,979.81	0.9773	\$ 14,817,154.74	54,591	\$ 271.42		\$ (355,875.46)	\$ 18,338,701.40	\$ 335.93
Feb-15		\$ 13,999,930.25	0.9892	\$ 14,152,330.65	53,681	\$ 263.64		\$ (456,203.71)	\$ 17,448,212.18	\$ 325.04
Mar-15		\$ 15,916,174.18	0.9906	\$ 16,067,092.64	52,879	\$ 303.85		\$ (745,703.92)	\$ 19,407,241.70	\$ 367.01
Apr-15		\$ 15,537,446.59	0.9902	\$ 15,691,718.98	52,324	\$ 299.90		\$ (483,918.21)	\$ 18,959,749.98	\$ 362.28
May-15		\$ 14,593,823.17	0.9884	\$ 14,765,716.71	51,814	\$ 284.98		\$ (482,236.06)	\$ 17,593,302.43	\$ 339.55
Jun-15		\$ 14,577,142.74	0.9895	\$ 14,732,446.68	51,641	\$ 285.29		\$ (801,164.00)	\$ 17,729,706.00	\$ 343.33
Jul-15		\$ 16,194,703.69	0.9888	\$ 16,378,658.92	51,191	\$ 319.95		\$ (494,737.59)	\$ 19,311,439.55	\$ 377.24
Aug-15		\$ 15,303,802.90	0.9869	\$ 15,507,339.42	50,895	\$ 304.69		\$ (554,321.66)	\$ 18,284,579.48	\$ 359.26
Sep-15		\$ 14,091,226.76	0.9765	\$ 14,430,283.55	49,646	\$ 290.66		\$ (569,467.64)	\$ 17,300,042.95	\$ 348.47
Oct-15		\$ 14,211,330.33	0.9794	\$ 14,510,193.66	48,309	\$ 300.36		\$ (487,555.73)	\$ 17,410,746.13	\$ 360.40
Nov-15		\$ 13,269,525.73	0.9500	\$ 13,967,955.48	47,276	\$ 295.46		\$ (473,833.09)	\$ 16,736,703.45	\$ 354.02
Dec-15	\$ 233,515,738.67	\$ 10,371,429.24	0.9226	\$ 11,241,985.23	42,140	\$ 266.78	\$ 36,495,542.20	\$ (507,230.75)	\$ 14,241,993.62	\$ 337.97
Jan-16		\$ 10,027,940.05	0.9543	\$ 10,507,913.46	36,133	\$ 290.81		\$ (444,278.59)	\$ 13,435,268.56	\$ 371.83
Feb-16		\$ 9,972,261.25	0.9452	\$ 10,550,164.65	35,680	\$ 295.69		\$ (353,067.38)	\$ 13,474,869.13	\$ 377.66
Mar-16		\$ 10,724,484.28	0.9193	\$ 11,666,270.89	35,302	\$ 330.47		\$ (327,315.79)	\$ 14,635,169.21	\$ 414.57
Apr-16		\$ 9,106,100.08	0.9252	\$ 9,842,582.92	34,834	\$ 282.56		\$ (291,638.28)	\$ 12,327,628.00	\$ 353.90
May-16		\$ 8,088,679.32	0.9417	\$ 8,589,481.32	34,513	\$ 248.88		\$ (286,500.18)	\$ 10,965,204.20	\$ 317.71
Jun-16		\$ 8,306,118.87	0.9266	\$ 8,963,909.97	34,381	\$ 260.72		\$ (428,340.78)	\$ 11,404,705.27	\$ 331.72
Jul-16		\$ 9,560,265.46	0.9114	\$ 10,489,993.37	34,063	\$ 307.96		\$ (309,551.09)	\$ 12,755,187.77	\$ 374.46
Aug-16		\$ 9,603,078.82	0.8876	\$ 10,819,465.66	33,830	\$ 319.82		\$ (301,942.80)	\$ 13,179,929.88	\$ 389.59
Sep-16		\$ 8,718,145.14	0.8999	\$ 9,687,817.40	32,969	\$ 293.85		\$ (498,218.41)	\$ 12,258,771.82	\$ 371.83
Oct-16		\$ 7,698,504.62	0.8971	\$ 8,581,963.48	32,196	\$ 265.55		\$ (289,304.61)	\$ 10,747,526.03	\$ 333.82
Nov-16		\$ 7,547,520.03	0.9174	\$ 8,226,876.21	31,345	\$ 262.46		\$ (317,491.76)	\$ 10,569,704.47	\$ 337.21
Dec-16	\$ 165,478,426.92	\$ 7,121,140.67	0.9414	\$ 7,564,017.04	28,187	\$ 268.35	\$ 25,999,137.61	\$ (256,340.93)	\$ 9,739,620.23	\$ 345.54
Jan-17		\$ 9,005,131.21	0.9982	\$ 9,021,779.54	28,668	\$ 314.70		\$ (227,203.73)	\$ 11,364,500.30	\$ 396.42
Feb-17		\$ 7,702,708.26	0.9981	\$ 7,717,495.51	28,281	\$ 272.89		\$ (205,998.11)	\$ 9,727,591.85	\$ 343.96
Mar-17		\$ 8,886,548.61	0.9979	\$ 8,906,914.82	27,512	\$ 323.75		\$ (388,197.60)	\$ 11,007,243.67	\$ 400.09
Apr-17		\$ 8,152,168.20	0.9993	\$ 8,158,137.74	26,884	\$ 303.46		\$ (202,880.78)	\$ 10,004,319.92	\$ 372.13
May-17		\$ 8,870,384.42	0.9967	\$ 8,899,592.97	26,486	\$ 336.01		\$ (216,480.60)	\$ 10,770,470.89	\$ 406.65
Jun-17		\$ 7,719,421.10	0.9972	\$ 7,741,185.02	26,095	\$ 296.65		\$ (458,633.09)	\$ 9,514,388.85	\$ 364.61
Jul-17		\$ 7,236,731.02	0.9969	\$ 7,259,134.82	25,761	\$ 281.79		\$ (194,591.63)	\$ 8,827,056.54	\$ 342.65
Aug-17		\$ 8,533,523.41	0.9972	\$ 8,557,705.00	25,629	\$ 333.91		\$ (235,841.89)	\$ 10,368,509.21	\$ 404.56
Sep-17		\$ 6,544,462.81	0.9966	\$ 6,566,859.17	24,333	\$ 269.87		\$ (286,461.42)	\$ 8,012,824.23	\$ 329.30
Oct-17		\$ 7,671,251.47	0.9962	\$ 7,700,340.54	24,029	\$ 320.46		\$ (227,572.67)	\$ 9,374,216.16	\$ 390.12
Nov-17		\$ 7,412,337.54	0.9956	\$ 7,445,203.11	23,576	\$ 315.80		\$ (280,372.05)	\$ 9,037,151.15	\$ 383.32
Dec-17	\$ 133,185,731.37	\$ 6,689,266.90	0.9951	\$ 6,722,012.70	21,426	\$ 313.73	\$ 21,700,750.53	\$ (209,563.79)	\$ 8,388,838.69	\$ 391.53
Jan-18		\$ 4,967,109.00	0.9123	\$ 5,444,655.86	19,896	\$ 273.66		\$ (227,764.62)	\$ 7,215,548.42	\$ 362.66
Feb-18		\$ 4,939,249.62	0.8874	\$ 5,566,010.27	19,631	\$ 283.53		\$ (251,201.67)	\$ 7,140,684.14	\$ 363.75
Mar-18		\$ 4,825,128.01	0.9626	\$ 5,013,742.26	19,412	\$ 258.23		\$ (202,855.59)	\$ 6,434,479.54	\$ 331.47
Apr-18		\$ 4,619,503.90	0.9092	\$ 5,080,921.33	19,177	\$ 264.95		\$ (256,361.65)	\$ 6,512,051.22	\$ 339.58
May-18		\$ 5,157,406.51	0.8986	\$ 5,738,172.95	19,052	\$ 301.24		\$ (272,871.96)	\$ 7,090,325.34	\$ 372.16
Jun-18		\$ 4,217,269.68	0.8077	\$ 5,221,505.73	18,820	\$ 277.44		\$ (188,669.34)	\$ 6,452,710.76	\$ 342.86
Jul-18		\$ 4,168,367.73	0.7677	\$ 5,429,570.61	18,600	\$ 291.91		\$ (225,174.42)	\$ 6,574,769.44	\$ 353.32
Aug-18		\$ 5,335,381.41	0.8043	\$ 6,633,848.97	18,353	\$ 361.46		\$ (223,521.15)	\$ 7,902,387.17	\$ 430.58
Sep-18		\$ 3,669,146.04	0.7759	\$ 4,728,601.89	15,572	\$ 303.66		\$ (167,216.03)	\$ 5,557,763.97	\$ 356.91
Oct-18		\$ 3,978,542.81	0.7181	\$ 5,540,045.67	14,913	\$ 371.49		\$ (221,522.32)	\$ 6,592,984.09	\$ 442.10
Nov-18		\$ 3,966,741.41	0.7763	\$ 5,109,541.87	13,950	\$ 366.28		\$ (162,434.99)	\$ 6,002,737.87	\$ 430.30
Dec-18	\$ 93,124,195.02	\$ 2,798,806.87	0.7901	\$ 3,542,553.22	9,263	\$ 382.44	\$ 14,721,480.63	\$ (130,821.84)	\$ 4,297,211.89	\$ 463.91

\* Express Completion Factor as a percentage

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

Carrier Name: Aetna Health Inc. (a PA corp.)  
 Product(s): HMO and QPOS  
 Market Segment: Small Group  
 Rate Effective Date: 1/1/2020

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
\$ 16,733,424.06	\$ 13,500,191.44	\$ 14,409,795.91	28,239	\$ 2,855,599.87	\$ 17,703,293.63	\$ -	\$ (492,233.67)	\$ 54,335.82	\$ -	\$ 15,314.88
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)										\$ 611.40
Loss Ratio										83.42%

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Utilization*	Composite Trend	Weight*
Inpatient Hospital	5.54%	2.82%	-0.82%	7.62%	17.26%
Outpatient Hospital	4.09%	6.82%	-0.82%	10.28%	12.77%
Professional	1.68%	6.32%	-0.82%	7.22%	14.21%
Other Medical	4.09%	6.82%	-0.82%	10.28%	15.20%
Capitation				0.00%	0.38%
Prescription Drugs	10.42%	2.37%	-0.82%	12.11%	40.18%
Total Annual Trend				10.10%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.212	

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

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-15		\$ 16,468,928.76	0.9949	\$ 16,553,784.87	51,549	\$ 321.13		\$ (357,168.81)	\$ 20,756,112.90	\$ 402.65
Feb-15		\$ 16,395,108.82	0.9976	\$ 16,434,018.29	51,727	\$ 317.71		\$ (415,832.62)	\$ 20,391,630.89	\$ 394.22
Mar-15		\$ 18,934,467.05	0.9974	\$ 18,983,177.15	51,762	\$ 366.74		\$ (533,894.70)	\$ 23,013,076.39	\$ 444.59
Apr-15		\$ 19,010,679.81	0.9971	\$ 19,066,843.24	51,547	\$ 369.89		\$ (428,050.55)	\$ 23,094,750.68	\$ 447.98
May-15		\$ 17,055,763.40	0.9961	\$ 17,121,733.08	51,123	\$ 334.92		\$ (466,678.10)	\$ 20,837,898.60	\$ 407.61
Jun-15		\$ 17,536,008.76	0.9960	\$ 17,606,526.04	50,837	\$ 346.34		\$ (513,713.37)	\$ 21,278,623.33	\$ 418.57
Jul-15		\$ 18,819,998.44	0.9939	\$ 18,934,914.06	50,595	\$ 374.24		\$ (501,640.75)	\$ 22,689,304.87	\$ 448.45
Aug-15		\$ 18,086,295.60	0.9918	\$ 18,235,516.76	50,329	\$ 362.33		\$ (531,266.58)	\$ 21,745,368.06	\$ 432.07
Sep-15		\$ 16,933,522.85	0.9703	\$ 17,451,329.15	50,327	\$ 346.76		\$ (390,354.27)	\$ 20,995,854.55	\$ 417.19
Oct-15		\$ 17,931,619.00	0.9833	\$ 18,614,751.63	49,850	\$ 373.42		\$ (429,784.79)	\$ 22,313,353.97	\$ 447.61
Nov-15		\$ 16,824,788.82	0.9339	\$ 17,938,551.15	49,349	\$ 363.51		\$ (442,959.10)	\$ 21,378,378.38	\$ 433.21
Dec-15	\$ 251,775,467.96	\$ 14,769,039.51	0.8894	\$ 16,605,957.20	46,814	\$ 354.72	\$ 45,630,534.42	\$ (434,421.03)	\$ 20,686,294.62	\$ 441.88
Jan-16		\$ 5,761,998.89	1.0287	\$ 5,601,409.46	15,991	\$ 350.29		\$ (175,110.14)	\$ 7,084,534.55	\$ 443.03
Feb-16		\$ 5,183,951.66	1.0241	\$ 5,061,995.22	15,630	\$ 323.86		\$ (201,840.61)	\$ 6,513,538.39	\$ 416.73
Mar-16		\$ 5,846,691.15	0.9388	\$ 6,227,613.47	15,598	\$ 399.26		\$ (216,478.24)	\$ 7,823,260.46	\$ 501.56
Apr-16		\$ 5,001,054.95	0.9527	\$ 5,249,273.85	16,638	\$ 315.50		\$ (185,857.94)	\$ 6,679,555.43	\$ 401.46
May-16		\$ 5,983,616.46	0.9898	\$ 6,045,511.94	16,772	\$ 360.45		\$ (241,987.94)	\$ 7,556,324.43	\$ 450.53
Jun-16		\$ 5,246,655.04	0.9538	\$ 5,501,063.21	17,358	\$ 316.92		\$ (298,378.27)	\$ 7,129,104.13	\$ 410.71
Jul-16		\$ 6,064,969.81	0.9346	\$ 6,489,706.59	18,192	\$ 356.73		\$ (254,655.07)	\$ 8,064,045.01	\$ 443.27
Aug-16		\$ 6,386,965.48	0.9464	\$ 6,749,699.89	18,277	\$ 369.25		\$ (270,683.87)	\$ 8,316,365.05	\$ 455.02
Sep-16		\$ 6,017,314.65	0.8937	\$ 6,733,104.38	18,501	\$ 363.93		\$ (201,216.73)	\$ 8,338,427.38	\$ 450.70
Oct-16		\$ 5,684,575.82	0.8796	\$ 6,462,501.47	18,356	\$ 352.06		\$ (294,000.29)	\$ 8,049,415.15	\$ 438.52
Nov-16		\$ 6,199,953.18	0.8860	\$ 6,997,675.61	17,981	\$ 389.17		\$ (237,079.65)	\$ 8,579,699.97	\$ 477.15
Dec-16	\$ 89,624,888.33	\$ 5,833,341.61	0.9052	\$ 6,444,031.91	16,610	\$ 387.96	\$ 15,657,382.79	\$ (200,903.87)	\$ 7,863,892.47	\$ 473.44
Jan-17		\$ 7,417,013.44	0.9991	\$ 7,423,833.01	16,405	\$ 452.53		\$ (229,266.53)	\$ 8,848,578.03	\$ 539.38
Feb-17		\$ 6,415,385.39	0.9990	\$ 6,421,762.32	15,770	\$ 407.21		\$ (218,629.96)	\$ 7,748,392.89	\$ 491.34
Mar-17		\$ 6,555,921.38	0.9989	\$ 6,563,439.87	15,003	\$ 437.48		\$ (173,301.22)	\$ 7,882,998.85	\$ 525.43
Apr-17		\$ 4,867,776.23	0.9994	\$ 4,870,468.98	13,100	\$ 371.79		\$ (199,356.65)	\$ 5,835,071.60	\$ 445.43
May-17		\$ 5,405,944.05	0.9988	\$ 5,412,377.67	11,924	\$ 453.91		\$ (200,044.30)	\$ 6,402,771.73	\$ 536.97
Jun-17		\$ 5,141,494.05	0.9986	\$ 5,148,724.09	10,846	\$ 474.31		\$ (185,937.09)	\$ 5,962,211.71	\$ 549.72
Jul-17		\$ 4,455,547.17	0.9986	\$ 4,461,835.27	9,387	\$ 475.32		\$ (134,955.80)	\$ 5,216,145.18	\$ 555.68
Aug-17		\$ 4,819,475.29	0.9979	\$ 4,829,445.78	8,709	\$ 554.54		\$ (165,471.34)	\$ 5,538,482.25	\$ 635.95
Sep-17		\$ 3,701,120.07	0.9800	\$ 3,776,549.87	7,337	\$ 514.73		\$ (89,936.39)	\$ 4,532,062.21	\$ 617.70
Oct-17		\$ 3,981,959.66	0.9970	\$ 3,993,813.48	6,752	\$ 591.50		\$ (100,888.67)	\$ 4,543,338.98	\$ 672.89
Nov-17		\$ 3,685,500.43	0.9975	\$ 3,694,781.82	6,429	\$ 574.71		\$ (130,402.45)	\$ 4,197,746.20	\$ 652.94
Dec-17	\$ 62,828,753.29	\$ 2,356,968.23	0.9971	\$ 2,363,806.87	4,630	\$ 510.54	\$ 10,479,926.84	\$ (84,157.23)	\$ 2,732,966.24	\$ 590.27
Jan-18		\$ 1,850,081.81	0.9445	\$ 1,954,731.60	3,678	\$ 532.55		\$ (82,093.18)	\$ 2,305,703.65	\$ 626.89
Feb-18		\$ 1,433,972.96	0.9449	\$ 1,538,310.37	3,249	\$ 454.18		\$ (116,539.03)	\$ 1,799,340.64	\$ 536.75
Mar-18		\$ 2,025,790.01	0.9641	\$ 2,101,174.49	3,021	\$ 695.52		\$ 43,642.03	\$ 2,320,568.16	\$ 768.15
Apr-18		\$ 1,693,025.88	0.9479	\$ 1,786,053.00	2,725	\$ 655.43		\$ (69,010.10)	\$ 2,189,014.15	\$ 803.31
May-18		\$ 1,656,414.38	0.9688	\$ 1,709,693.55	2,615	\$ 654.30		\$ (98,032.12)	\$ 1,954,774.24	\$ 748.10
Jun-18		\$ 951,956.12	0.8867	\$ 1,073,587.90	2,373	\$ 452.04		\$ 30,933.91	\$ 1,334,296.60	\$ 561.81
Jul-18		\$ 705,041.42	0.9005	\$ 782,926.33	2,144	\$ 365.17		\$ (48,230.33)	\$ 1,008,161.70	\$ 470.22
Aug-18		\$ 707,481.10	0.9271	\$ 763,125.58	2,079	\$ 367.06		\$ (29,222.15)	\$ 971,684.55	\$ 467.38
Sep-18		\$ 791,989.39	0.9602	\$ 879,801.65	1,752	\$ 502.17		\$ (36,900.55)	\$ 1,043,574.90	\$ 595.65
Oct-18		\$ 809,265.70	0.9385	\$ 862,280.31	1,704	\$ 506.03		\$ (27,625.01)	\$ 1,006,709.74	\$ 591.67
Nov-18		\$ 547,451.80	0.9118	\$ 600,398.55	1,593	\$ 378.90		\$ (24,233.64)	\$ 761,398.90	\$ 477.97
Dec-18	\$ 16,733,424.06	\$ 327,720.93	0.8769	\$ 373,712.68	1,212	\$ 308.34	\$ 2,855,599.87	\$ (24,923.50)	\$ 573,668.85	\$ 473.32

\* 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: **Active Health Inc. (a PA corp)**  
 Product(s): **MSO and QDCE**  
 Market Segment: **Small Group**  
 Rate Effective Date: **1/1/2020**

**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 Cancellation PMPM (net of association (rate rebates) PMPM)	\$ 276.36	\$ 611.40	← Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend investment factor	\$ 1.213	\$ 1.312	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 437.27	\$ 743.14	
State Risk Pool Adjustment Factors			
Change in Morbidity	1.248	0.885	← See URRT Instructions
Change in Other	0.995	0.821	← See URRT Instructions
Change in Demographics	0.996	1.023	← See URRT Instructions
Change in Networks	0.993	0.975	← See URRT Instructions
Change in Benefits	1.000	1.000	← See URRT Instructions
Change in Other	1.004	0.835	← See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 103.03	\$ 454.94	
Credibility Factors	2%	100%	← See Instructions
Blended Projected EHB Claims PMPM		\$ 664.66	← Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Projected Allowed EHB Claims PMPM	\$ 664.66		← Index Rate for Projection Period on URRT - Individual or Prod Clm
Adjusted Projected Allowed EHB Claims PMPM (will only populate for small group filings)	\$ 675.94		
Projected Paid to Allowed Ratio	19.28%		
Projected Paid EHB Claims PMPM	\$ 576.22		
Market-Adjusted Index Rate	\$ 576.22		
Projected Risk Adjustment PMPM	\$ (1.36)		
Projected Paid Exchange User Fees PMPM	\$ -		
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 577.58		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 697.58		← Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -		
Market-Adjusted Projected Paid Total Claims PMPM	\$ 577.58		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 697.58		

**For Informational Purposes only - No input required.**

Blended Base Period Unadjusted Claims before Normalization	\$ 131.41	← Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 16,783,424.06	
<b>Blended Loss Ratio</b>	<b>88.92%</b>	

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

Effective Date	Effective Date				Total Single Risk Pool
	1/1/2020	4/1/2020	7/1/2020	10/1/2020	
# of Member Months Renewing in Quarter	201	185	209	231	688
Adjusted Projected Allowed EHB Claims PMPM Q1	\$ 664.66	\$ 664.66	\$ 664.66	\$ 664.66	\$ 664.66
Months of Trend	-	-	-	-	-
Annual Trend	12.55%	12.55%	12.55%	12.55%	
Single Risk Pool Projected Allowed Claims	\$ 664.66	\$ 664.66	\$ 705.38	\$ 776.52	\$ 695.94
Quarterly Trend Factor	100.0%	103.0%	106.1%	109.3%	104.7%
2020 Trend Factors by Quarter	0.954	0.984	1.073	1.040	

Table 6. Retention

Retention Items - Express in percentages	Percentages	PMPM Amounts
Administrative Expenses	0.95%	\$68.11
General and Claims	6.48%	\$46.19
Agent/Broker Fees and Commissions	2.28%	\$16.32
Quality Improvement Initiatives	0.80%	\$5.71
Taxes and Fees	7.46%	\$53.17
RA User Fee	0.00%	\$0.00
PA Premium Tax (if applicable)	4.30%	\$30.66
Federal Income Tax	0.10%	\$0.74
Health Insurance Providers Fee (Reserved for Small Groups only)	2.60%	\$18.14
Profit/Contingency (after tax)	2.00%	\$14.38
Total Retention	18.01%	\$135.56
Projected Required Revenue PMPM		\$ 713.14

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2014	2020
Average Age Factor	1.000	1.000
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.000	1.000
Average Benefit Richness (adjusted demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 267.22	\$ 697.38
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 519.17	\$ 475.33

Table 8. Components of Rate Change

Rate Components	2013	2020	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ -429.78	\$ 485.99	\$ 915.77	7.8%
B. Base period allowed claims before normalization	\$ 540.23	\$ 611.40	\$ 71.17	13.3%
C. Normalization factor component of change	\$ (124.69)	\$ (139.74)	\$ (20.06)	-4.4%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 365.55	\$ 416.66	\$ 51.11	13.9%
D2. URRF Trend	\$ 65.28	\$ 88.42	\$ 23.13	5.1%
D3. URRF Mobility	\$ 41.98	\$ 40.11	\$ (1.87)	-4.7%
D4. URRF Other	\$ 22.33	\$ (92.29)	\$ (114.62)	-25.4%
D5. Normalized URRF RA/RH on an allowed basis	\$ (6.32)	\$ 1.12	\$ 7.44	1.7%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0.0%
D7. Subtotal - Sum(D1-D6)	\$ 490.34	\$ 454.22	\$ (36.13)	-8.0%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (0.00)	\$ (0.00)	\$ (0.00)	0.0%
E2. Pricing AV	\$ -	\$ -	\$ -	0.0%
E3. Benefit Richness	\$ -133.24	\$ (78.13)	\$ 54.99	12.2%
E4. Catastrophe Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Subtotal - Sum(E1-E4)	\$ (133.24)	\$ (78.13)	\$ 54.99	12.2%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 20.03	\$ 20.03	\$ -	0.0%
F2. Taxes and Fees	\$ 3.02	\$ 3.02	\$ -	0.0%
F3. Profit and/or Contingency	\$ 72.54	\$ 72.54	\$ -	0.0%
F4. Subtotal - Sum(F1-F3)	\$ 95.59	\$ 95.59	\$ -	0.0%
G. Change in Miscellaneous Items	\$ -	\$ -	\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ -429.78	\$ 485.99	\$ 915.77	7.8%

Table 9. Year-over-Year Data in Summary Table 8

	2013	2020
Fold-to-Allowed	-0.779	-0.828
URRF Trend (Total Applied Trend Factor)	1.170	1.212
URRF Mobility	1.101	1.080
URRF Other	1.463	0.832
Risk Adjustment	\$ (0.31)	\$ 1.26
Exchange User Fee	\$ -	\$ -
Exclusion	\$ 2.25	\$ -
Network	1.000	1.000
Pricing AV	0.750	0.828
Benefit Richness	1.000	1.000
Catastrophe Eligibility	1.000	1.000
Administrative Expenses	0.66%	9.55%
Taxes and Fees	4.44%	7.66%
Profit and/or Contingency	2.00%	2.00%

\* For 2020 in cell B1, please include a factor equal to the product of the average Pricing AV and the Non-Funding of CSR Adjustment

PA Rate Template Part III  
Table 10. Plan Rates

Carrier Name: Astoria Health Inc. (S PA (09))  
 Product(s): HMO and QPOS  
 Market Segment: Small Group  
 Rate Effective Date: 1/1/2019  
 Base Period Start Date: 1/1/2018  
 Date of Most Recent Membership: 2/1/2019  
 Market Adjusted Index Rate: \$ 697.58

Calculated	
Age Calibration Factor	1.01
Gender Calibration Factor	1.00
Geographic Calibration Factor	1.00

Total Covered Users @ 02-01-2019: 184

Plan Number	HMO Plan ID (Standard Contract)	Plan Type (HMO, PPO, PPO, EPO, Indemnity Other)	1/1/2019 Plan Marketing Name	Rating, Modified, New, Discontinued & Mapped, Discontinued & Not Mapped (J,K,L,N,M, O) for 2019	1/1/2019 Plan HDS Plan ID (if 1/1/2019 Plan Discontinued & Mapped)	Metallic Tier	Monthly Tier Amount	Standard Act. Approach (L)	Exchange On/Off or CR	Pricing Act. (Company determined)	Benefits Relative (Insured Amount)	Benefits in addition to PBM	Provider Network	Catastrophic Subsidy	Non-Resident of OR Adjustment	Plan Premium	Admin Costs	Taxes & Fees (not including Exchange Fee)	Profit or Contingency	Total Covered Users Mapped into 2019 Plans @ 02-01-2019	Total Policyholders @ 02-01-2019		
																						0.70%	0.00%
Transitional Plans																							
Plan 1	00000000	HMO	Astoria Silver HMO 8000 80% 1.50/75	MF	S	Silver	0.70%	Approach 2	CR	0.00%	1.000	1.000	0.00%	1.00%	1.000	\$570.00	0.0%	7.2%	2.0%	175	132		
Plan 2	00000000	POS	Astoria Silver QPOS 8000 80% 1.50/75	MF	S	Silver	0.70%	Approach 2	CR	0.00%	1.000	1.000	1.00%	1.00%	1.000	\$582.00	0.0%	7.2%	2.0%	214	148		
Plan 3																N/A							

2019 California Plan Adjusted Index Rate PMA	2020 California Plan Adjusted Index Rate PMA	Proposed Rate Change Compared to Prior 12 Months	% of Total Covered Lives
\$ 495.78	\$ 489.99	7.8%	N/A
\$ 491.35	\$ 480.35	7.8%	64.3%
\$ 454.33	\$ 489.47	7.8%	55.7%
\$	\$	0.0%	0.0%

02-01-2019 Number of Covered Lives by Rating Area											2020 Continued/Discontinued Plans Indicator
1	2	3	4	5	6	7	8	9	10	Total	
										214	
										205	
										205	0
										11	1
										27	1
										34	1
										214	0

**PA Rate Template Part IV B - Small Group Annual**  
**Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User**

Carrier Name: Aetna Health Inc. (a PA corp.)  
 Product(s): HMO and QPOS  
 Market Segment: Small Group  
 Rate Effective Date: 1/1/2020

Plan Number	HIOS Plan ID (Standard Component)	1/1/2019 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2020	1/1/2020 Plan HIOS Plan ID (If 1/1/2019 Plan Discontinued & Mapped)	Metallic Tier	Exchange On/Off or Off
Totals						
These cells auto-fill using the data entered in Table 10.						
Plan 1	64844PA0070142	Silver HMO 6000 80%	S	M	0	Silver Off
Plan 2	64844PAD050126	Silver QPOS 6000 80/50	S	M	0	Silver Off
Plan 3	0	0	0	0	0	0

Quarter 1 2019, 21-year-old Non-Tobacco Premium PMPM										Average (weighted by enrollment by rating area)
1	2	3	4	5	6	7	8	9		
\$ -	\$ -	\$ 438.04	\$ -	\$ -	\$ 441.73	\$ 461.26	\$ 424.74	\$ 403.00	\$ 428.75	
\$ 327.93	\$ 344.96	\$ 429.53	\$ -	\$ 352.45	\$ 433.74	\$ 454.80	\$ 421.11	\$ 395.56	\$ 423.51	
\$ 334.83	\$ 352.22	\$ 438.57	\$ -	\$ 359.87	\$ 442.87	\$ 464.37	\$ 429.97	\$ 403.88	\$ 432.92	
									\$ -	

Quarter 1 2020, 21-year-old Non-Tobacco Premium PMPM										Average (weighted by enrollment by rating area)
1	2	3	4	5	6	7	8	9		
\$ -	\$ -	\$ 477.37	\$ -	\$ -	\$ 481.39	\$ 502.67	\$ 462.87	\$ 439.19	\$ 467.25	
\$ 357.37	\$ 375.93	\$ 468.09	\$ -	\$ 384.09	\$ 472.68	\$ 495.63	\$ 458.92	\$ 431.07	\$ 461.53	
\$ 364.89	\$ 383.84	\$ 477.95	\$ -	\$ 392.18	\$ 482.63	\$ 506.06	\$ 468.58	\$ 440.14	\$ 471.79	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Change in Quarter 1, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
0.0%	0.0%	9.0%	0.0%	0.0%	9.0%	9.0%	9.0%	9.0%	9.0%
9.0%	9.0%	9.0%		9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
9.0%	9.0%	9.0%		9.0%	9.0%	9.0%	9.0%	9.0%	9.0%

Quarter 2 2020, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ 491.69	\$ -	\$ -	\$ 495.84	\$ 517.76	\$ 476.76	\$ 452.37	\$ 481.27
\$ 368.09	\$ 387.21	\$ 482.14	\$ -	\$ 395.62	\$ 486.87	\$ 510.50	\$ 472.69	\$ 444.00	\$ 475.38
\$ 375.84	\$ 395.36	\$ 492.29	\$ -	\$ 403.95	\$ 497.12	\$ 521.25	\$ 482.64	\$ 453.35	\$ 485.95
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Quarter 3 2020, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ 506.45	\$ -	\$ -	\$ 510.72	\$ 533.29	\$ 491.07	\$ 465.94	\$ 495.71
\$ 379.14	\$ 398.83	\$ 496.61	\$ -	\$ 407.49	\$ 501.48	\$ 525.82	\$ 486.87	\$ 457.33	\$ 489.64
\$ 387.12	\$ 407.22	\$ 507.06	\$ -	\$ 416.07	\$ 512.04	\$ 536.89	\$ 497.12	\$ 466.96	\$ 500.53
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Quarter 4 2020, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ 521.65	\$ -	\$ -	\$ 526.04	\$ 549.30	\$ 505.81	\$ 479.92	\$ 510.58
\$ 390.52	\$ 410.80	\$ 511.51	\$ -	\$ 419.72	\$ 516.53	\$ 541.60	\$ 501.48	\$ 471.05	\$ 504.33
\$ 398.74	\$ 419.44	\$ 522.28	\$ -	\$ 428.55	\$ 527.40	\$ 553.00	\$ 512.04	\$ 480.97	\$ 515.55
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**PA Small Group Portfolio | Summary of Benefits**

**Contents**

Aetna Silver QPOS 6000 80/50	2
Aetna Silver HMO 6000 80%	3

**Aetna Health Inc. (a PA corp.)**  
**HIOS Issuer ID: 64844**  
**Exhibit A-2**

# Pennsylvania

Aetna Silver QPOS 6000 80/50

Silver

Summary of Features	In Network	Out of Network
<b>Deductible</b>		
Individual	\$6,000	\$18,000
Family	\$12,000	\$36,000
<b>Coinsurance</b> <i>(Member Responsibility)</i>	20%	50%
	<i>\$0 once out-of-pocket max. is satisfied</i>	
<b>Out-of-Pocket Maximum</b>		
Individual	\$8,150	Unlimited
Family	\$16,300	Unlimited
	<i>All cost sharing accumulates to the Out of Pocket Maximum above</i>	
<b>Primary Care Visit to Treat an Injury or Illness</b> <i>(excludes Preventative and X-rays)</i>	\$30 per visit	50% after deductible
<b>Specialist Visit</b>	\$75 per visit	50% after deductible
<b>All Inpatient Hospital Services</b> <i>(includes Mental/Behavioral Health and Substance Abuse)</i>	20% after deductible	50% after deductible
<b>Emergency Room Services</b>	\$250+20% after deductible	Paid as In-Network
<b>Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services</b>	\$75 per visit	50% after deductible
<b>Imaging (CT/PET Scans, MRIs)</b>	20% after deductible	50% after deductible
<b>Rehabilitative Speech Therapy</b>	20% after deductible	50% after deductible
<b>Rehabilitative Occupational and Rehabilitative Physical Therapy</b>	20% after deductible	50% after deductible
<b>Preventive Care/Screening/Immunization</b>	0%	50% after deductible
<b>Laboratory Outpatient and Professional Services</b>	20% after deductible	50% after deductible
<b>X-rays and Diagnostic Imaging</b>	20% after deductible	50% after deductible
<b>Skilled Nursing Facility</b>	20% after deductible	50% after deductible
<b>Outpatient Facility Fee (e.g., Ambulatory Surgery Center)</b>	20% after deductible	50% after deductible
<b>Outpatient Surgery Physician/Surgical Services</b>	20% after deductible	50% after deductible

Pharmacy	In-Network	Out-of-Network
<b>Pharmacy Deductible</b>		
Individual	\$0	N/A
<b>Generics</b>	\$12	Not Covered
<b>Preferred Brand Drugs</b>	\$55	Not Covered
<b>Non-Preferred Brand Drugs</b>	\$95	Not Covered
<b>Specialty Drugs (i.e. high-cost) Preferred/Non-Preferred</b>	40% up to \$500 / 50% up to \$750	Not Covered / Not Covered

# Pennsylvania

Aetna Silver HMO 6000 80%  
Silver

Summary of Features	In Network
<b>Deductible</b>	
Individual	\$6,000
Family	\$12,000
<b>Coinsurance</b>	
<i>(Member Responsibility)</i>	20%
	<i>\$0 once out-of-pocket max. is satisfied</i>
<b>Out-of-Pocket Maximum</b>	
Individual	\$8,150
Family	\$16,300
	<i>All cost sharing accumulates to the Out of Pocket Maximum above</i>
<b>Primary Care Visit to Treat an Injury or Illness</b> (excludes Preventative and X-rays)	\$30 per visit
<b>Specialist Visit</b>	\$75 per visit
<b>All Inpatient Hospital Services</b> (includes Mental/Behavioral Health and Substance Abuse)	20% after deductible
<b>Emergency Room Services</b>	\$250+20% after deductible
<b>Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services</b>	\$75 per visit
<b>Imaging (CT/PET Scans, MRIs)</b>	20% after deductible
<b>Rehabilitative Speech Therapy</b>	20% after deductible
<b>Rehabilitative Occupational and Rehabilitative Physical Therapy</b>	20% after deductible
<b>Preventive Care/Screening/Immunization</b>	0%
<b>Laboratory Outpatient and Professional Services</b>	20% after deductible
<b>X-rays and Diagnostic Imaging</b>	20% after deductible
<b>Skilled Nursing Facility</b>	20% after deductible
<b>Outpatient Facility Fee (e.g., Ambulatory Surgery Center)</b>	20% after deductible
<b>Outpatient Surgery Physician/Surgical Services</b>	20% after deductible
Pharmacy	In-Network
<b>Pharmacy Deductible</b>	
Individual	\$0
<b>Generics</b>	
	\$12
<b>Preferred Brand Drugs</b>	
	\$55
<b>Non-Preferred Brand Drugs</b>	
	\$95
<b>Specialty Drugs (i.e. high-cost) Preferred/Non-Preferred</b>	
	40% up to \$500 / 50% up to \$750

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T			
1	<b>Unified Rate Review v5.0</b>										To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P. To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.												
2	Company Legal Name:	Aetna Health Inc. (a PA corp.)										State:	PA										
3	HIOS Issuer ID:	04844										Market:	Small Group										
4	Effective Date of Rate Change(s):	1/1/2020										To validate, select the Validate button or Ctrl + Shift + I. To finalize, select the Finalize button or Ctrl + Shift + F.											
5	<b>Market Level Calculations (Same for all Plans)</b>																						
6	<b>Section I: Experience Period Data</b>																						
7	Experience Period:	1/1/2018										to	12/31/2018										
8												Total	PMPM										
9	Allowed Claims											\$77,770,653.36											\$376.35
10	Reinsurance											\$0.00											\$0.00
11	Incurred Claims in Experience Period											\$63,049,173.74											\$300.11
12	Risk Adjustment											-\$25,816.16											-\$0.12
13	Experience Period Premium											\$93,124,195.02											\$450.65
14	Experience Period Member Months											205,641											
15	<b>Section II: Projections</b>																						
16		Experience Period Index	Year 1 Trend				Year 2 Trend				Trended EHB Allowed Claims												
17	Benefit Category	Rate PMPM	Cost	Utilization	Cost	Utilization	Cost	Utilization	PMPM														
18	Inpatient Hospital	\$80.23	1.050	1.028	1.095	1.028	1.095	1.028	\$94.37														
19	Outpatient Hospital	\$66.22	1.041	1.068	1.041	1.068	1.041	1.068	\$81.85														
20	Professional	\$70.43	1.067	1.063	1.017	1.063	1.017	1.063	\$82.31														
21	Other Medical	\$75.73	1.061	1.068	1.061	1.068	1.061	1.068	\$97.34														
22	Capitation	\$6.73	1.000	1.000	1.000	1.000	1.000	1.000	\$6.73														
23	Prescription Drug	\$12.01	1.104	1.024	1.104	1.024	1.104	1.024	\$88.66														
24	Total	\$174.35							\$457.17														
25	Morbidity Adjustment											1.316											
26	Demographic Shift											0.996											
27	Plan Design Changes											1.000											
28	Other											0.997											
29	Adjusted Trended EHB Allowed Claims PMPM for	1/1/2020										\$512.03											
30	Manual EHB Allowed Claims PMPM											\$664.88											
31	Applied Credibility %											0.00%											
32	<b>Projected Period Totals</b>																						
33	Projected Index Rate for	1/1/2020										\$664.88	\$3,189,563.36										
34	Reinsurance											\$0.00	\$0.00										
35	Risk Adjustment Payment/Charge											-\$1.87	-\$7,413.54										
36	Exchange User Fees											\$0.00%	\$0.00										
37	Market Adjusted Index Rate											\$664.45	\$3,146,076.92										
38	Projected Member Months											4,722											
39	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: Aetna Health Inc. (a PA corp.)  
 HIOS Issuer ID: 64844  
 Effective Date of Rate Change(s): 1/1/2020

State: PA  
 Market: Small Group

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.  
 To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.  
 To validate, select the Validate button or Ctrl + Shift + I.  
 To finalize, select the Finalize button or Ctrl + Shift + F.

**Product/Plan Level Calculations**

Field #	Section I: General Product and Plan Information	POS		HMO	
1.1	Product Name	64844PA006		64844PA007	
1.2	Product ID	64844PA006		64844PA007	
1.3	Plan Name	Terminated Plans	Aetna Silver QPOS 6000 80/50	Terminated Plans	Aetna Silver HMO 6000 80%
1.4	Plan ID (Standard Component ID)	64844PA0060000	64844PA0060126	64844PA0070000	64844PA0070142
1.5	Metal	Not Applicable	Silver	Not Applicable	Silver
1.6	AV Metal Value	0.000	0.710	0.000	0.710
1.7	Plan Category	Terminated	Renewing	Terminated	Renewing
1.8	Plan Type	POS	POS	HMO	HMO
1.9	Exchange Plan?	No	No	No	No
1.10	Effective Date of Proposed Rates	1/1/2020	1/1/2020	1/1/2020	1/1/2020
1.11	Cumulative Rate Change % (over 12 mos prior)	0.00%	7.90%	0.00%	7.90%
1.12	Product Rate Increase %		7.90%		7.90%
1.13	Submission Level Rate Increase %		7.90%		7.90%

Worksheet 1 Totals	Section II: Experience Period and Current Plan Level Information	Total	64844PA0060000	64844PA0060126	64844PA0070000	64844PA0070142
2.1	Plan ID (Standard Component ID)					
2.2	Allowed Claims	\$77,770,653	\$68,829,427	\$2,198,251	\$5,565,555	\$1,177,421
2.3	Reinsurance	\$0	\$0	\$0	\$0	\$0
2.4	Member Cost Sharing	\$14,721,481	\$12,749,293	\$590,742	\$1,044,198	\$337,248
2.5	Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0
2.6	Incurred Claims	\$63,049,173	\$56,080,134	\$1,607,509	\$4,521,357	\$840,173
2.7	Risk Adjustment Transfer Amount	-\$25,816	-\$25,816	-\$15,101	\$0	-\$10,666
2.8	Premium	\$93,124,195	\$81,157,533	\$2,974,290	\$7,061,872	\$1,930,500
2.9	Experience Period Member Months	206,645	206,645	4,834	16,190	3,768
2.10	Current Enrollment	0	384	214	0	170
2.11	Current Premium PMPM	\$766.44	\$0.00	\$776.44	\$0.00	\$753.86
2.12	Loss Ratio	67.22%	69.10%	54.32%	64.02%	43.76%
<b>Per Member Per Month</b>						
2.13	Allowed Claims	\$376.35	\$378.49	\$454.75	\$343.76	\$312.48
2.14	Reinsurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2.15	Member Cost Sharing	\$71.24	\$70.11	\$122.11	\$64.50	\$89.50
2.16	Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2.17	Incurred Claims	\$305.11	\$308.38	\$332.54	\$279.27	\$222.98
2.18	Risk Adjustment Transfer Amount	-\$0.12	\$0.00	-\$3.12	\$0.00	-\$2.83
2.19	Premium	\$450.65	\$446.28	\$615.29	\$436.19	\$512.34

Section III: Plan Adjustment Factors	64844PA0060000	64844PA0060126	64844PA0070000	64844PA0070142
3.1	Plan ID (Standard Component ID)			
3.2	Market Adjusted Index Rate		\$666.45	
3.3	AV and Cost Sharing Design of Plan	0.0000	0.8614	0.0000
3.4	Provider Network Adjustment	0.0000	0.9700	0.0000
3.5	Benefits in Addition to EHB	1.0000	1.0000	1.0000
<b>Administrative Costs</b>				
3.6	Administrative Expense	9.55%	9.55%	9.55%
3.7	Taxes and Fees	7.46%	7.46%	7.46%
3.8	Profit & Risk Load	2.00%	2.00%	2.00%
3.9	Catastrophic Adjustment	1.0000	1.0000	1.0000
3.10	Plan Adjusted Index Rate	\$0.00	\$687.56	\$0.00
3.11	Age Calibration Factor	0.6862		0.6862
3.12	Geographic Calibration Factor	0.9931		0.9931
3.13	Tobacco Calibration Factor	1.0000		1.0000
3.14	Calibrated Plan Adjusted Index Rate	\$0.00	\$468.55	\$0.00

Section IV: Projected Plan Level Information	Total	64844PA0060000	64844PA0060126	64844PA0070000	64844PA0070142
4.1	Plan ID (Standard Component ID)				
4.2	Allowed Claims	\$3,139,546	\$0	\$1,766,071	\$0
4.3	Reinsurance	\$0	\$0	\$0	\$0
4.4	Member Cost Sharing	\$540,046	\$0	\$303,789	\$0
4.5	Cost Sharing Reduction	\$0	\$0	\$0	\$0
4.6	Incurred Claims	\$2,599,500	\$0	\$1,462,282	\$0
4.7	Risk Adjustment Transfer Amount	\$6,126	\$0	\$3,461	\$0
4.8	Premium	\$3,217,165	\$0	\$1,809,734	\$0
4.9	Projected Member Months	4,722	0	2,632	0
4.10	Loss Ratio	80.96%	#DIV/0!	80.96%	#DIV/0!
<b>Per Member Per Month</b>					
4.11	Allowed Claims	\$664.88	#DIV/0!	\$671.00	#DIV/0!
4.12	Reinsurance	\$0.00	#DIV/0!	\$0.00	#DIV/0!
4.13	Member Cost Sharing	\$114.37	#DIV/0!	\$115.42	#DIV/0!
4.14	Cost Sharing Reduction	\$0.00	#DIV/0!	\$0.00	#DIV/0!
4.15	Incurred Claims	\$550.51	#DIV/0!	\$555.58	#DIV/0!
4.16	Risk Adjustment Transfer Amount	-\$1.30	#DIV/0!	-\$1.31	#DIV/0!
4.17	Premium	\$681.31	#DIV/0!	\$687.59	#DIV/0!

**Rating Area Data Collection**

*Specify the total number of Rating Areas in your State by selecting the Create Rating Areas button or Ctrl + Shift + R.  
Select only the Rating Areas you are offering plans within and add a factor for each area.  
To validate, select the Validate button or Ctrl + Shift + I.  
To finalize, select the Finalize button or Ctrl + Shift + F.*

Rating Area	Rating Factor
Rating Area 1	0.7787
Rating Area 2	0.8192
Rating Area 3	1.0200
Rating Area 5	0.8370
Rating Area 6	1.0300
Rating Area 7	1.0800
Rating Area 8	1.0000
Rating Area 9	0.9393

Aetna Health, Inc. & Aetna Health Ins. Co.  
Pennsylvania Small Group  
HMO, POS Products

**Summary**

Aetna is filing premium rates for Small Group plans in Pennsylvania.

The new rates will apply to plan years effective in 2020. The current membership and range of rate changes by product are:

<u>Product Name</u>	<u># Members as of February 2018</u>	<u>Range of Increases</u>
PA Silver HMO 6000 80%	170	7.8% - 7.8%
PA Silver QPOS 6000 80/50	214	7.8% - 7.8%

**Why We Need to Increase Premiums**

Medical costs are going up and we are changing our rates to reflect this increase. We expect medical costs to go up 12.6% excluding the effect of benefit or cost sharing changes. Medical costs go up for two reasons – providers raise their prices and members get more medical care. Examples of increasing medical costs we have experienced over the last year include:

- The cost of an inpatient hospital admission has increased 8.5%.
- The cost of pharmacy prescription has increased 13.0%.

**What Else Affects Our Request to Increase Premiums**

The projected demographics of the block are slightly different from our current demographics, and we are changing our rates to reflect this.

Changes to cost-sharing for some plans were made to comply with the actuarial value requirements or make our plans more attractive to consumers.

Our estimate of average population health and the expected risk adjustment transfers for Affordable Care Act (ACA) products have changed to reflect new data on market average premiums and population health. These changes are affected by the movement of business between the ACA market and other options, including transitional coverage.

Finally, changes to our retention formula were incorporated into our rates. These changes include administrative costs, profit, and ACA taxes and fees.

**Will Premiums for All Small Groups Increase 7.8%?**

No, increases differ by plan. The exact rate change depends on what benefit plan the group chooses, where the group is located, when the group's contract renews, and the ages and family sizes of enrolling employees. Rates charged to employees also depend upon any change in the amount of premium paid by the employer.

**How does this request align to Minimum Loss Ratio Requirements (MLR)?**

These rates are expected to produce an MLR equal to or above the 80% requirement for Small Group business. Under the ACA, at least 80% of the premiums collected by health plans are expected to pay for medical care and activities that improve health care quality for members. If the actual MLR turns out to be less than 80%, rebates will be issued to members in accordance with the law.

Aetna makes significant investments that benefit our members that the government does not allow us to use in this calculation. These investments include customer service, health quality activities like disease management programs, and the development of new information technologies.

### **What is Aetna doing to keep premiums affordable?**

Aetna strives to keep our products as affordable as possible and to address the underlying cost of health care. We are:

- Developing new agreements, arrangements, and partnerships with health care providers that base provider compensation on the quality of care.
- Creating medical management programs that address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services.
- Working to reduce the ability of out-of-network providers to collect unreasonably excessive payments for services they provide.

We are dedicated to increasing transparency within the health care system and helping members best utilize the plans that they have. Members can access Aetna Navigator, a secure member website, which allows them to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. The Aetna Navigator streamlined mobile app is also available to allow members to take their care on the go.

**Actuarial Memorandum and Certification**

**General Information**

*Company Identifying Information:*

**Company Legal Name:** Aetna Health, Inc. & Aetna Health Ins. Co.  
**State:** PA  
**HIOS Issuer ID:** 64844  
**Market:** Small Group  
**Effective Date:** 01/01/2020  
**Rate Filing Tracking Number:** AETN-131899868 & AETN-131899740  
**Policy Form(s):** HI SG HCOC-2020 04 / HO SG HCOC-2020 04 & HI SG HCOC-2020 04  
**Form Filing Tracking Number:** AETN-131928568 & AETN-131928597

*Company Contact Information:*

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

1. Purpose, Scope, and Effective Date

The purpose of this filing is to:

- 1) Provide support for the development of the Part I Unified Rate Review Template;
- 2) Provide support for the assumptions and premium rate development for the products supported by the policy forms referenced above;
- 3) Request approval of the proposed monthly premium rates; and
- 4) Provide benefit plan design summaries for the products included in this filing.

The development of the rates reflects the impact of the market forces and rating requirements associated with the Patient Protection and Affordable Care Act (PPACA) and subsequent regulation. These rates are for plans issued in conjunction with our Qualified Health Plan (QHP) application in Pennsylvania beginning January 1, 2020. The rates comply with all rating guidelines under federal and state regulations. This memorandum covers plans that will be available on and off the public Marketplace in Pennsylvania.

2. Proposed Rate Increase

Monthly premium rates for Small Group Market products in Pennsylvania are being revised for effective dates January 1, 2020 through December 31, 2020.

A. Reason for Rate Increase(s):

Revised rates for these products reflect the following:

- Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services) and pharmacy trend;
- Revisions to our assumptions about market-wide population morbidity and the projected population distribution;
- Re-instatement of the Health Insurers Fee after a 1-year hiatus in 2019;
- Revisions to administrative expense projections;
- Modifications in cost sharing to ensure that plans comply with Actuarial Value requirements;

- Updates to our pricing models used to determine the impact of cost sharing designs; and
- Changes in provider networks and contracts.

B. Variation in Rate Changes by Plan/Product:

Rate changes do not differ by plan.

3. Single Risk Pool

The plans and rates included in the Part I URRT are those for all plans we intend to offer in the Small Group market in Pennsylvania through AHI-AHIC. The proposed rates comply with the Single Risk Pool requirements of 45 CFR §156.80(d). Rates for plans that may be renewed outside the Single Risk Pool (due to either being grandfathered or permissible transitional offerings) are not covered in this filing.

4. Experience and Current Period Premium, Claims, and Enrollment

A. Paid Through Date:

The experience data reported in Worksheet 1, Section I of the Part I Unified Rate Review Template reflects incurred claims from January 1, 2018 through December 31, 2018 and paid through February 28, 2019.

B. Current Date: The current enrollment and premium is reported as of February 28, 2019.

C. Allowed and Incurred Claims Incurred During the Experience Period:

Allowed and incurred claims are sourced from our actuarial experience databases. These databases provide member-level detail on total allowed and incurred claims but do not include unit cost or utilization metrics. We allocate claims to cost categories and estimate the corresponding unit costs and utilization metrics by using an alternate reporting system that calculates unit cost and utilization metrics by medical cost category but only permits inclusion/exclusion of experience at the market and segment levels. A reconciliation of aggregate data in our actuarial experience databases is performed to ensure that data is consistent with the experience data contained in our enterprise-wide data warehouse.

5. Benefit Categories

Our internal systems assign claims to several benefit categories. We have mapped these categories to the categories described in the Unified Rate Review Instructions released in April 2019. Inpatient Hospital consists of care delivered at an inpatient facility and associated expenses, including day-based mental health services. Outpatient Hospital includes outpatient surgical, outpatient mental health, and emergency care and associated expenses. Professional includes both specialty physician and primary care physician expenses, including office-based mental health services. Other includes dental, home health care, medical pharmacy expenses, laboratory expenses, and radiology expenses. Non-capitated ambulance is included in the Outpatient Hospital category when billed by the facility and included in Specialist Physician otherwise. Prescription Drug includes drugs dispensed by a pharmacy.

The utilization for these services is counted by service type and aggregated for each benefit category. Inpatient Hospital utilization is counted as days; Outpatient Hospital, Professional, and Other Medical utilization are counted as visits. Prescription Drug utilization is counted per script.

6. Projection Factors

A. Trend Factors (Cost/Utilization):

Medical trend factors are based on our Medical Economics Unit's local trend and network experience, based on analysis of a continuous normalized population, excluding catastrophic claims. Allowed medical trend includes known and anticipated changes in provider contract rates, severity and medical technology impacts, and expected changes in utilization. The impact of benefit leveraging is accounted for separately in the projected paid to allowed ratio.

Pharmacy trends are based on national commercial group Rx trend analysis. Pharmacy trend considers the impact of formulary changes, patent expirations, new drugs, other general market share shifts, and overall utilization trend. Pharmacy Trend is expressed in terms of allowed trend less rebates.

Year 1 and Year 2 trends on Worksheet 1 specify annual trends, with 12 months of trend applied to each year.

Exhibit 8 shows the anticipated annual trend from the experience period to the rating period.

B. Changes in the Morbidity of the Population Insured:

The experience period data includes experience for:

- Community-rated policies issued to small employers in 2018
- Medically underwritten policies renewed under the Transitional Policy.

We considered the expected relationships between the morbidity of each of these populations and the likely population that will be covered by Small Group Single Risk Pool policies in 2020. Exhibit 3 discusses the assumptions used to project the change in population morbidity and illustrates the resulting projection factor.

C. Changes in Demographics:

Experience data was normalized for projected changes in the age/gender mix and area mix using internally developed factors. Exhibits 5 and 6 contain detail on the calculations of the impact of demographic mix shifts.

D. Plan Design Changes:

The products included in this filing include benefits necessary to comply with the Essential Health Benefit requirements. The experience data includes experience for both Single Risk Pool products that have essentially identical benefits and coverage issued outside the Single Risk Pool which does not cover all EHBs. The projection factor reflects the pro-rated impact of these additional benefits, as well as any changes in 2020 State Benchmark EHBs, and newly mandated benefits.

The change in projected utilization due to changes in benefits is also considered. As cost sharing decreases (measured by increasing Actuarial Value), utilization increases. This pattern is reflected in the factors that are built into the federal risk adjustment mechanism that started in 2014. The federal risk adjustment program factors and other proprietary models were considered in the development of the utilization change. The average cost sharing in the experience period was compared with the average cost sharing in the projection period. From the average cost sharing change, an expected utilization change was derived.

Exhibit 4 illustrates the impact of changes in covered benefits, and the weighted-average impact of experience reported on Worksheet 1. It also illustrates the calculation of the adjustment for induced demand related to changes in the level of cost sharing.

E. Other Adjustments:

The 'Other' adjustment includes the projected impact of changes in network composition and provider contracts. Exhibit 7 contains detail on these calculations.

7. Manual Rate Adjustments

A. Source and Appropriateness of Experience Data Used:

The source data for our manual rate is the experience incurred from January 1, 2018 to December 31, 2018 and paid through February 2019 for Aetna community-rated policies in the Pennsylvania Small Group market. The Small Group market experience is considered an appropriate source for the manual rate due to similarities in covered benefits and market dynamics to the current ACA Small Group market. The similar dynamics include: no individual medical underwriting and rating by gender, limits on age-rating, and caps for rating on the number of dependents, as well as plans benefits and cost-sharing.

B. Adjustments Made to the Data:

The Small Group experience used as the basis for the manual rate was adjusted in a similar manner as the base period experience for changes in population risk morbidity, benefits, and demographic and area normalizations. The data is further adjusted for projected changes in network, provider contract rates, and claims adjudication, in addition to unit cost and utilization trend, as discussed in Exhibits 3-8.

C. Inclusion of Capitation Payments:

The manual experience includes capitation for the same services that are expected to be capitated for the products in this filing in 2020.

8. Credibility of Experience

No credibility is assigned to the experience data. This is due to the use of alternate experience data that more accurately captures the essential characteristics of the market for which we are developing rates.

9. Index Rate

The index rates for the experience and projection periods are set equal to the actual and projected allowed claims, respectively.

The index rate reflects the projected mix of business by plan. The AV pricing values for each plan are based on our internal company modeling of plan cost-sharing designs, the plan's provider network, delivery system characteristics, and utilization management practices, the impacts (as applicable) of benefits in addition to EHBs and catastrophic eligibility criteria, and the distribution and administrative costs applicable to the plan/product. Rates do not differ for any characteristic other than those allowable under the regulations as described in 45 CFR 156 §156.80(d)(2).

**Small Group Market Trend Adjustments:** Exhibit 12 illustrates the quarterly trend factors, the resulting index rate for effective dates during each calendar quarter, the projected membership distribution by effective date, and the weighted-average index rate. Trend factors are developed from annual forward trend and leveraging. A trend factor of 1.00 corresponds to a policy period that begins January 1, 2020.

10. Market-Adjusted Index Rate

Exhibit E-1 illustrates the development of the Market Adjusted Index Rate. The market-wide adjustment for Risk Adjustment and Exchange User Fees are discussed in Section 12. The risk adjustment is displayed on an allowed-basis and the exchange user fee is converted to percent of allowed claims in this Exhibit.

11. Reinsurance

There are no expected reinsurance recoveries.

12. Risk Adjustment

## A. Risk Adjustment – Experience Period

Risk Adjustment transfer is accrued at the issuer and market level based on 2018 Wakely data and our internal projections of how our risk relative to market has changed. The transfer is allocated to the member-level by applying the HHS risk transfer calculation to each member relative to the imputed market-average, such that members with higher resulting relative transfer scores may have a receivable and members with lower resulting scores may have a payable, regardless of the net market risk transfer result. The resulting member transfers are summed to the HIOS plan level.

## B. Risk Adjustment – Projection Period

We started with 2018 Risk Adjustment accruals to determine our current risk transfer relative to the market. We trended the accrual forward two years to determine the expected risk transfer relative to the market for 2020.

In addition, the projected risk adjustment transfer includes changes that were outlined in the 2020 Notice of Benefit and Payment Parameters. The 2020 projected market average premium used in the payment transfer formula is also reduced by 14% to remove administrative cost. To that transfer, we subtracted 0.5% of premiums for National High Risk pool funding, and added our anticipated High Risk Pool recoveries. High Risk Pool recoveries were estimated based on the average of member-level recoveries that we would have received under this program for 2015-2018 claims as a percent of premium for Silver Off-Exchange plans.

As a result, we project a risk adjustment payable of [REDACTED] PBMPM.

13. Exchange User Fees

Exchange User Fees are not applied in this filing.

14. Plan-Adjusted Index Rates

Exhibit E-2 illustrates the development of the Plan Adjusted Index Rates and displays each plan-specific adjustment made to the Market Adjusted Index Rate. The 2020 Plan Adjusted Index Rates are displayed in Column 7. The following briefly describes how each set of adjustments was determined.

## A. Actuarial Value, Cost Sharing:

The factors in Column 2 are the product of two adjustments:

1. We used internal models developed on large group claims experience to estimate the impact of different cost sharing designs. We also reviewed the projected experience and the projected membership by plan to estimate an overall paid-to-allowed ratio. The combination of these two analyses is a projection of the relative paid to allowed ratio which also reflects the impact of out of network coverage.
2. We applied an adjustment for the impact different levels of cost sharing have on the use of medical services, which is based in part on the induced utilization factors used in the Risk Adjustment program. These adjustments are first normalized to result in an aggregate factor of 1.0 when applied to the projected 2020 membership.

## B. Distribution and Administrative Costs:

Exhibit E-2, Column 3, reflects the adjustment for projected administrative costs, including sales, marketing, and profit & risk. These are discussed below in the ‘Non-Benefit Expenses and Profit & Risk’ section and include the Risk Adjustment User Fee which is not reflected in the Market-Adjusted Index Rate. These expense and profit assumptions do not vary by plan.

C. Non-Benefit Expenses and Profit & Risk

The retention portion of the projected premium is illustrated in Exhibit 10.

The prospective general and administrative expenses are set to achieve the 80% MLR threshold requirement. Actual general and administrative expenses are based on historical corporate Small Group market expense levels, 2019 projections, and projected changes in expenses, inflation, and membership for 2020 for our National book of Small Group business.

A flat commission per policy per month will be paid to all brokers in Pennsylvania during open enrollment. Commissions do not vary by plan.

Federal taxes include PPACA Taxes and Fees are based on the Notice of Benefit and Payment Parameters for 2020 as well as Federal income tax and State Premium taxes. The risk adjustment user fee of \$0.18 PMPM is included in the taxes and fees shown under non-benefit expenses. State premium taxes are estimated on most current known levels and include any known assessments.

D. Provider Network, Delivery System, and Utilization Management:

The factors in Column 4 reflect the impact of differences in the network size, efficiency, and provider contract terms. We worked with our contracting area and other subject matter experts to review the impact of these differences and the expected impact on allowed claims.

E. Benefits in addition to EHBs:

The factors in Column 5 adjust for the impact of benefits in addition to EHBs. The products discussed in this filing provide coverage for only those benefits defined as Essential Health Benefits (EHB). Hence, all factors in Column 5 are 1.00.

F. Catastrophic Plan Eligibility:

This filing does not include catastrophic plans.

G. Experience Period Plan Adjusted Index Rates

Worksheet 2 of the URRT displays the Plan Adjusted Index Rates filed in 2018 for the experience period.

15. Calibration

Exhibit C-1 shows an example of how calibration is applied to all plan adjusted index rates.

A. Age Curve Calibration:

The age factors are based on the HHS Default Standard Age curve. The factors are shown in Exhibit C-2. Exhibit C-2 demonstrates the determination of the Plan-Level Average Age Factor. Plan membership is based on issuer’s similar January 2019 plan membership and projected changes in the market.

To Age-Calibrate the Plan-Adjusted Index Rates, we project a premium-weighted average age factor for the 2020 membership using the prescribed age curve and the projected age for each plan, as illustrated on exhibit C-2, The overall Age Calibration factor is developed in Column B of Exhibit C-1. This factor is based on the weighting of plan-adjusted Index rate and membership weighted by each plan’s average age factor membership. The Age-Calibrated Plan Adjusted Index Rate is determined multiplying each Plan

Adjusted Index Rate by the Plan-Level Average Age Factor and then dividing by the weighted over-all average age factor.

The age that most closely corresponds to the premium weighted overall average age factor is the average age for the single risk pool.

#### B. Geographic Factor Calibration:

Exhibit C-2 summarizes the rating area definitions and factors and displays the projected premium by area to develop the projected average area factor. The geographic calibration factor is the reciprocal of the projected average area factor, and is applied in column F of Exhibit C-1

Projected area factors are shown in Exhibits 6 and C-2. Unit cost trend studies were used to evaluate whether there were significant changes to network costs that would require changes from previously filed rating area factors.

#### 16. Consumer-Adjusted Premium Rate Development

Rates are determined using the prescribed member build-up approach. In the event that a family includes more than three child dependents under age 21, only the three oldest child dependents will be considered in determining the family's premium. Additional child dependents (non-billable members) will not be included in the rate calculation.

The premium for each billable member is calculated as:

Calibrated Plan Adjusted Index Rate \* Age Factor \* Area Factor \* Tobacco Factor \* Trend Factor

The resulting rate is rounded to the nearest cent, and rates are then summed for all billable family members.

An example of a contract's premium determined by the member build-up calculation for a family of six, with more than three dependents under age 21, is shown in Exhibit 14.

#### 17. Projected Loss Ratio

The expected 2020 MLR for this filing, as defined by PPACA and before any credibility adjustment, is shown in Exhibit 11.

#### 18. AV Metal Values

The AV Metal Values on Worksheet 2 were based on the 2020 AV Calculator. As applicable, entries were modified to reflect the plan appropriately and/or adjustments were made for plan design features that could not be entered in the calculator per 45 CFR Part 156, §156.135. The accompanying certification discusses how the benefits were modified to fit the parameters and the development of any adjustments. The AV screenshots provide detail on the modified entries and adjustments to AV, as applicable.

#### 19. Membership Projections

Exhibit 15/C-2 summarizes the membership projections by plan. Membership projections are based on historical experience, enrollment in ACA-compliant plans through January 2019, and our expectations for future sales as additional members move to these plans from grandfathered and transitional plans. We assume that total enrollment will be similar to our current enrollment.

#### Terminated Plans and Products

Exhibit 16 provides a plan and product crosswalk from 2018 to 2020. The crosswalk includes the list of products that have experience in the single risk pool experience period, and products that were made available in 2019 and 2020.

Consistent with the URRT instructions, experience for non-single risk pool terminated products is reported in aggregate under the terminated product with the largest membership in the experience period.

20. Plan Type

All plans are consistent with the plan type indicated on Worksheet 2.

21. Composite Premiums

Small employers will not be able to elect to have rates set using a composite approach as permitted by PA.

22. Benefit Design

This filing includes one Silver plan.

Please refer to the corresponding policy forms for detailed benefit language. Information on the cost-sharing parameters of the covered benefit plans, including deductibles, copays, and Actuarial Values, is summarized in Exhibits A-1 and A-2. All benefit and cost sharing parameters comply with Pennsylvania benefit mandates and the requirements of PPACA, including preventive care benefits, deductible limits, and Actuarial Value requirements.

23. Marketing

Plans will be available outside of the public Marketplace. These plans may be marketed in a variety of means, including HHS Planfinder and our own website. In addition, members of our 2019 plans will be mailed a discontinuance or renewal letter, in accordance with CMS guidelines. Marketing and distribution approaches may change from time to time at management's discretion.

24. Underwriting

Aetna will verify applicant eligibility for these plans based on any applicable age or geographic limitations.

25. Renewability

These policies are guaranteed renewable as required under §2703 of the Public Health Service Act.

26. Company Financial Condition

AHI-AHIC

As of December 31, 2018, the capital and surplus held by Aetna Health, Inc. & Aetna Health Ins. Co. (Pennsylvania) was approximately \$490 million. This amount is disclosed in page 3, line 33 of the Company's statutory financial statement dated December 31, 2018. The Company issues commercial and Medicare Advantage coverage in various states for multiple business segments, including to large employer, small employer, and individual purchasers.

Reliance

While I have reviewed the reasonableness of the assumptions and data in support of both the preparation of the Part I Unified Rate Review Template and the rate development applicable to the products discussed in this filing, I relied on the expertise of other Aetna employees, along with work products produced at their direction, for the following items:

- Experience Period MLR Rebates
- Risk Adjustment Transfer

- Actuarial Value, Modifications, and Benefit Relativities
- Medical Cost and Utilization Trend
- Rx Cost and Utilization Trend
- Administrative Fees
- Experience Period Data – Small Group

### Certification

While this memorandum discusses both our development of rates for these products and the completion of the Part I Unified Rate Review Template (URRT), the Part I URRT does not demonstrate the process used by Aetna to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally-facilitated marketplaces, and for certification that the index rate is developed in accordance with Federal regulation, is used consistently, and is only adjusted by the allowable modifiers. The information provided above is intended to comply with these requirements.

I, [REDACTED] am an Associate of the Society of Actuaries, a member of the American Academy of Actuaries, and am qualified in the area of health insurance. I hereby certify that to the best of my knowledge and judgment:

1. This rate filing is in compliance with the applicable laws and regulations of Pennsylvania, the requirements under federal law and regulation, and all applicable Actuarial Standards of Practice, including but not limited to:
  - a. ASOP No. 5, Incurred Health and Disability Claims
  - b. ASOP No. 8, Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health
  - c. ASOP No. 12, Risk Classification
  - d. ASOP No. 23, Data Quality
  - e. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
  - f. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans
  - g. ASOP No. 41, Actuarial Communications
  - h. ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
2. The Projected Index Rate is:
  - a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1) 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, deficient, nor unfairly discriminatory.
3. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan-level rates.

4. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
5. The geographic rating factors reflect only differences in the costs of delivery (which include unit costs and provider practice pattern differences) and do not include differences for population morbidity by geographic area.
6. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. Adjustments made to reflect benefit features not handled by the AV Calculator are discussed in the attached certification required by 45 CFR Part 156, §156.135.



06/25/2019

\_\_\_\_\_  
\_\_\_\_\_, ASA, MAAA  
Aetna Health, Inc. & Aetna Health Ins. Co.

\_\_\_\_\_  
Date

**2020 Rates Table Template v9.0**

All fields with an asterisk ( \* ) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.  
 If you are 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.

<b>HIOS Issuer ID*</b>	64844
<b>Federal TIN*</b>	23-2169745
<b>Rate Effective Date*</b>	1/1/2020
<b>Rate Expiration Date*</b>	3/31/2020
<b>Rating Method*</b>	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<small>Required: Enter the 14-character Plan ID</small>	<small>Required: Select the Rating Area ID</small>	<small>Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</small>	<small>Required: Select the age of a subscriber eligible for the rate</small>	<small>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</small>	<small>Required: Enter the rate of an Individual tobacco enrollee on a plan</small>
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	279.14	279.14
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	15	303.96	303.96
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	16	313.44	313.44
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	17	322.93	322.93
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	18	333.15	333.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	19	343.36	343.36
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	20	353.95	353.95
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	21	364.89	364.89
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	22	364.89	364.89
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	23	364.89	364.89
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	24	364.89	364.89
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	25	366.35	366.35
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	26	373.65	373.65
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	27	382.41	382.41
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	28	396.64	396.64
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	29	408.32	408.32
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	30	414.15	414.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	31	422.91	422.91
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	32	431.67	431.67
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	33	437.14	437.14
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	34	442.98	442.98
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	35	445.90	445.90
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	36	448.82	448.82
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	37	451.74	451.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	38	454.66	454.66
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	39	460.50	460.50
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	40	466.33	466.33
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	41	475.09	475.09
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	42	483.48	483.48
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	43	495.16	495.16
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	44	509.76	509.76
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	45	526.91	526.91
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	46	547.34	547.34
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	47	570.33	570.33
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	48	596.60	596.60
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	49	622.51	622.51
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	50	651.70	651.70
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	51	680.53	680.53
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	52	712.27	712.27
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	53	744.38	744.38
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	54	779.05	779.05
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	55	813.71	813.71
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	56	851.30	851.30
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	57	889.24	889.24
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	58	929.75	929.75
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	59	949.82	949.82
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	60	990.32	990.32
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	61	1025.35	1025.35
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	62	1048.34	1048.34
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	63	1077.16	1077.16
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1094.31	1094.31
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	283.64	283.64
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	15	319.74	319.74
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	16	329.72	329.72
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	17	339.70	339.70
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	18	350.45	350.45
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	19	361.20	361.20
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	20	372.33	372.33
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	21	383.84	383.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	22	383.84	383.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	23	383.84	383.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	24	383.84	383.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	25	385.38	385.38
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	26	393.05	393.05
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	27	402.27	402.27
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	28	417.24	417.24
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	29	429.52	429.52
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	30	435.66	435.66
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	31	444.87	444.87
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	32	454.09	454.09
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	33	459.84	459.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	34	465.98	465.98
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	35	469.05	469.05
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	36	472.13	472.13
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	37	475.20	475.20
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	38	478.27	478.27
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	39	484.41	484.41
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	40	490.55	490.55
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	41	499.76	499.76
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	42	508.59	508.59
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	43	520.87	520.87
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	44	536.23	536.23
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	45	554.27	554.27
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	46	575.76	575.76
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	47	599.95	599.95
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	48	627.58	627.58
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	49	654.83	654.83















**2020 Rates Table Template v9.0**

All fields with an asterisk ( \* ) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.  
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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.

<b>HIOS Issuer ID*</b>	64844
<b>Federal TIN*</b>	23-2169745
<b>Rate Effective Date*</b>	4/1/2020
<b>Rate Expiration Date*</b>	6/30/2020
<b>Rating Method*</b>	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<small>Required: Enter the 14-character Plan ID</small>	<small>Required: Select the Rating Area ID</small>	<small>Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</small>	<small>Required: Select the age of a subscriber eligible for the rate</small>	<small>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</small>	<small>Required: Enter the rate of an Individual tobacco enrollee on a plan</small>
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	287.52	287.52
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	15	313.08	313.08
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	16	322.85	322.85
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	17	332.62	332.62
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	18	343.14	343.14
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	19	353.67	353.67
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	20	364.57	364.57
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	21	375.84	375.84
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	22	375.84	375.84
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	23	375.84	375.84
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	24	375.84	375.84
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	25	377.35	377.35
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	26	384.86	384.86
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	27	393.88	393.88
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	28	408.54	408.54
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	29	420.57	420.57
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	30	426.58	426.58
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	31	435.60	435.60
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	32	444.62	444.62
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	33	450.26	450.26
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	34	456.27	456.27
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	35	459.28	459.28
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	36	462.29	462.29
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	37	465.29	465.29
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	38	468.30	468.30
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	39	474.31	474.31
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	40	480.33	480.33
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	41	489.35	489.35
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	42	497.99	497.99
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	43	510.02	510.02
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	44	525.05	525.05
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	45	542.72	542.72
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	46	563.76	563.76
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	47	587.44	587.44
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	48	614.50	614.50
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	49	641.19	641.19
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	50	671.26	671.26
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	51	700.95	700.95
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	52	733.65	733.65
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	53	766.72	766.72
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	54	802.42	802.42
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	55	838.13	838.13
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	56	876.84	876.84
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	57	915.93	915.93
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	58	957.65	957.65
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	59	978.32	978.32
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	60	1020.04	1020.04
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	61	1056.12	1056.12
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	62	1079.80	1079.80
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	63	1109.49	1109.49
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1127.15	1127.15
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	302.45	302.45
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	15	329.34	329.34
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	16	339.61	339.61
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	17	349.89	349.89
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	18	360.96	360.96
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	19	372.03	372.03
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	20	383.50	383.50
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	21	395.36	395.36
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	22	395.36	395.36
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	23	395.36	395.36
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	24	395.36	395.36
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	25	396.94	396.94
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	26	404.85	404.85
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	27	414.34	414.34
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	28	429.76	429.76
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	29	442.41	442.41
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	30	448.73	448.73
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	31	458.22	458.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	32	467.71	467.71
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	33	473.64	473.64
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	34	479.97	479.97
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	35	483.13	483.13
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	36	486.29	486.29
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	37	489.46	489.46
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	38	492.62	492.62
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	39	498.94	498.94
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	40	505.27	505.27
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	41	514.76	514.76
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	42	523.85	523.85
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	43	536.50	536.50
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	44	552.32	552.32
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	45	570.90	570.90
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	46	593.04	593.04
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	47	617.95	617.95
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	48	646.41	646.41
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	49	674.48	674.48















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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.

<b>HIOS Issuer ID*</b>	64844
<b>Federal TIN*</b>	23-2169745
<b>Rate Effective Date*</b>	7/1/2020
<b>Rate Expiration Date*</b>	9/30/2020
<b>Rating Method*</b>	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<small>Required: Enter the 14-character Plan ID</small>	<small>Required: Select the Rating Area ID</small>	<small>Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</small>	<small>Required: Select the age of a subscriber eligible for the rate</small>	<small>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</small>	<small>Required: Enter the rate of an Individual tobacco enrollee on a plan</small>
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	296.15	296.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	15	322.47	322.47
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	16	332.54	332.54
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	17	342.60	342.60
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	18	353.44	353.44
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	19	364.28	364.28
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	20	375.51	375.51
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	21	387.12	387.12
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	22	387.12	387.12
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	23	387.12	387.12
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	24	387.12	387.12
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	25	388.67	388.67
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	26	396.41	396.41
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	27	405.70	405.70
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	28	420.80	420.80
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	29	433.19	433.19
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	30	439.38	439.38
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	31	448.67	448.67
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	32	457.96	457.96
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	33	463.77	463.77
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	34	469.97	469.97
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	35	473.06	473.06
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	36	476.16	476.16
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	37	479.26	479.26
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	38	482.35	482.35
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	39	488.55	488.55
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	40	494.74	494.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	41	504.03	504.03
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	42	512.94	512.94
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	43	525.32	525.32
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	44	540.81	540.81
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	45	559.00	559.00
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	46	580.68	580.68
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	47	605.07	605.07
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	48	632.94	632.94
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	49	660.43	660.43
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	50	691.40	691.40
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	51	721.98	721.98
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	52	755.66	755.66
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	53	789.73	789.73
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	54	826.50	826.50
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	55	863.28	863.28
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	56	903.15	903.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	57	943.42	943.42
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	58	986.39	986.39
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	59	1007.68	1007.68
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	60	1050.65	1050.65
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	61	1087.81	1087.81
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	62	1112.20	1112.20
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	63	1142.78	1142.78
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1160.98	1160.98
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	311.53	311.53
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	15	339.22	339.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	16	349.81	349.81
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	17	360.39	360.39
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	18	371.80	371.80
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	19	383.20	383.20
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	20	395.01	395.01
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	21	407.22	407.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	22	407.22	407.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	23	407.22	407.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	24	407.22	407.22
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	25	408.85	408.85
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	26	417.00	417.00
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	27	426.77	426.77
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	28	442.65	442.65
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	29	455.68	455.68
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	30	462.20	462.20
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	31	471.97	471.97
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	32	481.75	481.75
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	33	487.86	487.86
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	34	494.37	494.37
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	35	497.63	497.63
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	36	500.89	500.89
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	37	504.14	504.14
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	38	507.40	507.40
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	39	513.92	513.92
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	40	520.43	520.43
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	41	530.21	530.21
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	42	539.57	539.57
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	43	552.60	552.60
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	44	568.89	568.89
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	45	588.03	588.03
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	46	610.84	610.84
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	47	636.49	636.49
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	48	665.81	665.81
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	49	694.73	694.73















**2020 Rates Table Template v9.0**

All fields with an asterisk ( \* ) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.  
 If you are 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.

<b>HIOS Issuer ID*</b>	64844
<b>Federal TIN*</b>	23-2169745
<b>Rate Effective Date*</b>	10/1/2020
<b>Rate Expiration Date*</b>	12/31/2020
<b>Rating Method*</b>	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<small>Required: Enter the 14-character Plan ID</small>	<small>Required: Select the Rating Area ID</small>	<small>Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan</small>	<small>Required: Select the age of a subscriber eligible for the rate</small>	<small>Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan</small>	<small>Required: Enter the rate of an Individual tobacco enrollee on a plan</small>
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	305.03	305.03
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	15	332.15	332.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	16	342.52	342.52
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	17	352.88	352.88
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	18	364.05	364.05
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	19	375.21	375.21
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	20	386.78	386.78
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	21	398.74	398.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	22	398.74	398.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	23	398.74	398.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	24	398.74	398.74
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	25	400.33	400.33
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	26	408.31	408.31
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	27	417.88	417.88
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	28	433.43	433.43
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	29	446.19	446.19
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	30	452.57	452.57
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	31	462.14	462.14
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	32	471.71	471.71
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	33	477.69	477.69
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	34	484.07	484.07
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	35	487.26	487.26
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	36	490.45	490.45
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	37	493.64	493.64
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	38	496.83	496.83
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	39	503.21	503.21
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	40	509.59	509.59
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	41	519.16	519.16
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	42	528.33	528.33
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	43	541.09	541.09
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	44	557.04	557.04
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	45	575.78	575.78
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	46	598.11	598.11
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	47	623.23	623.23
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	48	651.94	651.94
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	49	680.25	680.25
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	50	712.15	712.15
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	51	743.65	743.65
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	52	778.34	778.34
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	53	813.43	813.43
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	54	851.31	851.31
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	55	889.19	889.19
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	56	930.26	930.26
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	57	971.73	971.73
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	58	1015.98	1015.98
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	59	1037.92	1037.92
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	60	1082.18	1082.18
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	61	1120.45	1120.45
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	62	1145.57	1145.57
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	63	1177.08	1177.08
64844PA0060126	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1195.82	1195.82
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	320.88	320.88
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	15	349.40	349.40
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	16	360.30	360.30
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	17	371.21	371.21
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	18	382.95	382.95
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	19	394.70	394.70
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	20	406.86	406.86
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	21	419.44	419.44
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	22	419.44	419.44
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	23	419.44	419.44
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	24	419.44	419.44
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	25	421.12	421.12
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	26	429.51	429.51
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	27	439.58	439.58
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	28	455.94	455.94
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	29	469.36	469.36
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	30	476.07	476.07
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	31	486.14	486.14
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	32	496.20	496.20
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	33	502.49	502.49
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	34	509.21	509.21
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	35	512.56	512.56
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	36	515.92	515.92
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	37	519.27	519.27
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	38	522.63	522.63
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	39	529.34	529.34
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	40	536.05	536.05
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	41	546.12	546.12
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	42	555.76	555.76
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	43	569.19	569.19
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	44	585.96	585.96
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	45	605.68	605.68
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	46	629.17	629.17
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	47	655.59	655.59
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	48	685.79	685.79
64844PA0060126	Rating Area 2	Tobacco User/Non-Tobacco User	49	715.57	715.57















Company Name: **Alpha Steel**  
Market: **Alpha Steel**  
Product: **HARD COAT**  
Effective Date of Rates: **01/01/2024**

Ending Date of Rates: **12/31/2024**

WIDE FLAT COIL DESIGNATION	01/01/2024		02/01/2024		03/01/2024		04/01/2024		05/01/2024		06/01/2024		07/01/2024		08/01/2024		09/01/2024		10/01/2024		11/01/2024		12/31/2024	
	Min./Trib./Sub.	Max./Trib./Sub.																						
04	5279.14	5279.14	5279.64	5279.64	5280.14	5280.14	5280.64	5280.64	5281.14	5281.14	5281.64	5281.64	5282.14	5282.14	5282.64	5282.64	5283.14	5283.14	5283.64	5283.64	5284.14	5284.14	5284.64	5284.64
05	5289.14	5289.14	5289.64	5289.64	5290.14	5290.14	5290.64	5290.64	5291.14	5291.14	5291.64	5291.64	5292.14	5292.14	5292.64	5292.64	5293.14	5293.14	5293.64	5293.64	5294.14	5294.14	5294.64	5294.64
06	5299.14	5299.14	5299.64	5299.64	5300.14	5300.14	5300.64	5300.64	5301.14	5301.14	5301.64	5301.64	5302.14	5302.14	5302.64	5302.64	5303.14	5303.14	5303.64	5303.64	5304.14	5304.14	5304.64	5304.64
07	5309.14	5309.14	5309.64	5309.64	5310.14	5310.14	5310.64	5310.64	5311.14	5311.14	5311.64	5311.64	5312.14	5312.14	5312.64	5312.64	5313.14	5313.14	5313.64	5313.64	5314.14	5314.14	5314.64	5314.64
08	5319.14	5319.14	5319.64	5319.64	5320.14	5320.14	5320.64	5320.64	5321.14	5321.14	5321.64	5321.64	5322.14	5322.14	5322.64	5322.64	5323.14	5323.14	5323.64	5323.64	5324.14	5324.14	5324.64	5324.64
09	5329.14	5329.14	5329.64	5329.64	5330.14	5330.14	5330.64	5330.64	5331.14	5331.14	5331.64	5331.64	5332.14	5332.14	5332.64	5332.64	5333.14	5333.14	5333.64	5333.64	5334.14	5334.14	5334.64	5334.64
10	5339.14	5339.14	5339.64	5339.64	5340.14	5340.14	5340.64	5340.64	5341.14	5341.14	5341.64	5341.64	5342.14	5342.14	5342.64	5342.64	5343.14	5343.14	5343.64	5343.64	5344.14	5344.14	5344.64	5344.64
11	5349.14	5349.14	5349.64	5349.64	5350.14	5350.14	5350.64	5350.64	5351.14	5351.14	5351.64	5351.64	5352.14	5352.14	5352.64	5352.64	5353.14	5353.14	5353.64	5353.64	5354.14	5354.14	5354.64	5354.64
12	5359.14	5359.14	5359.64	5359.64	5360.14	5360.14	5360.64	5360.64	5361.14	5361.14	5361.64	5361.64	5362.14	5362.14	5362.64	5362.64	5363.14	5363.14	5363.64	5363.64	5364.14	5364.14	5364.64	5364.64
13	5369.14	5369.14	5369.64	5369.64	5370.14	5370.14	5370.64	5370.64	5371.14	5371.14	5371.64	5371.64	5372.14	5372.14	5372.64	5372.64	5373.14	5373.14	5373.64	5373.64	5374.14	5374.14	5374.64	5374.64
14	5379.14	5379.14	5379.64	5379.64	5380.14	5380.14	5380.64	5380.64	5381.14	5381.14	5381.64	5381.64	5382.14	5382.14	5382.64	5382.64	5383.14	5383.14	5383.64	5383.64	5384.14	5384.14	5384.64	5384.64
15	5389.14	5389.14	5389.64	5389.64	5390.14	5390.14	5390.64	5390.64	5391.14	5391.14	5391.64	5391.64	5392.14	5392.14	5392.64	5392.64	5393.14	5393.14	5393.64	5393.64	5394.14	5394.14	5394.64	5394.64
16	5399.14	5399.14	5399.64	5399.64	5400.14	5400.14	5400.64	5400.64	5401.14	5401.14	5401.64	5401.64	5402.14	5402.14	5402.64	5402.64	5403.14	5403.14	5403.64	5403.64	5404.14	5404.14	5404.64	5404.64
17	5409.14	5409.14	5409.64	5409.64	5410.14	5410.14	5410.64	5410.64	5411.14	5411.14	5411.64	5411.64	5412.14	5412.14	5412.64	5412.64	5413.14	5413.14	5413.64	5413.64	5414.14	5414.14	5414.64	5414.64
18	5419.14	5419.14	5419.64	5419.64	5420.14	5420.14	5420.64	5420.64	5421.14	5421.14	5421.64	5421.64	5422.14	5422.14	5422.64	5422.64	5423.14	5423.14	5423.64	5423.64	5424.14	5424.14	5424.64	5424.64
19	5429.14	5429.14	5429.64	5429.64	5430.14	5430.14	5430.64	5430.64	5431.14	5431.14	5431.64	5431.64	5432.14	5432.14	5432.64	5432.64	5433.14	5433.14	5433.64	5433.64	5434.14	5434.14	5434.64	5434.64
20	5439.14	5439.14	5439.64	5439.64	5440.14	5440.14	5440.64	5440.64	5441.14	5441.14	5441.64	5441.64	5442.14	5442.14	5442.64	5442.64	5443.14	5443.14	5443.64	5443.64	5444.14	5444.14	5444.64	5444.64
21	5449.14	5449.14	5449.64	5449.64	5450.14	5450.14	5450.64	5450.64	5451.14	5451.14	5451.64	5451.64	5452.14	5452.14	5452.64	5452.64	5453.14	5453.14	5453.64	5453.64	5454.14	5454.14	5454.64	5454.64
22	5459.14	5459.14	5459.64	5459.64	5460.14	5460.14	5460.64	5460.64	5461.14	5461.14	5461.64	5461.64	5462.14	5462.14	5462.64	5462.64	5463.14	5463.14	5463.64	5463.64	5464.14	5464.14	5464.64	5464.64
23	5469.14	5469.14	5469.64	5469.64	5470.14	5470.14	5470.64	5470.64	5471.14	5471.14	5471.64	5471.64	5472.14	5472.14	5472.64	5472.64	5473.14	5473.14	5473.64	5473.64	5474.14	5474.14	5474.64	5474.64
24	5479.14	5479.14	5479.64	5479.64	5480.14	5480.14	5480.64	5480.64	5481.14	5481.14	5481.64	5481.64	5482.14	5482.14	5482.64	5482.64	5483.14	5483.14	5483.64	5483.64	5484.14	5484.14	5484.64	5484.64
25	5489.14	5489.14	5489.64	5489.64	5490.14	5490.14	5490.64	5490.64	5491.14	5491.14	5491.64	5491.64	5492.14	5492.14	5492.64	5492.64	5493.14	5493.14	5493.64	5493.64	5494.14	5494.14	5494.64	5494.64
26	5499.14	5499.14	5499.64	5499.64	5500.14	5500.14	5500.64	5500.64	5501.14	5501.14	5501.64	5501.64	5502.14	5502.14	5502.64	5502.64	5503.14	5503.14	5503.64	5503.64	5504.14	5504.14	5504.64	5504.64
27	5509.14	5509.14	5509.64	5509.64	5510.14	5510.14	5510.64	5510.64	5511.14	5511.14	5511.64	5511.64	5512.14	5512.14	5512.64	5512.64	5513.14	5513.14	5513.64	5513.64	5514.14	5514.14	5514.64	5514.64
28	5519.14	5519.14	5519.64	5519.64	5520.14	5520.14	5520.64	5520.64	5521.14	5521.14	5521.64	5521.64	5522.14	5522.14	5522.64	5522.64	5523.14	5523.14	5523.64	5523.64	5524.14	5524.14	5524.64	5524.64
29	5529.14	5529.14	5529.64	5529.64	5530.14	5530.14	5530.64	5530.64	5531.14	5531.14	5531.64	5531.64	5532.14	5532.14	5532.64	5532.64	5533.14	5533.14	5533.64	5533.64	5534.14	5534.14	5534.64	5534.64
30	5539.14	5539.14	5539.64	5539.64	5540.14	5540.14	5540.64	5540.64	5541.14	5541.14	5541.64	5541.64	5542.14	5542.14	5542.64	5542.64	5543.14	5543.14	5543.64	5543.64	5544.14	5544.14	5544.64	5544.64
31	5549.14	5549.14	5549.64	5549.64	5550.14	5550.14	5550.64	5550.64	5551.14	5551.14	5551.64	5551.64	5552.14	5552.14	5552.64	5552.64	5553.14	5553.14	5553.64	5553.64	5554.14	5554.14	5554.64	5554.64
32	5559.14	5559.14	5559.64	5559.64	5560.14	5560.14	5560.64	5560.64	5561.14	5561.14	5561.64	5561.64	5562.14	5562.14	5562.64	5562.64	5563.14	5563.14	5563.64	5563.64	5564.14	5564.14	5564.64	5564.64
33	5569.14	5569.14	5569.64	5569.64	5570.14	5570.14	5570.64	5570.64	5571.14	5571.14	5571.64	5571.64	5572.14	5572.14	5572.64	5572.64	5573.14	5573.14	5573.64	5573.64	5574.14	5574.14	5574.64	5574.64
34	5579.14	5579.14	5579.64	5579.64	5580.14	5580.14	5580.64	5580.64	5581.14	5581.14	5581.64	5581.64	5582.14	5582.14	5582.64	5582.64	5583.14	5583.14	5583.64	5583.64	5584.14	5584.14	5584.64	5584.64
35	5589.14	5589.14	5589.64	5589.64	5590.14	5590.14	5590.64	5590.64	5591.14	5591.14	5591.64	5591.64	5592.14	5592.14	5592.64	5592.64	5593.14	5593.14	5593.64	5593.64	5594.14	5594.14	5594.64	5594.64
36	5599.14	5599.14	5599.64	5599.64	5600.14	5600.14	5600.64	5600.64	5601.14	5601.14	5601.64	5601.64	5602.14	5602.14	5602.64	5602.64	5603.14	5603.14	5603.64	5603.64	5604.14	5604.14	5604.64	5604.64
37	5609.14	5609.14	5609.64	5609.64	5610.14	5610.14	5610.64	5610.64	5611.14	5611.14	5611.64	5611.64	5612.14	5612.14	5612.64	5612.64	5613.14	5613.14	5613.64	5613.64	5614.14	5614.14	5614.64	5614.64
38	5619.14	5619.14	5619.64	5619.64	5620.14	5620.14	5620.64	5620.64	5621.14	5621.14	5621.64	5621.64	5622.14	5622.14	5622.64	5622.64	5623.14	5623.14	5623.64	5623.64	5624.14	5624.14	5624.64	5624.64
39	5629.14	5629.14	5629.64	5629.64	5630.14	5630.14	5630.64	5630.64	5631.14	5631.14	5631.64	5631.64												

**Aetna Health Inc. (a PA corp.)  
Small Group  
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
64844PA0060126	Aetna Silver QPOS 6000 80/50	POS	Silver	Off	PAS001	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland
64844PA0070142	Aetna Silver HMO 6000 80%	HMO	Silver	Off	PAS002	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland





**Aetna Health Inc. (a PA corp.)  
Small Group  
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
64844PA0060126	Aetna Silver QPOS 6000 80/50	POS	Silver	Off	PAS001	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland
64844PA0070142	Aetna Silver HMO 6000 80%	HMO	Silver	Off	PAS002	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland



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

Ending date of Rates: **Alpha**

Table with columns for Plan ID, Plan Name, and various Rate Ridges (e.g., 6884PADD001, 6884PADD002, etc.). Each cell contains numerical values representing rates for different plan configurations.

**Aetna Health Inc. (a PA corp.)  
Small Group  
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
64844PA0060126	Aetna Silver QPOS 6000 80/50	POS	Silver	Off	PAS001	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland
64844PA0070142	Aetna Silver HMO 6000 80%	HMO	Silver	Off	PAS002	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland



Company Name: **Amtrak**  
Market: **AMT and CPSS**  
Product: **AMT and CPSS**  
Effective Date of Rates: **01/01/2025**

Ending date of Rates: **01/01/2025**

Table with columns for Plan ID, Plan Name, Plan Marking Name, Form #, Rating Area, Network, Month, Contribution, Capex, and various Plan ID codes (e.g., 6884PADD0012, 6884PADD0013, etc.). The table contains a dense grid of numerical data points for each category.

**Aetna Health Inc. (a PA corp.)  
Small Group  
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
64844PA0060126	Aetna Silver QPOS 6000 80/50	POS	Silver	Off	PAS001	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland
64844PA0070142	Aetna Silver HMO 6000 80%	HMO	Silver	Off	PAS002	PA01, PA02, PA03, PA05, PA06, PA07, PA08, PA09	McKean, Potter, Tioga, Bradford, Susquehanna, Wayne, Lackawanna, Wyoming, Sullivan, Lycoming, Clinton, Cameron, Elk, Forest, Venago, Clarion, Jefferson, Clearfield, Centre, Union, Montour, Snyder, Luzerne, Monroe, Carbon, Columbia, Schuylkill, Dauphin, Northampton, Lehigh, Berks, Lebanon, Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Adams, Franklin, Cumberland, Fulton, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Pike, Northumberland

Company Name: AMERISOURCE INC. (FPA 689)  
 Market: 5242-5249  
 Rates for Age 21, Non-Tobacco User, by Rating Area and County

Rating Area	Product Code	Product Name	Rating	County	RATING AREA 1					RATING AREA 2					RATING AREA 3					RATING AREA 4					RATING AREA 5					RATING AREA 6									
					1/1	1/2	1/3	1/4	1/5	2/1	2/2	2/3	2/4	2/5	3/1	3/2	3/3	3/4	3/5	4/1	4/2	4/3	4/4	4/5	5/1	5/2	5/3	5/4	5/5	6/1	6/2	6/3	6/4	6/5					
AMERISOURCE	1000	AMERISOURCE 1000	1000	AMERISOURCE	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

**Aetna Health Inc. (a PA corp.)**  
**HIOS ISSUER ID: 64844**

**Exhibit C-1**  
**Calibrated Plan Adjusted Index Rates**

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Member Months	Pre-Calibrated Plan Adjusted Index Rate	Plan-Level Average Age Factor	Age-Calibrated Plan Adjusted Index Rate	Average Rating Area Factor	Age&Geog.Calib Plan Adjusted Index Rate	Average Tobacco Factor	Consumer Adjusted Index Rates	Calibrated Plan Adjusted Index Rates
Silver Plan	64844PA0070142	2,090	\$704.87	1.457	\$704.87	1.007	\$704.87	1.000	\$704.87	\$480.35
Silver Plan	64844PA0060126	2,632	\$719.71	1.457	\$719.71	1.007	\$719.71	1.000	\$719.71	\$490.47
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
	Total Premium	-	\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Total Premium Check				(B) = (D) :		(B) = (F) :		(B) = (H) :	(B) = (I) :
⋮	⋮				TRUE		TRUE		TRUE	TRUE
				⋮		⋮		⋮		
All Plans Aggregate	Calibration Factors:			Age		Geographic		Tobacco		
				1.457		1.007		1.000		
				$= \Sigma((A) \times (B) \times (C)) / \Sigma((A) \times (B))$		$= \Sigma((D) \times (E) \times (A)) / \Sigma((D) \times (A))$		$= \Sigma((F) \times (G) \times (A)) / \Sigma((F) \times (A))$		

**Notes:**

(A) Development of Pre-Calibrated Plan Adjusted Index Rates is shown in Exhibit E-2

(B) Plan Level Average Age Factor, See Exhibit C-2 for Example

(C) Premium Paying Members, See Exhibit C-2 for Example

(D) Age-Calibrated Plan Adjusted Index Rate: Pre-Calibrated Plan Adjusted Index Rate (A) x Plan Specific Average Age Factor (B) / Age Calibration Factor

Total Premium =  $\Sigma (D) \times (C)$

(E) Plan Level Average Rating Area Factor, See Exhibit C-2 for Example

(F) Age & Geographic-Calibrated Plan Adjusted Index Rate: Age-Calibrated Plan Adjusted Index Rate (D) x Plan Specific Rating Area Factor (E) / Geographic Calibration Factor

Total Premium =  $\Sigma (F) \times (C)$

(G) Average Tobacco Factor, See Exhibit C-2 for Example

(H) Consumer Adjusted Index Rates: Age & Geographic-Calibrated Plan Adjusted Index Rate (F) x Plan Specific Tobacco Rating Factor (G) / Tobacco Calibration Factor

(I) Calibrated Plan Adjusted Index Rates: Plan Adjusted Index Rate (A) / (Age Calibration Factor x Geographic Calibration Factor x Tobacco Calibration Factor)

Total Premium =  $\Sigma (I) \times (C) \times (B) \times (E) \times (G)$

**Aetna Health Inc. (a PA corp.)  
HIOS ISSUER ID: 64844**

**Exhibit C-2  
Development of Plan Level Average Factors  
Age Rating, Tobacco Rating, and Geographic Rating**

F Silver Plan 64844PA0070142

Average Age Factor - Silver Plan 64844PA0070142			Average Tobacco User Factor - Silver Plan 64844PA0070142				Average Rating Area Factor - Silver Plan 64844PA0070142			
Age	% by Age	Age Factor	Tobacco No	Tobacco Yes	Avg. Rate	Rate Factor	Rating Area	Rating Area Names	Rating Area	Rating Area Factors
0-20	0.9%	-	0.8%	0.1%	1.000	1.000	1	Erie	0.0%	0.779
1-14	14.2%	0.765	12.7%	1.4%	1.000	1.000	2	Elk/Cameron/Potter	0.0%	0.819
15	1.2%	0.833	1.1%	0.1%	1.000	1.000	3	NEPA	4.3%	1.020
16	1.3%	0.859	1.2%	0.1%	1.000	1.000	4	Pittsburgh	0.0%	0.855
17	1.0%	0.885	0.9%	0.1%	1.000	1.000	5	Altoona	0.0%	0.837
18	1.3%	0.913	1.2%	0.1%	1.000	1.000	6	Mid Central plus Lehigh Valley	9.4%	1.030
19	1.1%	0.941	1.0%	0.1%	1.000	1.000	7	York/Lancaster	11.4%	1.080
20	1.3%	0.970	1.2%	0.1%	1.000	1.000	8	Greater Philadelphia	65.2%	1.000
21	1.1%	1.000	1.0%	0.1%	1.000	1.000	9	Harrisburg	9.7%	0.939
22	1.1%	1.000	1.0%	0.1%	1.000	1.000				
23	1.3%	1.000	1.1%	0.1%	1.000	1.000				
24	1.1%	1.000	1.0%	0.1%	1.000	1.000				
25	1.2%	1.004	1.0%	0.1%	1.000	1.000				
26	1.8%	1.024	1.6%	0.2%	1.000	1.000				
27	2.2%	1.048	1.9%	0.2%	1.000	1.000				
28	2.1%	1.087	1.8%	0.2%	1.000	1.000				
29	1.9%	1.119	1.7%	0.2%	1.000	1.000				
30	1.9%	1.135	1.7%	0.2%	1.000	1.000				
31	1.8%	1.159	1.6%	0.2%	1.000	1.000				
32	2.0%	1.183	1.8%	0.2%	1.000	1.000				
33	1.8%	1.198	1.7%	0.2%	1.000	1.000				
34	1.5%	1.214	1.4%	0.2%	1.000	1.000				
35	2.1%	1.222	1.8%	0.2%	1.000	1.000				
36	1.7%	1.230	1.5%	0.2%	1.000	1.000				
37	1.8%	1.238	1.6%	0.2%	1.000	1.000				
38	1.9%	1.246	1.7%	0.2%	1.000	1.000				
39	1.8%	1.262	1.6%	0.2%	1.000	1.000				
40	1.9%	1.278	1.7%	0.2%	1.000	1.000				
41	1.4%	1.302	1.3%	0.1%	1.000	1.000				
42	1.6%	1.325	1.4%	0.2%	1.000	1.000				
43	1.8%	1.357	1.6%	0.2%	1.000	1.000				
44	1.6%	1.397	1.5%	0.2%	1.000	1.000				
45	1.8%	1.444	1.6%	0.2%	1.000	1.000				
46	1.8%	1.500	1.6%	0.2%	1.000	1.000				
47	2.2%	1.563	1.9%	0.2%	1.000	1.000				
48	2.0%	1.635	1.8%	0.2%	1.000	1.000				
49	2.1%	1.706	1.9%	0.2%	1.000	1.000				
50	2.1%	1.786	1.8%	0.2%	1.000	1.000				
51	2.1%	1.865	1.9%	0.2%	1.000	1.000				
52	1.9%	1.952	1.7%	0.2%	1.000	1.000				
53	1.8%	2.040	1.6%	0.2%	1.000	1.000				
54	2.1%	2.135	1.9%	0.2%	1.000	1.000				
55	2.1%	2.230	1.8%	0.2%	1.000	1.000				
56	2.0%	2.333	1.8%	0.2%	1.000	1.000				
57	2.1%	2.437	1.9%	0.2%	1.000	1.000				
58	2.0%	2.548	1.8%	0.2%	1.000	1.000				
59	1.8%	2.603	1.6%	0.2%	1.000	1.000				
60	1.3%	2.714	1.1%	0.1%	1.000	1.000				
61	1.6%	2.810	1.4%	0.2%	1.000	1.000				
62	1.8%	2.873	1.6%	0.2%	1.000	1.000				
63	0.9%	2.952	0.8%	0.1%	1.000	1.000				
64	1.1%	3.000	1.0%	0.1%	1.000	1.000				
65+	0.9%	3.000	0.8%	0.1%	1.000	1.000				
<b>Total</b>	<b>100.0%</b>	<b>1.457</b>	<b>89.8%</b>	<b>10.2%</b>	<b>1.000</b>		<b>Total</b>	<b>-</b>	<b>100.0%</b>	<b>1.007</b>

**Aetna Health Inc. (a PA corp.)**  
**HIOS ISSUER ID: 64844**

**Exhibit E-1**  
**Calculation of Market Adjusted Index Rate**

<b>Projected Index Rate:</b>	\$695.94
<b>Net Risk Adjustment:</b>	1.002
<b>Exchange User Fees:</b>	1.000
<b>Total Impact:</b>	0.002
<b>Market Adjusted Index Rate:</b>	\$697.58

Aetna Health Inc. (a PA corp.)

Exhibit E-2  
Calculation of Plan Adjusted Index Rates and Calibrated Plan Adjusted Index Rates

				(1)	(2)	(3)	(4)	(5)	(6)	(7) = Product (Columns 1-6)	(8)	(9)	(10)	(11)	(12) = Product (Columns 8-11)	(13) = (7) x (12)	(14) = (7) / (1)
HIOS ID	Plan Name	Metal Tier	Membership	Market Adjusted Index Rate	AV & Cost Sharing	Distribution & Admin	Network & UM	Benefits in addition to EHBs	Impact of Eligibility (CAT)	Plan Adjusted Index Rate	Tobacco Calibration Factor	Age Calibration Factor	Geography Calibration Factor	Trend Factor	Calibration Factor	Calibrated Plan Adjusted Index Rate	AV Pricing Value
64844PA0070142	PA Silver HMO 6000 80%	Silver	44.26%	\$697.58	0.828	1.235	0.988	1.000	1.000	704.87	1.000	0.686	0.993	0.955	0.651	458.92	1.010
64844PA0060126	PA Silver QPOS 6000 80/50	Silver	55.74%	\$697.58	0.828	1.235	1.009	1.000	1.000	719.71	1.000	0.686	0.993	0.955	0.651	468.58	1.032

Company Legal Name:  
HIOS ISSUER ID: 64844

Exhibit 3  
Population Morbidity Assumptions and Projection Factor

Manual Experience

	CY 2018 Data (Experience)		SG ACA	201812 Active (Jump-off Point)	
	MMOS	Average Risk		Members	Average Risk
SG KWH	0	0.000			
SG ACA	28,321	1.033			
Manual Experience	28,321	1.033	1,223	1.082	

Renewal Action	2019 Renewals/Sales		2020 Full Year	
	Members	Risk	Members	Risk
Up for Renewal	1,223	1.082	10,390	1.199
+ Gain from KWH/Other	17,415	1.084	12,843	1.018
- Terminate Coverage	581	0.797	2,609	0.968
+ Add'l New Sales	0	0.000	0	0.000
Ending Membership	18,057	1.093	20,625	1.116

	Morbidity Change Development
Starting Risk Score (Manual Experience)	1.033
Ending Risk Score (ACA 2020)	1.116
Change in Morbidity Factor	1.080

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Exhibit 4  
Benefit/Induced Demand Change

	Experience	Manual	Projection	Proj/Exp	Proj/Manual
Benefit Change	0.829	0.669	0.644	0.777	0.963
Induced Utilization	1.202	1.023	1.000	0.832	0.978

Exhibit 5  
Claim Impact due to Demographic Changes

Age	Experience Period Distribution		Experience Demographic Factor		Projected Period Distribution		Projection Demographic Factor	
	Male	Female	Male	Female	Male	Female	Male	Female
0	0.38%	0.32%	1.117	1.114	0.54%	0.45%	1.117	1.114
1	0.37%	0.34%	1.117	1.114	0.33%	0.45%	1.117	1.114
2	0.41%	0.39%	0.511	0.511	0.41%	0.49%	0.511	0.511
3	0.38%	0.36%	0.511	0.511	0.30%	0.41%	0.511	0.511
4	0.38%	0.34%	0.511	0.511	0.62%	0.24%	0.511	0.511
5	0.41%	0.41%	0.379	0.379	0.47%	0.49%	0.379	0.379
6	0.40%	0.45%	0.379	0.379	0.36%	0.43%	0.379	0.379
7	0.44%	0.52%	0.379	0.379	0.33%	0.39%	0.379	0.379
8	0.54%	0.44%	0.379	0.379	0.41%	0.29%	0.379	0.379
9	0.60%	0.49%	0.379	0.379	0.56%	0.43%	0.379	0.379
10	0.54%	0.55%	0.412	0.380	0.58%	0.67%	0.412	0.380
11	0.60%	0.64%	0.412	0.380	0.62%	0.54%	0.412	0.380
12	0.62%	0.59%	0.412	0.380	0.62%	0.67%	0.412	0.380
13	0.71%	0.60%	0.412	0.380	0.86%	0.60%	0.412	0.380
14	0.65%	0.71%	0.412	0.380	0.64%	0.61%	0.412	0.380
15	0.66%	0.67%	0.532	0.591	0.66%	0.63%	0.532	0.591
16	0.76%	0.68%	0.532	0.591	0.72%	0.63%	0.532	0.591
17	0.71%	0.72%	0.532	0.591	0.60%	0.41%	0.532	0.591
18	0.88%	0.77%	0.532	0.591	0.64%	0.74%	0.532	0.591
19	0.88%	0.73%	0.532	0.591	0.60%	0.57%	0.532	0.591
20	0.82%	0.68%	0.479	0.787	0.72%	0.64%	0.479	0.787
21	0.75%	0.61%	0.479	0.787	0.79%	0.35%	0.479	0.787
22	0.81%	0.78%	0.479	0.787	0.56%	0.58%	0.479	0.787
23	0.90%	0.82%	0.479	0.787	0.61%	0.65%	0.479	0.787
24	0.90%	0.83%	0.479	0.787	0.67%	0.41%	0.479	0.787
25	0.95%	0.70%	0.489	1.176	0.60%	0.57%	0.489	1.176
26	0.87%	0.58%	0.489	1.176	0.94%	0.86%	0.489	1.176
27	0.95%	0.59%	0.489	1.176	1.12%	1.03%	0.489	1.176
28	0.78%	0.62%	0.489	1.176	1.19%	0.86%	0.489	1.176
29	0.90%	0.64%	0.489	1.176	1.02%	0.88%	0.489	1.176
30	0.97%	0.61%	0.552	1.393	1.00%	0.90%	0.552	1.393
31	0.95%	0.55%	0.552	1.393	1.05%	0.79%	0.552	1.393
32	0.92%	0.62%	0.552	1.393	1.02%	1.02%	0.552	1.393
33	0.89%	0.64%	0.552	1.393	0.99%	0.85%	0.552	1.393
34	0.83%	0.57%	0.552	1.393	0.66%	0.86%	0.552	1.393
35	0.96%	0.57%	0.670	1.303	1.01%	1.05%	0.670	1.303
36	0.90%	0.57%	0.670	1.303	0.86%	0.82%	0.670	1.303
37	0.90%	0.61%	0.670	1.303	1.08%	0.73%	0.670	1.303
38	0.93%	0.70%	0.670	1.303	0.95%	0.92%	0.670	1.303
39	0.92%	0.64%	0.670	1.303	0.97%	0.85%	0.670	1.303
40	0.87%	0.66%	0.839	1.224	0.98%	0.90%	0.839	1.224
41	0.84%	0.57%	0.839	1.224	0.63%	0.81%	0.839	1.224
42	0.79%	0.62%	0.839	1.224	0.83%	0.76%	0.839	1.224
43	0.79%	0.65%	0.839	1.224	0.94%	0.86%	0.839	1.224
44	0.78%	0.63%	0.839	1.224	0.85%	0.77%	0.839	1.224
45	0.83%	0.63%	1.063	1.314	0.91%	0.86%	1.063	1.314
46	0.97%	0.72%	1.063	1.314	0.86%	0.96%	1.063	1.314
47	1.03%	0.77%	1.063	1.314	1.10%	1.05%	1.063	1.314
48	0.98%	0.79%	1.063	1.314	0.93%	1.03%	1.063	1.314
49	1.01%	0.92%	1.063	1.314	1.06%	1.08%	1.063	1.314
50	1.10%	0.92%	1.456	1.565	1.18%	0.87%	1.456	1.565
51	1.08%	0.94%	1.456	1.565	0.99%	1.08%	1.456	1.565
52	1.24%	0.94%	1.456	1.565	1.14%	0.78%	1.456	1.565
53	1.21%	0.87%	1.456	1.565	1.06%	0.77%	1.456	1.565
54	1.02%	0.95%	1.456	1.565	1.07%	1.02%	1.456	1.565
55	1.03%	1.07%	1.868	1.810	1.09%	0.96%	1.868	1.810
56	1.29%	1.05%	1.868	1.810	0.98%	0.97%	1.868	1.810
57	1.18%	1.08%	1.868	1.810	1.28%	0.84%	1.868	1.810
58	1.17%	0.93%	1.868	1.810	1.05%	0.91%	1.868	1.810
59	1.09%	0.98%	1.868	1.810	0.92%	0.89%	1.868	1.810
60	1.07%	1.00%	2.358	2.227	0.68%	0.58%	2.358	2.227
61	0.95%	0.93%	2.358	2.227	0.73%	0.84%	2.358	2.227
62	0.98%	0.82%	2.358	2.227	1.00%	0.82%	2.358	2.227
63	0.84%	0.78%	2.358	2.227	0.47%	0.46%	2.358	2.227
64	0.74%	0.63%	2.358	2.227	0.56%	0.53%	2.358	2.227
65+	0.90%	0.61%	2.358	2.227	0.52%	0.42%	2.358	2.227

<b>Experience Period Demographic Factor</b>	1.1215
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**Note:**

Experience Period Demographic Factor computed as the weighted average of gender specific Demographic Factor by current population distribution.

<b>Projected Demographic Factor</b>	1.1046
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**Note:**

Projected Demographic Factor computed as the weighted average of gender specific Demographic Factor by projected population distribution.

<b>Demographic Change</b>	0.9849
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**Note:**

Claim Impact due to Demographic Changes computed as the ratio of the Projected Demographic Factor over the Experience Period Demographic Factor.

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**Exhibit 6**  
**Projected Membership Distribution by County**

Rating Area	Counties	Experience Period Membership	Experience Period Area Factor	Projected Membership	Projected Area Factor
1	Clarion	0%	0.785	0%	0.779
1	Crawford	0%	0.785	0%	0.779
1	Erie	0%	0.785	0%	0.779
1	Forest	0%	0.785	0%	0.779
1	Mckean	0%	0.785	0%	0.779
1	Mercer	0%	0.785	0%	0.779
1	Venango	0%	0.785	0%	0.779
1	Warren	0%	0.785	0%	0.779
2	Cameron	0%	0.792	0%	0.819
2	Elk	0%	0.792	0%	0.819
2	Potter	0%	0.792	0%	0.819
3	Bradford	0%	0.998	0%	1.020
3	Carbon	0%	0.998	0%	1.020
3	Clinton	0%	0.998	0%	1.020
3	Lackawanna	0%	0.998	0%	1.020
3	Luzerne	0%	0.998	0%	1.020
3	Lycoming	0%	0.998	0%	1.020
3	Monroe	0%	0.998	2%	1.020
3	Pike	0%	0.998	1%	1.020
3	Sullivan	0%	0.998	0%	1.020
3	Susquehanna	0%	0.998	2%	1.020
3	Tioga	0%	0.998	0%	1.020
3	Wayne	0%	0.998	0%	1.020
3	Wyoming	0%	0.998	0%	1.020
4	Allegheny	0%	0.810	0%	0.855
4	Armstrong	0%	0.810	0%	0.855
4	Beaver	0%	0.810	0%	0.855
4	Butler	0%	0.810	0%	0.855
4	Fayette	0%	0.810	0%	0.855
4	Greene	0%	0.810	0%	0.855
4	Indiana	0%	0.810	0%	0.855
4	Lawrence	0%	0.810	0%	0.855
4	Washington	0%	0.810	0%	0.855
4	Westmoreland	0%	0.810	0%	0.855
5	Bedford	0%	0.780	0%	0.837
5	Blair	0%	0.780	0%	0.837
5	Cambria	0%	0.780	0%	0.837
5	Clearfield	0%	0.780	0%	0.837
5	Huntingdon	0%	0.780	0%	0.837
5	Jefferson	0%	0.780	0%	0.837
5	Somerset	0%	0.780	0%	0.837
6	Centre	0%	0.983	0%	1.030
6	Columbia	0%	0.983	0%	1.030
6	Lehigh	3%	0.983	6%	1.030
6	Mifflin	0%	0.983	0%	1.030
6	Montour	0%	0.983	0%	1.030
6	Northampton	2%	0.983	3%	1.030
6	Northumberland	0%	0.983	0%	1.030
6	Schuylkill	0%	0.983	0%	1.030
6	Snyder	0%	0.983	0%	1.030
6	Union	0%	0.983	0%	1.030
7	Adams	0%	0.984	0%	1.080
7	Berks	5%	0.984	3%	1.080
7	Lancaster	1%	0.984	5%	1.080
7	York	1%	0.984	4%	1.080
8	Bucks	18%	1.000	8%	1.000
8	Chester	19%	1.000	12%	1.000
8	Delaware	8%	1.000	7%	1.000
8	Montgomery	28%	1.000	23%	1.000
8	Philadelphia	10%	1.000	15%	1.000
9	Cumberland	1%	0.933	5%	0.939
9	Dauphin	1%	0.933	0%	0.939
9	Franklin	0%	0.933	0%	0.939
9	Fulton	0%	0.933	0%	0.939
9	Juniata	0%	0.933	4%	0.939
9	Lebanon	0%	0.933	1%	0.939
9	Perry	0%	0.933	0%	0.939

<b>Average Experience Period Area Factor</b>	0.9961
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**Note:**  
Average Experience Period Area Factor computed as the weighted average of Experience Period Area Factors by experience period membership distribution.

<b>Average Projected Area Factor</b>	1.0070
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**Note:**  
Projected Area Factor computed as the weighted average of Projection Period Area Factors by projected membership distribution.

<b>Area Shift Factor</b>	1.0006
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**Note:**  
Area Shift Factor computed as the ratio of the Projected Membership by Area over the Experience Membership by Area Factor represents:  
The impact due to the shift of the population distribution across areas.

<b>Area Factor Change</b>	1.0104
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**Note:**  
Area Factor Change computed as the ratio of the Projected Area Factor over the Experience Area Factor both using experience Factor represents:  
The impact due to cost relativity changes, including changes to provider networks and contracts, from the experience period to the rating period.

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Exhibit 7  
Network Projection Factor Shift

Experience Network Name	Experience Period Membership	Experience Period Network Factor
QPOS	90%	0.970
HMO	10%	0.950

Projection Network Name	Projected Membership	Projected Network Factor
HMO	44%	0.950
QPOS	56%	0.970

<b>Average Experience Period Network Factor</b>	0.9681
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<b>Average Projected Network Factor</b>	0.9611
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<b>Network Shift Factor</b>	0.9929
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Exhibit 8  
Trend Exhibit

Service Type	Unit Cost	Utilization
Facility Inpatient	5.5%	2.8%
Facility Outpatient	4.1%	6.8%
Physician	1.7%	6.3%
Capitation	0.0%	0.0%
<b>Medical</b>	3.8%	5.5%
Pharmacy	10.4%	2.4%
<b>Total (Med + Rx)</b>	5.1%	4.9%

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**Exhibit 9**  
**Projected Membership and Paid to Allowed by Metal Tier**

<b>Metallic Tier</b>	<b>Projected Membership</b>	<b>Projected Paid to Allowed Ratio</b>
Platinum	0	N/A
Gold	0	N/A
Silver	4,722	83%
Bronze	0	N/A
Catastrophic	0	N/A
<b>Total</b>	4,722	83%

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Exhibit 10  
Retention as a Percent of Premium and PMPM

Retention Components	% of Premium	PMPM
<b>Administrative Expense Load</b>	9.55%	\$65.08
<b>Profit &amp; Risk Load</b>	2.00%	\$13.63
Premium Tax	4.30%	\$29.29
User Exchange Fee	0.00%	\$0.00
State Based Exchange Fee	0.00%	\$0.00
HIF	2.60%	\$17.71
Risk Adjustment User Fee	0.03%	\$0.18
Federal Income Tax	0.53%	\$3.62
<b>Total Taxes and Fees</b>	7.46%	\$50.80

**Aetna Health Inc. (a PA corp.)**  
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**Exhibit 11**  
**MLR Projection**

			<b>Formula</b>
(a)	Premium (pmpm)	\$681.31	
(b)	Medical Cost (pmpm)	\$548.40	
(c)	Medical Benefit Ratio (MBR)	80.5%	= (c) / (b)
(d)	Quality Improvement Action (pmpm)	\$5.45	= (a) x 0.80%
(e)	Taxes and Fees (pmpm)	\$54.21	
(f)	Adjusted Premium (pmpm)	\$627.11	=(a) - (e)
(g)	Adjusted Claims (pmpm)	\$553.85	= (b) + (d)
	<b>Medical Loss Ratio (MLR)</b>	<b>88.3%</b>	=(g) / (f)

Notes:

ACA adjustments for QIA and taxes and fees are estimates based on historical experience and projected expenses.

Values reflect current actuarial projections and will differ from the final reported MLR.

This projection applies to the products included in this filing and is a standalone calculation for the 2020 calendar year. This projection differs from the MLR calculation specified by PPACA which includes three years of experience for all business in the MLR pool.

**Aetna Health Inc. (a PA corp.)**  
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**Exhibit 12**  
**Quarterly Trend Factors**

<b>Effective Quarter</b>	<b>Membership</b>	<b>Trend Factor</b>	<b>Index Rate</b>
1Q 2020	27.2%	1.000	\$664.88
2Q 2020	19.1%	1.030	\$684.83
3Q 2020	27.8%	1.061	\$705.38
4Q 2020	25.9%	1.093	\$726.55
Total	100.0%	1.047	\$695.94

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**Exhibit 14**

**Sample Rate Calculation**

The following steps outline the mathematical formula used to develop the member level rates for a sample smg. The input assumptions and the census provided below are for illustrative purposes only.

**Sample Small Group Information:**

Effective Date: 1/1/2020  
 Rating Area: Rating Area 9  
 Plan: PA Silver HMO 6000 80%

<b><u>Group Census</u></b>	<b>Employee Age</b>	<b>Spouse Age</b>	<b>Child 1 Age</b>	<b>Child 2 Age</b>	<b>Child 3 Age</b>
Employee 1	35	36	5	7	
Employee 2	56	52			
Employee 3	24	21			
Employee 4	52	49	19	17	16
Employee 5	65	65	25		
Employee 6	58	60	24		
Employee 7	56	51			
Employee 8	42	41			
Employee 9	33	34	5	6	7
Employee 10	25	28	2	1	

**Age and Tobacco**

**Factors**

**Age Factors**

	<b>Employee</b>	<b>Spouse</b>	<b>Child 1</b>	<b>Child 2</b>	<b>Child 3</b>
Employee 1	1.222	1.230	0.765	0.765	
Employee 2	2.333	1.952			
Employee 3	1.000	1.000			
Employee 4	1.952	1.706	0.941	0.885	0.859
Employee 5	3.000	3.000	1.004		
Employee 6	2.548	2.714	1.000		
Employee 7	2.333	1.865			
Employee 8	1.325	1.302			
Employee 9	1.198	1.214	0.765	0.765	0.765
Employee 10	1.004	1.087	0.765	0.765	

**Calculation of Monthly Premium**

Step 1: Multiply Market Base Rate x Rating Area Factor x Plan Factor x Effective Date Factor

Market Base Rate =	\$560.76
x Rating Area Factor (Rating Area 9)	0.9393
x Plan Factor	0.8184
x Effective Date Factor	1.0000
<u>Market Base Rate adjusted for Plan/Area/Effective Date =</u>	<u>\$431.07</u>

Step 2: Multiply Adjusted Market Base Rate in Step 1 by the Member level Age and Tobacco Factors:

<b>Member Monthly Rates</b>	<b>Employee</b>	<b>Spouse</b>	<b>Child 1</b>	<b>Child 2</b>	<b>Child 3</b>	<b>Total</b>
Employee 1	\$526.76	\$530.21	\$329.77	\$329.77		\$1,716.51
Employee 2	\$1,005.68	\$841.44				\$1,847.12
Employee 3	\$431.07	\$431.07				\$862.14
Employee 4	\$841.44	\$735.40	\$405.63	\$381.49	\$370.29	\$2,734.25
Employee 5	\$1,293.20	\$1,293.20	\$432.79			\$3,019.19
Employee 6	\$1,098.36	\$1,169.92	\$431.07			\$2,699.35
Employee 7	\$1,005.68	\$803.94				\$1,809.62
Employee 8	\$571.16	\$561.25				\$1,132.41
Employee 9	\$516.42	\$523.32	\$329.77	\$329.77	\$329.77	\$2,029.05
Employee 10	\$432.79	\$468.57	\$329.77	\$329.77		\$1,560.90
<b>Group Total Monthly Premium:</b>						<b>\$19,410.54</b>

Note: Member level monthly rates are rounded to the nearest penny.

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Exhibit 15  
Product Portfolio & Projected Membership Distribution

HIOS Plan-ID	Network	Plan	Metallic Tier	Actuarial Value	Exchange Offering	Projected Membership Distribution
64844PA0070142	HMO	PA Silver HMO 6000 80%	Silver	71.01%	No	44.26%
64844PA0060126	QPOS	PA Silver QPOS 6000 80/50	Silver	71.01%	No	55.74%

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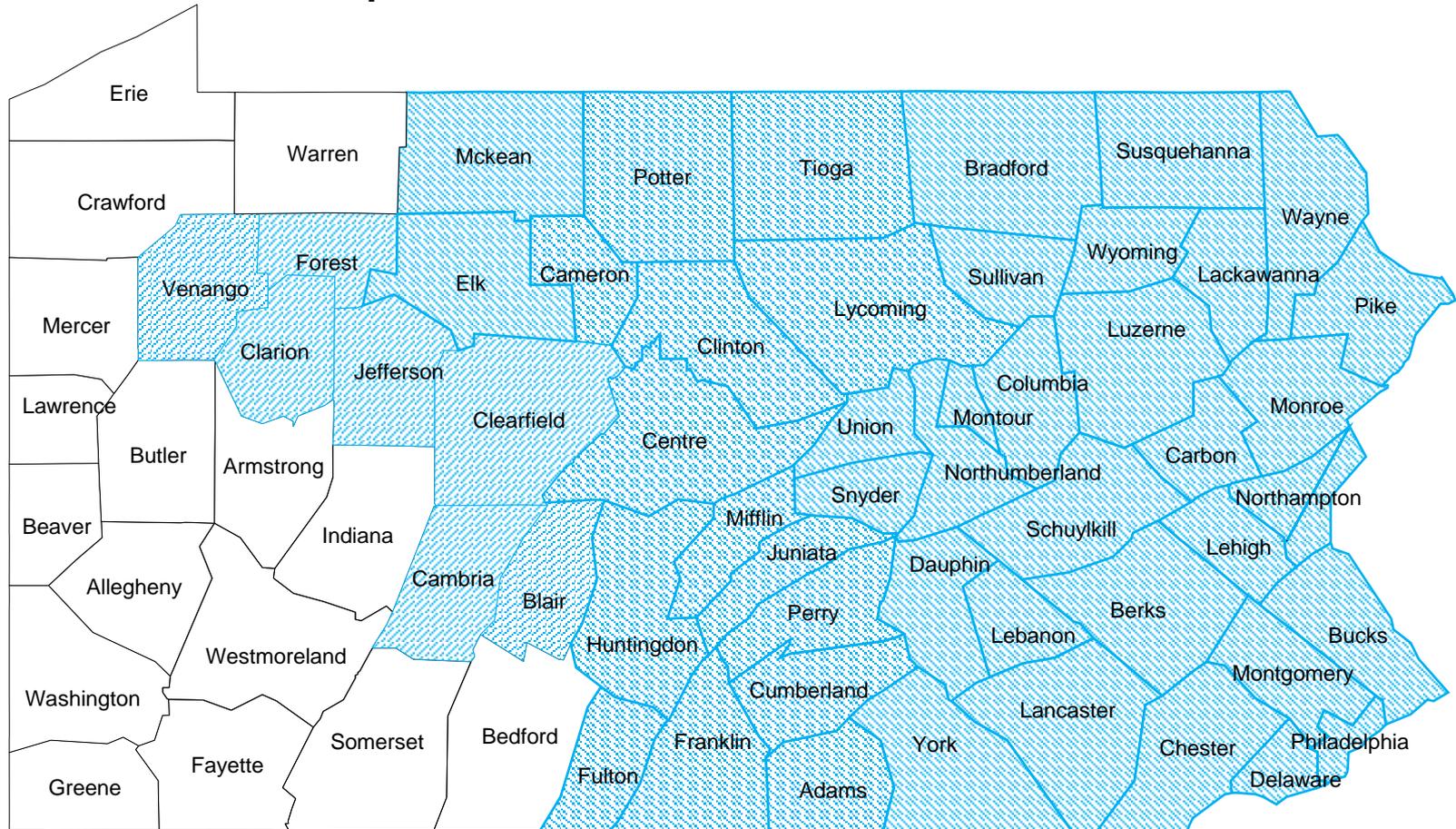
Exhibit 16  
Plan Mapping

2018 HIOS Plan ID	2018 Plan Name	2019 HIOS Plan ID	2019 Plan Name	2020 HIOS Plan ID	2020 Plan Name
64844PA0060000	Terminated QPOS Plans				
64844PA0060126	PA Silver QPOS 6000 80/50 \$30/75	64844PA0060126	PA Silver QPOS 6000 80/50 \$30/75	64844PA0060126	PA Silver QPOS 6000 80/50
64844PA0070000	Terminated HMO Plans				
64844PA0070142	PA Silver HMO 6000 80% \$30/75	64844PA0070142	PA Silver HMO 6000 80% \$30/75	64844PA0070142	PA Silver HMO 6000 80%

# 01/01/2020 Service Area

Issuer: Aetna Health Inc. (a PA corp.)

Market: Small Group



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

-  : 2020 on-exchange service area
-  : 2020 off-exchange only service area



June 25, 2019

Mrs. Cherri Sanders-Jones  
Insurance Department  
Bureau of Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

Subject: Aetna Health Inc.  
Small Group Rate Filing  
SERFF # AETN-131899868

Dear Mrs. Cherri Sanders-Jones:

1. Please modify the cover letter to include the rate history information for January 1, 2019.  
*The cover letter has been modified to include the rate history information for January 1, 2019.*
2. Please confirm that the Tables in the 'I Data' tab is populated with unadjusted data specific to the AHI small group market for ACA-compliant plans only.  
*The Tables in the 'I Data' tab are populated with unadjusted data specific to the AHI/AHIC small group market for transitional plans and ACA-compliant plans as permitted by federal URR Instructions.*
3. Please clarify the data source and markets used in populating the 'I.b.Manual' Tab.  
*The 'I.b.Manual' Tab is populated with unadjusted data specific to the small group market for ACA-compliant plans only on all the AHI/AHIC, AHASPA and ALIC legal entities.*
4. The updated URR instructions require quantitative impact of rate increase drivers. Please indicate the quantitative impact of the drivers discussed on page 1 of the Part III Memorandum.  
*Please see the 'Response #4' tab in AHI Objection Response Tables 1.xlsx for the quantitative impact of rate increase drivers discussed on page 1 of the Part III Memorandum.*
5. Please explain the AHI-AHIC relationship regarding this filing.  
*AHI is the HMO license that underwrites the underlying HMO plan. AHIC is the insurance company license that underwrites the out of network wrap for the POS plans that include out of network.*
6. What was the proposed and approved rate increase for 2019?  
*The final proposed and approved rate increase for 2019 was 11.6%.*
7. Please provide missing documentation for Exhibits 1-4, 7, 13 and E-2 in the file PA\_SG\_64844\_Off\_1Q2020\_Exhibits\_v1.xls.  
*Exhibits 3, 4, 7, and E-2 have been added to the file PA\_SG\_64844\_Off\_1Q2020\_Exhibits\_v2.xls. Exhibits 1, 2, and 13 are not referenced in the submission and have not been produced.*
8. Please explain why the current enrollment in the URRT of 192 does not match the current enrollment in the PA exhibits of 394. *The current enrollment in the URRT was inadvertently divided by two. It has been updated to match the current enrollment in the PA exhibits of 384 which reflects the membership for the period of February 2019.*



9. Please describe your credibility methodology? Also, explain why you believe the manual data more accurately captures the essential characteristics of the market.

*The manual data consists of all ACA-compliant experience for 2018 in Aetna plans. As the plan offerings for 2018 were very similar in benefit design across all product types, we felt it appropriate to combine the experience and develop rates using expected product differentials. Zero credibility was assigned to the base data based on the expectation that the manual data was a more representative view of the performance of the full product offerings.*

10. Did you consider ASOP #25 when determining the credibility?

*ASOP #25 was consulted when determining the credibility.*

11. Please provide the quarterly rate impact.

*The quarterly rate impact comes from trend, at a rate of 3.0%, quarter-over-quarter.*

12. Please provide information on the leverage trend component of the 2020-2021 trend rate development from the Trend Tie Out worksheet. What is the leverage factor assumed by medical cost component?

Quantitatively show the development of the leveraging factor.

*Leveraging for medical and pharmacy is developed using the Milliman Health Cost Guidelines Deductible Leveraging table. Based on the average deductible, a load factor is applied to the allowed trend to calculate the paid trend. An example is below.*

*Allowed Trend = 10.0%*

*Average Deductible = \$2,000*

*Lookup From Deductible Leveraging Table for \$2,000 = 1.15*

*Leveraging Trend = (1 + Allowed Trend \* Deductible Lookup)/(1+Allowed Trend) - 1*

*Leveraging Trend = (1 + 0.1\*1.15)/(1 + 0.1) - 1 = 1.3%*

*Paid Trend = (1 + Allowed Trend) \* (1 + Leveraging Trend) - 1*

*Paid Trend = (1 + 10%) \* (1 + 1.3%) - 1 = 11.5%*

*The leveraging factor assumed by medical cost component is:*

<b>Service Type</b>	<b>Leveraging</b>
Facility Inpatient	1.2%
Facility Outpatient	1.6%
Physician	1.1%
Capitation	0.0%
Pharmacy	1.5%

13. Table 2 includes capitation payments. Are capitations expected for the rating period? Please list the services that are capitated and the expected 2020 pmpms.

*We have a small number of lab and mental health providers that were paid on a capitated basis in the experience. Any capitation that remains in place for 2020 is expected to be minimal.*

14. Please explain why the annual trend of 12.55% for 2020 quarterly rates (3.0% per quarter) is much higher than the historical trend rates used for the manual and experience.



*The annual paid trend used for quarterly rates is reflective of the following adjustments from the allowed trend used in the historical rate development: leveraging, explained in response #12, and the removal of induced utilization from the forward-looking trend.*

15. Please provide documentation of the weights used in Table 3b of the PAAM, Medical Trend Components, and explain why these do not match the weights of the Experience Period Index Rate PMPM in the URRT.

*Table 3b of the PAAM uses the paid % of expenses for the AHASPA, AHI, ALIC and AHIC combined small group ACA-compliant data that makes up the manual data. The weights of the Experience Period Index Rate PMPM in the URRT are the allowed % of expenses for AHI/AHIC small group ACA-compliant and transitional plans.*

16. The trended Allowed EHB Claims in cell H30 of Worksheet I of the URRT does not match the trended Allowed EHB Claims in cell C13 of Table 5 of the PAAM exhibits. Please review and revise or explain.

*The base experience trend has been revised to remove the values from the induced utilization column and utilize the benefit weights from the URRT. Table 5, cell C13 of the PAAM Exhibits differs slightly from the Projected Index Rate on Worksheet 1 due to rounding employed in the URRT. Please see the 'Response #16' tab in AHI Objection Response Tables 1.xlsx for the rounded buildup in the URRT, along with the unrounded buildup that produces that matches Table 5.*

17. In Section G of the PA AM you explain adjustments to the manual rate. Please provide an exhibit that quantitatively shows the development of the Projected MAIR in the URRT starting from the unadjusted manual experience rate pmpm. Support for each adjustment must be provided.

*Please see the 'Response #17' tab in AHI Objection Response Tables 1.xlsx for the development of the Projected MAIR in the URRT.*

18. Please provide support for the completion factors included in table 4 of the PAAM. We would expect incurred claims from 2015-2017 to be complete or near complete as of 2019.

*Due to the limitations of our data system, we cannot provide the data prior to January 2017, paid through February 2019. Therefore, the 2016 periods were using what was submitted for the 2019 filing which was paid through February 2018 and the 2015 periods were using what was submitted for the 2018 filing which was paid through February 2017.*

19. As a supplemental exhibit, please provide an exhibit similar to Table 4b populated with AHASPA, AHI, ALIC and AHIC combined small group ACA-compliant data only. Please ensure that this is raw unadjusted data. Also include the following monthly data

- a. The average age factor;
- b. The average geographic factor;
- c. The average tobacco factor;
- d. The average benefit factor; and
- e. The normalized average pmpm

*Table 4b is populated with AHASPA, AHI, ALIC and AHIC combined small group ACA-compliant data only. Please see the 'Response 19' tab in AHI Objection Response Tables 1.xlsx for the additional items requested in a-e.*



20. Please explain why the ultimate incurred claims in Table 2 of the PAAM, \$65,579,588, do not match the ultimate incurred claims in Table 4 or the incurred claims in the experience period on the URRT, \$63,049,173.

*The \$65,579,588 was the total from PT 201901 data and has been updated to reflect the correct total from PT 201902 of \$63,049,173. Table 2 inadvertently excluded Rx rebates. \$63,049,173 includes Rx rebates. All three figures have been corrected and now reflect \$63,049,173. Cell D9 on the 'I.b. Manual Data' tab has been corrected in the same manner to include Rx rebates.*

21. In Table 7, the Market Adjusted Projected Total Allowed Claims in cell J55 (\$562.72) and the Normalized Market Adjusted Projected Total Allowed Claims in cell J57 (\$380.76) reported for 2019 is inconsistent with the amounts (\$767.27 and \$519.17, respectively) included in the approved filing. Please review and revise or explain.

*Cell J55 and J57 were inadvertently referencing 2018 figures. They have been updated to reflect the 2019 figures of \$767.27 and \$519.17, respectively.*

22. The URR instructions indicate the earned premium on WS1 of the URRT should not reflect MLR rebates. Please correct. Is this what is causing the discrepancy between the premiums reported on Worksheet 1 of the URRT (\$90 million) and Table 2 of the PAAM (\$93 million)? Please provide information on the MLR rebate expected to be paid in 2019 for 2018 and the adjustment used to adjust the 2018 premiums.

*The inclusion of MLR rebates is causing the discrepancy between the premiums reported on Worksheet 1 of the URRT and Table 2 of the PAAM. This has been corrected so that Worksheet 1 does not reflect MLR rebates. Based on our experience we expect to pay a rebate of 3%. No adjustments were made since we are pricing to an MLR above the minimum threshold.*

23. For calendar years 2016, 2017 and 2018, please provide the actual unit cost and utilization trends by benefit category.

*Please see the 'Response #23' tab in AHI Objection Response Tables 1.xlsx for the actual unit cost and utilization trends by benefit category.*

24. Please explain why the utilization trend applied to the inpatient hospital benefit category is so much lower than for professional and outpatient.

*Utilization trends reflect the best estimate of our medical economics unit to project service patterns going forward. In addition, the difference reflects the expectation that more services in the future will be performed in an outpatient or a physician setting than an inpatient setting compared to historical patterns.*

25. Page 3 of the Part III Memorandum indicates Exhibit 3 discusses the assumptions to project morbidity, however, we cannot find that exhibit. The Exhibits workbook begins at exhibit 5. Also, the PA Actuarial Memorandum only indicates an 8% morbidity adjustment while the URRT shows 21.6%. Please direct us to or provide narrative and quantitative support for the 21.6% morbidity adjustment applied to the experience and quantitative support for the 8% applied to the manual rate.

*Please see the 'Response #25' tab in AHI Objection Response Tables 1.xlsx for the assumptions to project morbidity. Cell C25 illustrates the 21.6% morbidity adjustment applied to the base experience and cell C47 illustrates the 8% morbidity adjustment applied to the manual experience. The difference between the two calculations are the starting risk scores. The URRT reflects the adjustment corresponding to the base experience and the PAAM reflects the adjustment corresponding to the manual experience.*



26. The part III memorandum references plan design changes and support in Exhibit 4, which we cannot find. However, the URRT and the PAAM show no plan design changes. Please confirm there were no plan design changes or provide narrative and quantitative support.

*There was a plan design change for the out-of-pocket maximum, changing from \$7,900 in 2019 to \$8,150 for 2020.*

27. Regarding 'Other' adjustments, the URRT indicates -0.3%, while the PAAM shows -0.7% for network and -1% for Other. The Part III memorandum references exhibit 7, which we cannot find. Please provide narrative and quantitative support for all 'Other' adjustments applied to the experience AND manual data and explain why the URRT and PAAM adjustments are not consistent.

*Please see the 'Response #4' tab, rows 24-31 in AHJ Objection Response Tables 1.xlsx, for the buildup of the 0.4% 'Other' adjustment on the PAAM. Removing the values from the induced demand column in Table 4 of the PAAM Exhibits has updated the 'Other' adjustments to match the 0.4%. The change in Other on the manual rate reflects the impact of pooling pharmacy claims. We pooled all pharmacy claims at an annual level of \$250k. This resulted in the removal of \$2,473,458 in claims and a pooling charge of \$74,379.*

28. Please explain why the manual rate trend is different than the experience trend.

*The service category weights vary between the manual rate trend and the experience trend. In attrition, the manual rate trend also includes induced utilization, whereas the experience trend does not.*

29. Please explain why the projected paid to allowed ratio in Exhibit 9 of 83% is so much higher than the plans 71% AV. We note the prior filing included a 72.9% paid-to-allowed factor.

*The projected paid to allowed ratio is higher than the AV because historically we pay more than the AV calculator says. The projected paid to allowed ratio is higher in this filing than the 2019 filing because it represents a more accurate expectation based on our experience. In the 2019 filing we were estimating changes to our paid to allowed ratio due to significant changes in plans offered between experience and projected. In the 2020 filing we have one plan, mostly consistent with the projection so there is a less significant change between the experience and projection.*

30. Please provide the assumed morbidity adjustment factors by duration for the transitional policies and support for the projection of the 1.08 for the morbidity change to 2020.

*Please see the 'Response #4a' tab in AHJ Objection Response Tables 1.xlsx for the assumptions to project morbidity.*

31. The Rate Change Summary shows Taxes and fees as 8.4% of the premium while Table 10 shows 8.1%. Please review and revise to ensure these exhibits are consistent.

*Table 10 shows 7.5% while the Rate Change Summary shows Taxes and Fees of 7.7%. The Rate Change Summary (Attachment 1) includes the Risk Adj - High Risk Pool. This value is not included in the total administrative expense percentage in Table 10 because it is built into the Projected Risk Adjustment pmpm in Table 5.*

32. Please explain why Wakely data was used instead of PA's estimate of 2018 risk adjustment or the SHCE financial statement estimate of -\$346.691

*In conjunction with the pooling of pharmacy claims mentioned in response #27, we felt it was necessary to look at multiple views of risk adjustment in the rate development process. As the decision was made to mitigate the impact of high pharmacy claims on the overall projected rate, the Wakely data seemed the*



*most reasonable as a balance between full recognition of the risk adjustment impact and no recognition for the high claim pharmacy members.*

33. The projected risk adjustment on the PAAM of  $-\$1.42$  PMPM divided by the paid-to-allowed ratio of 0.828 results in  $-\$1.71$  PMPM, while the URRT shows  $-\$1.64$  PMPM. Please explain this discrepancy. *The Projected Risk Adjustment PMPM in the URRT is only trended to the first quarter of the projection period while the Projected Risk Adjustment PMPM in PA Rate Template Table 5 is trended to the midpoint of the projection period (accounting for all policies with an effective date in 2020). Please see the 'Response #33' tab in AHI Objection Response Tables 1.xlsx, row 13 for the buildup of both the  $-\$1.64$  and  $-\$1.72$ . Please also see the new buildups based on the updated rates, revised for the profit reduction.*

34. The projected incurred claims on WS2 of the URRT are  $\$550.16$ . Subtracting the  $\$1.42$  risk adjustment payment (on a paid basis from the PAAM) equals  $\$548.74$ . However, the loss ratio exhibit 11 indicates  $\$548$ . Please explain this discrepancy. *The  $\$548$  on Exhibit 11 is based on the projected incurred claims of  $\$550.16$ , adjusted for the risk adjustment transfer of  $-\$.61$  before fees. We then adjust for the high-risk pool recoveries and high-risk pool premium which is displayed on Exhibit 11. Please see the 'Response #34' tab in AHI Objection Response Tables 1.xlsx for this buildup. Please also see the new buildups based on the updated rates, revised for the profit reduction.*

35. Please explain why the taxes and fees in Exhibit 10,  $\$57.13$  PMPM differ from the  $\$60.65$  for taxes and fees that were applied in the MLR calculation in Exhibit 11. *In Exhibit 11's 'Taxes and Fees' we included a high-risk pool premium of  $\$3.41$ . This value can be seen in cell B11 on the 'Response #34' tab in AHI Objection Response Tables 1.xlsx.*

36. Please provide quantitative support for and show the development of the HIF for this entity. Also provide the actual paid HIT fees on a pmpm and percent of premium for calendar years 2018 and 2016. *As HIT is paid at an enterprise level, any attempt to show on a pmpm or percent of premium basis will be highly dependent on the membership and premium that are considered. The development of the 2.6% load for HIF is outlined below.*

*The Health Insurer Fee (HIF) pricing factor is developed based primarily on estimates of Aetna's (a CVS Health Company) premiums in relation to the entire market. The actual premium amounts can fluctuate from the initial estimates, and this uncertainty at the time of pricing represents a risk to Aetna.*

- The latest market premium figure we have is  $\$713.0B$  that the IRS published in August 2018. This represents the market as of 2017, and it was used to determine the 2018 HIF allocation.*
- The 2018 HIF Market premium data will not be available, since there is no HIF filing in 2019 (Form 8963) due to 2019 HIF suspension.*
- HIF was suspended again for one year, in calendar year 2019. Prior one year suspension was in calendar year 2017.*
- HIF liability is scheduled to return in 2020.*
- The 2018 Industry-wide HIF liability was  $\$14.3$  billion*
- Unlike in prior years, the 2020 industry-wide HIF liability to be collected is not determined at this point. It will be allocated to insurers based on their 2019 market share.*
- For the 2018 HIF, Aetna's HIF expense rate was 2.0% before gross up for taxes.*



- *The HIF assessment is paid with after-tax dollars. Each company has its own tax rate, Aetna's tax rate is approximately 23% when factoring in federal and state level taxes. This generates a gross up factor of 1.30 (1/1-.23).*
- *Applying this gross up factor to the HIF expense rate we get 2.60% calculated as a premium load.*
- *This 2.60% factor may be modified based on projected industry growth, as well as Aetna's projected growth and expected market share. These factors are not currently known with certainty and, as such, represent pricing risk to Aetna.*



38. PA will allow a maximum profit of 2.00%. Please lower the profit and update all materials. *The AFIT profit has been lowered to 2.00% and all materials have been updated*

39. Is the member distribution shown in Exhibit C-2 projected or actual? If projected, please show actual as of 2/1/19.

*Please see the 'Response #39a' and 'Response #39b' tabs in AHI Objection Response Tables 1.xlsx, for the experience period and current distributions for AHI members as of 2/1/19, along with the projection member months distribution used to show the age and geographic calibration factors.*

40. Please explain the projected decrease in membership.

*The projected membership is based on the interim membership, for which we have two months of data. To estimate the projected membership for 2020, we assume similar enrollment through the remaining months of 2019 and that the 2020 enrollment will be similar to that in 2019.*

41. Regarding Adjustment Data Validation process (RADV):

a. Please describe any adjustments or considerations made due to the Risk Adjustment Data Validation process (RADV).

*There are no adjustments made due to the RADV process.*

b. As you know CMS is performing a risk adjustment validation starting with 2017 risk adjustment data. We are considering allowing an estimate of the impact of risk adjustment modifications in rate filings as an adjustment to the projected risk adjustment. Before implementation, we are soliciting feedback from our issuers on the pros and cons of the inclusion of this adjustment. If allowed, all issuers would be required to submit an estimate. The estimate may be \$0. Please provide any feedback that you would like us to consider.

*We do not feel that an adjustment is necessary. We have included our best estimate of the projected risk adjustment for the plan year in question, and feel that any errors uncovered in the RADV process should be minimal.*

42. Please show the development of the average commission as shown in Table 6. Additionally, the current and 2019 broker agreements should be included and used to develop the percent shown in Table 6 as well as the associated ppm cost.

*Please see the 'Response 42' tab in AHI Objection Response Tables 1.xlsx for the development of the average commission as shown in Table 6.*



43. Please provide an exhibit that quantitatively shows a comparison of the actual to projected claim cost pmpms for calendar years 2015 – 2018, as applicable.

*Please see the 'Response 43' tab in AHI Objection Response Tables 1.xlsx for the comparison of the actual projected claim cost to project claim cost pmpm for the calendar years 2015-2018.*

44. Please provide an exhibit showing the actual experience for calendar years 2014 – 2018 and the projections for 2019 and 202 for the following categories: Member months, total administrative expenses, total incurred claims, total premium, total actual paid taxes and fees, profit, annual underwriting gain/loss and underwriting gain/loss pmpy. Also show how the financial gains and losses reconciles with the Annual Financial Statements for those periods.

*Please see AHI-PA Annual Statement 2018.pdf and AHI-PA SHCE 2018.pdf for the requested information.*

45. Please confirm your understanding that Pennsylvania has not sought or received approval of composite rating as such, the employer rate is the sum of the per member rates with the 3-child max per family.

*We confirm our understanding that Pennsylvania has not sought or receive approval of composite rating as such, the employer rate is the sum of the per member rates with the 3-child max per family.*

46. Please confirm that you have tested to ensure that the PID rate exhibits and the Federal rates template included in this filing and in the binder are all the same.

*We have tested to ensure that the PID rate exhibits and the Federal rates template included in this filing and in the binder are all the same.*

47. Please show the development of the FIT in Table 6.

*Please see the 'Response #47' tab in AHI Objection Response Tables 1.xlsx for the development of the FIT in Table 6.*

Please let us know if you need any additional information to complete your review of this filing.



**Pennsylvania  
Aetna Health, Inc.  
1Q19 Small Group Rates**

Response to question 4, from June 18, 2019 objection letter.

Driver of Rate Increase	Increase
Update to manual experience	-2.2%
Impact of medical claim trend (including changes in provider unit costs and increased utilization of medical cost services) and pharmacy trend	12.6%
Revisions to our assumptions about market-wide population morbidity and the projected population distribution	-4.9%
Re-instatement of the Health Insurers Fee after a 1-year hiatus in 2019	2.7%
Revisions to administrative expense projections	-0.1%
Revisions to taxes and fees	0.4%
Modifications in cost sharing to ensure that plans comply with Actuarial Value requirements	0.1%
Updates to our pricing models used to determine the impact of cost sharing designs	-0.1%
Changes in provider networks and contracts.	0.0%
Total:	7.8%
PAAM:	7.8%

**Pennsylvania  
Aetna Health, Inc.  
1Q19 Small Group Rates**

Response to question 17, from June 18, 2019 objection letter.

Manual Rate Projection

**Experience Period** 1/1/2018 to 12/31/2018  
**Projection Period** 1/1/2020 to 12/31/2020  
 24 months

<b>Benefit Category</b>	<b>IP</b>	<b>OP</b>	<b>Prof</b>	<b>Other</b>	<b>Cap</b>	<b>Rx</b>	<b>Total</b>
Util Desc	days	services	services	services		scripts	
Util/1,000	298.32	663.39	6,255.05	3,698.73	12,000.00	12,544.87	
Avg Cost/Service	\$4,524.03	\$1,504.25	\$177.64	\$321.34	\$1.92	\$212.56	
<b>PMPM</b>	\$112.47	\$83.16	\$92.60	\$99.04	\$1.92	\$222.21	\$611.40
<b>Population Risk</b>	1.080	1.080	1.080	1.080	1.080	1.080	
<b>Other</b>							
Area Factor	1.024	1.024	1.024	1.024	1.024	1.024	
Network Factor	0.973	0.973	0.973	0.973	0.973	0.973	
Pooling Impact	0.840	0.840	0.840	0.840	0.840	0.840	
Deductible Suppression	0.997	0.997	0.997	0.997	0.997	0.997	
<b>Total Other</b>	0.834	0.834	0.834	0.834	0.834	0.831	
<b>Total Unit Cost</b>	1.055	1.041	1.017	1.041	1.000	1.104	
Induced Util Factor	0.992	0.992	0.992	0.992	0.992	0.992	
Induced Util Mix	1.000	1.000	1.000	1.000	1.000	1.000	
Utilization	1.028	1.068	1.063	1.068	1.000	1.024	
<b>Total Utilization Trend</b>	1.020	1.059	1.054	1.059	0.992	1.015	
Util/1,000	335.00	804.05	7,510.49	4,482.96	12,746.43	13,963.85	
Avg Cost/Service	\$4,200.44	\$1,358.64	\$153.09	\$290.23	\$1.60	\$215.39	
<b>Projected PMPM</b>	\$117.26	\$91.03	\$95.82	\$108.42	\$1.70	\$250.64	\$664.88

Manual EHB Allowed Claims PMPM	\$664.88
Applied Credibility %	0.00%

Projected Index Rate for 1/1/2020	\$664.88
Reinsurance	\$ -
Risk Adjustment Payment/Charge	(\$1.57)
Exchange User Fees	0.00%
Market Adjusted Index Rate	\$666.45

Value from Wkst 1 666.45  
TRUE

**Pennsylvania  
Aetna Health, Inc.  
1Q19 Small Group Rates**

Response to question 19, from June 18, 2019 objection letter.

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	Avg Age Factor	Avg Geographic Factor	Avg Tobacco Factor	Avg Benefit Factor	Normalized Avg PMPM
Jan-15		\$ 16,468,928.76	99.49%	\$ 5,601,409.46	51,549	\$ 350.29		\$ (357,168.81)	\$ 20,756,112.90	\$ 443.03					
Feb-15		\$ 16,395,108.82	99.76%	\$ 16,434,018.29	51,727	\$ 317.71		\$ (415,832.62)	\$ 20,391,620.89	\$ 394.22					
Mar-15		\$ 18,934,467.05	99.74%	\$ 18,983,177.15	51,762	\$ 366.74		\$ (533,894.70)	\$ 23,013,076.29	\$ 444.59					
Apr-15		\$ 19,010,679.81	99.71%	\$ 19,066,843.24	51,547	\$ 369.89		\$ (428,050.55)	\$ 23,091,750.68	\$ 447.98					
May-15		\$ 17,055,763.40	99.61%	\$ 17,121,733.08	51,123	\$ 334.92		\$ (466,678.10)	\$ 20,837,898.60	\$ 407.61					
Jun-15		\$ 17,536,008.76	99.60%	\$ 17,606,526.04	50,837	\$ 346.34		\$ (513,713.37)	\$ 21,278,623.33	\$ 418.57					
Jul-15		\$ 18,819,998.44	99.39%	\$ 18,934,914.06	50,595	\$ 374.24		\$ (501,640.75)	\$ 22,689,304.87	\$ 448.45					
Aug-15		\$ 18,086,295.60	99.18%	\$ 18,235,516.76	50,329	\$ 362.33		\$ (531,266.58)	\$ 21,745,368.06	\$ 432.07					
Sep-15		\$ 16,933,522.85	97.03%	\$ 17,451,329.15	50,327	\$ 346.76		\$ (390,354.27)	\$ 20,995,854.55	\$ 417.19					
Oct-15		\$ 17,931,619.00	96.33%	\$ 18,614,751.63	49,850	\$ 373.42		\$ (429,784.79)	\$ 22,313,353.97	\$ 447.61					
Nov-15		\$ 16,824,788.92	93.79%	\$ 17,938,551.15	49,349	\$ 363.51		\$ (442,959.10)	\$ 21,378,378.28	\$ 433.21					
Dec-15	\$ 251,775,467.96	\$ 14,769,039.51	88.94%	\$ 16,605,957.20	46,814	\$ 354.72	\$ 45,630,534.42	\$ (434,421.03)	\$ 20,686,294.62	\$ 441.88					
Jan-16		\$ 5,761,998.89	102.87%	\$ 5,601,409.46	15,991	\$ 350.29		\$ (175,110.14)	\$ 7,084,534.55	\$ 443.03					
Feb-16		\$ 5,183,951.66	102.41%	\$ 5,061,995.22	15,630	\$ 323.86		\$ (201,840.61)	\$ 6,513,538.39	\$ 416.73					
Mar-16		\$ 5,846,691.15	93.88%	\$ 6,227,613.47	15,598	\$ 399.26		\$ (216,478.24)	\$ 7,823,260.46	\$ 501.56					
Apr-16		\$ 5,001,054.95	95.27%	\$ 5,249,273.85	16,638	\$ 315.50		\$ (185,857.94)	\$ 6,679,555.43	\$ 401.46					
May-16		\$ 5,983,616.46	98.98%	\$ 6,045,511.94	16,772	\$ 360.45		\$ (241,987.94)	\$ 7,556,324.43	\$ 450.53					
Jun-16		\$ 5,246,655.04	95.38%	\$ 5,501,063.21	17,358	\$ 316.92		\$ (298,378.27)	\$ 7,129,104.13	\$ 410.71					
Jul-16		\$ 6,064,969.81	93.46%	\$ 6,489,706.59	18,192	\$ 356.73		\$ (254,655.07)	\$ 8,064,045.01	\$ 443.27					
Aug-16		\$ 6,386,965.48	94.64%	\$ 6,748,699.89	18,277	\$ 369.25		\$ (270,683.87)	\$ 8,316,365.05	\$ 455.02					
Sep-16		\$ 6,017,314.65	89.37%	\$ 6,733,104.38	18,501	\$ 363.93		\$ (201,216.73)	\$ 8,338,427.38	\$ 450.70					
Oct-16		\$ 5,684,575.82	87.96%	\$ 6,462,501.47	18,356	\$ 352.06		\$ (294,000.29)	\$ 8,049,415.15	\$ 438.52					
Nov-16		\$ 6,199,953.18	88.60%	\$ 6,997,675.61	17,981	\$ 389.17		\$ (237,079.65)	\$ 8,579,699.97	\$ 477.15					
Dec-16	\$ 89,624,888.33	\$ 5,833,341.61	90.52%	\$ 6,444,031.91	16,610	\$ 387.96	\$ 15,657,382.79	\$ (200,903.87)	\$ 7,863,892.47	\$ 473.44					
Jan-17		\$ 7,417,013.44	99.91%	\$ 7,423,833.01	16,405	\$ 452.53		\$ (229,266.53)	\$ 8,848,578.03	\$ 539.38	1.437	0.940	1.000	0.938	\$ 356.79
Feb-17		\$ 6,415,385.39	99.90%	\$ 6,421,762.32	15,770	\$ 407.21		\$ (218,629.96)	\$ 7,748,392.89	\$ 491.34	1.438	0.939	1.000	0.931	\$ 323.99
Mar-17		\$ 6,555,921.38	99.89%	\$ 6,563,439.87	15,003	\$ 437.48		\$ (173,301.22)	\$ 7,882,998.85	\$ 525.43	1.438	0.938	1.000	0.923	\$ 351.16
Apr-17		\$ 4,867,776.23	99.94%	\$ 4,870,468.98	13,100	\$ 371.79		\$ (199,356.65)	\$ 5,835,071.60	\$ 445.43	1.436	0.943	1.000	0.918	\$ 299.13
May-17		\$ 5,405,944.05	99.88%	\$ 5,412,377.67	11,924	\$ 453.91		\$ (200,044.30)	\$ 6,402,771.73	\$ 536.97	1.439	0.942	1.000	0.909	\$ 368.38
Jun-17		\$ 5,141,494.05	99.86%	\$ 5,148,724.09	10,846	\$ 474.71		\$ (185,937.09)	\$ 5,962,211.71	\$ 549.72	1.435	0.941	1.000	0.904	\$ 388.97
Jul-17		\$ 4,455,547.17	99.86%	\$ 4,461,835.27	9,387	\$ 475.32		\$ (134,955.80)	\$ 5,216,145.18	\$ 555.68	1.430	0.944	1.000	0.896	\$ 393.00
Aug-17		\$ 4,819,475.29	99.79%	\$ 4,829,445.78	8,709	\$ 554.54		\$ (165,471.34)	\$ 5,538,482.25	\$ 635.95	1.419	0.946	1.000	0.893	\$ 462.96
Sep-17		\$ 3,701,120.07	98.00%	\$ 3,776,549.87	7,337	\$ 514.73		\$ (89,936.39)	\$ 4,532,062.21	\$ 617.70	1.420	0.947	1.000	0.881	\$ 434.83
Oct-17		\$ 3,981,959.66	99.70%	\$ 3,993,813.48	6,752	\$ 591.50		\$ (100,888.67)	\$ 4,543,338.98	\$ 672.89	1.417	0.949	1.000	0.868	\$ 506.39
Nov-17		\$ 3,685,500.43	99.75%	\$ 3,694,781.82	6,429	\$ 574.71		\$ (130,402.45)	\$ 4,197,746.20	\$ 652.94	1.415	0.950	1.000	0.863	\$ 495.66
Dec-17	\$ 62,828,753.29	\$ 2,356,968.23	99.71%	\$ 2,363,806.87	4,630	\$ 510.54	\$ 10,479,926.84	\$ (84,157.23)	\$ 2,732,966.24	\$ 590.27	1.399	0.975	1.000	0.814	\$ 459.47
Jan-18		\$ 1,850,081.81	94.45%	\$ 1,958,731.60	3,678	\$ 532.55		\$ (92,093.18)	\$ 2,305,703.65	\$ 626.89	1.438	0.983	1.000	0.741	\$ 508.84
Feb-18		\$ 1,433,972.96	94.45%	\$ 1,518,310.27	3,343	\$ 454.18		\$ (116,539.03)	\$ 1,794,340.64	\$ 536.75	1.438	0.982	1.000	0.742	\$ 433.15
Mar-18		\$ 2,025,790.01	96.41%	\$ 2,101,174.49	3,021	\$ 695.52		\$ 43,642.03	\$ 2,320,568.16	\$ 768.15	1.439	0.982	1.000	0.740	\$ 665.46
Apr-18		\$ 1,693,025.88	94.79%	\$ 1,786,053.00	2,725	\$ 655.43		\$ (69,010.10)	\$ 2,189,014.15	\$ 803.31	1.446	0.982	1.000	0.744	\$ 620.23
May-18		\$ 1,656,414.38	96.88%	\$ 1,709,693.55	2,613	\$ 654.30		\$ (98,032.12)	\$ 1,954,774.24	\$ 748.10	1.444	0.983	1.000	0.746	\$ 618.32
Jun-18		\$ 951,956.12	88.67%	\$ 1,073,587.90	2,375	\$ 452.04		\$ 30,933.91	\$ 1,334,296.60	\$ 561.81	1.454	0.982	1.000	0.748	\$ 423.14
Jul-18		\$ 705,041.42	90.05%	\$ 782,926.33	2,144	\$ 365.17		\$ (48,230.33)	\$ 1,008,161.70	\$ 470.22	1.479	0.983	1.000	0.751	\$ 334.46
Aug-18		\$ 707,481.10	92.71%	\$ 763,125.58	2,079	\$ 367.06		\$ (29,222.15)	\$ 971,684.55	\$ 467.38	1.476	0.983	1.000	0.751	\$ 336.99
Sep-18		\$ 791,989.33	90.02%	\$ 879,801.65	1,752	\$ 502.17		\$ (36,900.55)	\$ 1,043,574.60	\$ 595.65	1.513	0.986	1.000	0.722	\$ 466.14
Oct-18		\$ 809,265.70	93.85%	\$ 862,280.31	1,704	\$ 506.03		\$ (27,625.01)	\$ 1,008,209.74	\$ 591.67	1.511	0.986	1.000	0.723	\$ 469.92
Nov-18		\$ 547,451.80	91.18%	\$ 600,398.55	1,593	\$ 376.90		\$ (24,233.64)	\$ 761,398.90	\$ 477.97	1.521	0.986	1.000	0.723	\$ 347.60
Dec-18	\$ 16,733,424.06	\$ 327,720.93	87.69%	\$ 373,712.68	1,212	\$ 308.34	\$ 2,855,599.87	\$ (24,923.50)	\$ 573,668.85	\$ 473.32	1.538	0.987	1.000	0.723	\$ 281.02

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 23 from June 18, 2019 objection letter.

2016 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>
Facility Inpatient	7.8%	3.0%
Facility Outpatient	5.7%	5.4%
Physician	2.0%	5.9%
Capitation	0.0%	0.0%
Pharmacy	8.3%	2.5%

2017 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>
Facility Inpatient	6.1%	2.5%
Facility Outpatient	4.5%	6.5%
Physician	1.9%	6.0%
Capitation	0.0%	0.0%
Pharmacy	10.3%	2.6%

2018 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>
Facility Inpatient	5.5%	2.8%
Facility Outpatient	4.1%	6.8%
Physician	1.7%	6.3%
Capitation	0.0%	0.0%
Pharmacy	10.4%	2.4%

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 25, from June 18, 2019 objection letter.

Base Experience

	CY 2018 Data (Experience)		201812 Active (Jump-off)	
	MMOS	Average Risk	Members	Average Risk
SG KWYH	206,476	0.902	SG ACA	1,223
SG ACA	28,321	1.033		
Combined Base Experience	234,797	0.917		

Renewal Action	2019 Renewals/Sales		2020 Full Year Renewals/Sales	
	Members	Risk	Members	Risk
Up for Renewal	1,223	1.082	10,390	1.199
- Terminate Coverage	581	0.797	2,609	0.968
+ Add'l New Sales	17,415	1.084	12,843	1.018
Ending Membership	18,057	1.093	20,625	1.116

	Morbidity Change Development
Starting Risk Score (Base Experience)	0.917
Ending Risk Score (ACA 2020)	1.116
Change in Morbidity Factor	1.216

Manual Experience

	CY 2018 Data (Experience)		201812 Active (Jump-off)	
	MMOS	Average Risk	Members	Average Risk
SG KWYH	0	0.000	SG ACA	1,223
SG ACA	28,321	1.033		
Manual Experience	28,321	1.033		

Renewal Action	2019 Renewals/Sales		2020 Full Year Renewals/Sales	
	Members	Risk	Members	Risk
Up for Renewal	1,223	1.082	10,390	1.199
+ Gain from KWYH/Other	17,415	1.084	12,843	1.018
- Terminate Coverage	581	0.797	2,609	0.968
+ Add'l New Sales	0	0.000	0	0.000
Ending Membership	18,057	1.093	20,625	1.116

	Morbidity Change Development
Starting Risk Score (Manual Experience)	1.033
Ending Risk Score (ACA 2020)	1.116
Change in Morbidity Factor	1.080

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 27, from June 18, 2019 objection letter.

Values from PAAM Exhibits

Other*	Experience	Manual		
Change in New Cap	1.000	1.000		
Change in Pooling Impact	1.006	0.840		
Change in Deductible Suppression	0.999	0.997		
Change in Rx Other Trend	0.999	0.999		
Rounding between URRT and PAAM	1.000			
Remove Leveraging from Trend, Apply Induced Util		0.998		
<b>Change in Other</b>	<b>1.004</b>	<b>0.835</b>	1.004	0.835

\*Factors are PMPM weighted averages of IP, OP, Prof, Other, Cap, and Rx benefit categories

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 33 from June 18, 2019 objection letter, based on initial filing:

Revised response to question 33 from June 18, 2019 objection letter, based on revised profit:

Projected Risk Adjustments PMPM	(\$1.36)
Paid-to-Allowed Ratio	0.828
Calculated Risk Adjustment Payment/Charge	(\$1.64)
<hr/> Value from URRT:	<hr/> (\$1.64)
 SG Premium Trend Factor	 1.047
Value from PAAM	(\$1.42)
	<hr/> (\$1.72)

Projected Risk Adjustments PMPM	(\$1.30)
Paid-to-Allowed Ratio	0.828
Calculated Risk Adjustment Payment/Charge	(\$1.57)
<hr/> Value from URRT:	<hr/> (\$1.57)
 SG Premium Trend Factor	 1.047
Value from PAAM	(\$1.36)
	<hr/> (\$1.64)

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 34 from June 18, 2019 objection letter, based on initial filing:

Projected Incurred Claims, before RA	\$550.16
Risk Adj Transfer PMPM (no fees)	(\$0.61)
	<hr/> \$549.55
High Risk Pool Recoveries	\$1.97
High Risk Pool Premium	(\$3.52)
Calculated Medical Cost	<hr/> \$548.00
Exhibit 11 Medical Cost	\$548.00

Revised response to question 34 from June 18, 2019 objection letter, based on revised profit:

Projected Incurred Claims, before RA	\$550.51
Risk Adj Transfer PMPM (no fees)	(\$0.61)
	<hr/> \$549.90
High Risk Pool Recoveries	\$1.91
High Risk Pool Premium	(\$3.41)
Calculated Medical Cost	<hr/> \$548.40
Exhibit 11 Medical Cost	\$548.40

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 39, from June 18, 2019 objection letter.

Rating Area	Base Member Months Distribution	Manual Member Months Distribution	2/1/19 Distribution	Projection Member Months Distribution	Projection Area Factor
Rating Area 1	0%	0%	0%	0%	0.779
Rating Area 2	0%	0%	0%	0%	0.819
Rating Area 3	1%	3%	4%	4%	1.020
Rating Area 4	0%	0%	0%	0%	0.855
Rating Area 5	0%	2%	0%	0%	0.837
Rating Area 6	5%	6%	9%	9%	1.030
Rating Area 7	8%	19%	11%	11%	1.080
Rating Area 8	83%	59%	65%	65%	1.000
Rating Area 9	3%	12%	10%	10%	0.939
Average Rating Area Factor			1.007	1.007	
Geography Calibration Factor			0.993	0.993	

Age C.

Geography Calibration Factor from Exhibit E-2

0.993

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 39, from June 18, 2019 objection letter.

Rating Area	Base Member Months Distribution	Manual Member Months Distribution	2/1/19 Distribution	Projection Member Months Distribution	Projection Age Factor
0-20	0.9%	0.9%	0.0%	0.9%	-
1-14	14.0%	14.2%	11.8%	14.2%	0.765
15	1.3%	1.2%	1.1%	1.2%	0.833
16	1.4%	1.3%	1.3%	1.3%	0.859
17	1.4%	1.0%	1.4%	1.0%	0.885
18	1.6%	1.3%	0.8%	1.3%	0.913
19	1.5%	1.1%	1.1%	1.1%	0.941
20	1.4%	1.3%	0.5%	1.3%	0.970
21	1.4%	1.1%	1.1%	1.1%	1.000
22	1.6%	1.1%	0.5%	1.1%	1.000
23	1.7%	1.3%	1.5%	1.3%	1.000
24	1.7%	1.1%	0.5%	1.1%	1.000
25	1.7%	1.2%	0.5%	1.2%	1.004
26	1.4%	1.8%	1.9%	1.8%	1.024
27	1.5%	2.2%	2.4%	2.2%	1.048
28	1.4%	2.1%	2.3%	2.1%	1.087
29	1.5%	1.9%	1.7%	1.9%	1.119
30	1.6%	1.9%	1.7%	1.9%	1.135
31	1.5%	1.8%	2.5%	1.8%	1.159
32	1.5%	2.0%	1.8%	2.0%	1.183
33	1.5%	1.8%	1.7%	1.8%	1.198
34	1.4%	1.5%	1.4%	1.5%	1.214
35	1.5%	2.1%	1.9%	2.1%	1.222
36	1.5%	1.7%	1.9%	1.7%	1.230
37	1.5%	1.8%	1.8%	1.8%	1.238
38	1.6%	1.9%	3.0%	1.9%	1.246
39	1.6%	1.8%	2.3%	1.8%	1.262
40	1.5%	1.9%	1.3%	1.9%	1.278
41	1.4%	1.4%	0.9%	1.4%	1.302
42	1.4%	1.6%	1.5%	1.6%	1.325
43	1.4%	1.8%	1.0%	1.8%	1.357
44	1.4%	1.6%	1.3%	1.6%	1.397
45	1.5%	1.8%	0.8%	1.8%	1.444
46	1.7%	1.8%	1.7%	1.8%	1.500
47	1.8%	2.2%	2.4%	2.2%	1.563
48	1.8%	2.0%	1.0%	2.0%	1.635
49	1.9%	2.1%	2.3%	2.1%	1.706
50	2.0%	2.1%	2.2%	2.1%	1.786
51	2.0%	2.1%	1.7%	2.1%	1.865
52	2.2%	1.9%	1.8%	1.9%	1.952
53	2.1%	1.8%	2.2%	1.8%	2.040
54	2.0%	2.1%	2.3%	2.1%	2.135
55	2.1%	2.1%	1.5%	2.1%	2.230
56	2.3%	2.0%	2.9%	2.0%	2.333
57	2.3%	2.1%	2.3%	2.1%	2.437
58	2.1%	2.0%	4.6%	2.0%	2.548
59	2.1%	1.8%	1.5%	1.8%	2.603
60	2.1%	1.3%	2.3%	1.3%	2.714
61	1.9%	1.6%	1.5%	1.6%	2.810
62	1.8%	1.8%	3.0%	1.8%	2.873
63	1.6%	0.9%	2.2%	0.9%	2.952
64	1.4%	1.1%	1.5%	1.1%	3.000
65+	1.5%	0.9%	2.0%	0.9%	3.000
Average Age Fact	1.505	1.457	1.601	1.457	
Age Calibration Factor			0.625	0.686	

Age Calibration Factor from Exhibit E-2

0.686

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 42, from June 18, 2019 objection letter.



**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 43 from June 18, 2019 objection letter.

AHASPA

Calendar Year	Projected Claim Cost	Actual Claim Cost	Actual v. Projected
2015	\$ 336.41	\$ 329.04	-2.2%
2016	\$ 352.56	\$ 336.76	-4.5%
2017	\$ 463.97	\$ 363.88	-21.6%
2018	\$ 455.26	\$ 373.75	-17.9%

All Legal Entities

Calendar Year	Projected Claim Cost	Actual Claim Cost	Actual v. Projected
2015	\$ 336.75	\$ 331.38	-1.6%
2016	\$ 352.97	\$ 355.13	0.6%
2017	\$ 481.01	\$ 466.86	-2.9%
2018	\$ 451.89	\$ 510.28	12.9%

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 47 from June 18, 2019 objection letter.

<b>BFIT Profit</b>	<b>3.08%</b>
<b>FIT Rate</b>	<b>21.00%</b>
<b>AFIT Profit</b>	<b>2.00%</b>
<b>HIF Pre-Tax</b>	<b>2.60%</b>
<b>HIF Post-Tax</b>	<b>2.05%</b>
<b>BFIT after FIT on HIF</b>	<b>2.53%</b>
<b>FIT</b>	<b>0.53%</b>

<b>FIT from PAAM</b>	<b>0.53%</b>
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July 12, 2019

Mrs. Cherri Sanders-Jones  
Insurance Department  
Bureau of Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

Subject: Aetna Health Inc.  
Small Group Rate Filing  
SERFF # AETN-131899868

Dear Mrs. Cherri Sanders-Jones:

1. Please note, each response to a Department data call must contain a cover letter that details the changes made to the Actuarial Memorandums and PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5. In your June 25 response, this cover letter was not provided. Please provide a cover letter that discusses all updates since the initial submission.

*The cover letter has been updated to reflect the changes from the initial submission.*

2. In question 1 of my June 18th letter, I incorrectly requested an update to the cover letter, the reference should have been to Section I.B. of the PA AM. Please review and update.

*We have updated the PA Actuarial Memorandum to include 2019 in the rate history. We apologize for the oversight.*

3. Follow up to Question 4. Please explain the change in the rate manual experience -2.2%. Since the same manual is used for all Aetna Small Group Filings (Aetna Health Insurance Co., Aetna Health Inc., Aetna Life Insurance Company, and Aetna HealthAssurance Pennsylvania, Inc.), why are different adjustments made to the rate change impact from “update to manual experience”?

*The update to manual experience includes the impact of product differentials when rolling forward from the manual buildup to the projected rate of each entity. The product differentials are discussed in response #5.*

4. Follow up to Question 7. Exhibit 7 shows the development of the Network Projection Shift Factor for the filing entity. Please provide an Exhibit that shows the development of the manual factor of .973

*Please see the ‘Response #4’ tab in AHJ Objection Response Tables 1.xlsx for the development of the manual factor of 0.973.*

5. Follow up to Question 9, you reference expected product differentials. What were the actual product differentials underlying the manual data? Please provide the actual data as support.

*Our manual experience includes plans on various types of networks. To project specific costs onto the QPOS and HMO products, we apply a network relativity adjustment. Please see the Response #5 tab of ‘AHJ Objection Response Tables 2.xlsx’ for the plan specific adjustment*

6. Follow-up to Question 11. What is the projected rate increase from 4Q2019 to 1Q2020? I apologize for being unclear.



*Please see the 'Response #6' tab in AHI Objection Response Tables 2.xlsx for the projected rate increase.*

7. Follow-up to Question 12 and 23. It appears the trends provided were on an allowed basis, please also provide a three year history of paid trends which support the deductible leveraging factor.

*Please see the 'Response #7' tab in AHI Objection Response Tables 2.xlsx for the three year history of paid trends which support the deductible leveraging factor.*

8. Follow up to Question 13, provide the experience period and the expected 2020 capitation pmpms, by capitated service, that comprise the projected total capitation of \$6.73 pmpm.

*Please see the 'Response #8' tab in AHI Response Tables 2.xlsx for the PMPM amounts by capitative service in our manual data. Please note that AHI URRT experience data shows capitation costs of \$6.73 PMPM while the manual experience has capitation cost of \$1.92 PMPM.*

9. Follow up to Question 15. Please provide the Allowed PMPM, Paid PMPM, and Allowed to Paid ratio by Medical Trend Component Category for the weights used in the Table 3b of the PAAM (you indicated that Table 3b of the PAAM uses the paid % of expenses for the AHASPA, AHI, ALIC and AHIC combined small group ACA-compliant data that makes up the manual data). How will the weights be impacted by the pooling of Rx claims?

a. Please provide the requested information for ACA-Compliant plans only.

*Please see the 'Response #9' tab in AHI Objection Response Tables 2.xlsx for the requested development. The manual data includes only ACA-Compliant plans. The pooling of Rx claims has been accounted for in the trend selection prior to submission, as the utilization trend for Rx was adjusted downward by 1.5% to account for the Rx being weighted more heavily than usual. This resulted in an overall trend reduction of 0.5%.*

10. Follow up to Question 15. How does the Allowed to Paid ratio for the overall cost used for the trend weights in Table 3b of the PAAM compare to the .828 (company determined Pricing AV) used in Table 10 of PAAM?

*The Paid to Allowed ratio for the overall cost used for the trend weights in Table 3b PAAM is 0.835, as compared to the 0.828 Allowed to Paid ratio for the company determined Pricing AV used in Table 10 of the PAAM. Please see the 'Response #9' tab in AHI Objection Response Tables 2.xlsx for the experience paid-allowed buildup.*

11. Follow up to Question 16. We do not see 'Response #16' tab in "AHI Objection Response Tables 1.xlsx" for the rounded buildup in the URRT, along with the unrounded buildup that produces that matches Table 5. Please provide the analysis.

*Please see the 'Response #11' tab in AHI Objection Response Tables 2.xlsx for the rounded buildup in the URRT, along with the unrounded buildup that produces that matches Table 5.*

12. Follow up to Question 17, What is the basis for each manual rate adjustment. Please provide support for each adjustment.

*Please see the 'Response #12 a-e' and 'Response #4' tabs in AHI Objection Response Tables 2.xlsx for the basis of each of the manual rate adjustment.*

13. Follow-up to Question 25. Why does the 2020 up for renewal population have such a higher risk score than the 2019 new sales?

*There are no new sales projected for 2019, so the risk score for this segment is showing as zero.*



14. Follow up to Question 29, you indicate that Aetna has historically paid more than the AV calculator indicates. Please quantitatively support this assertion.

*Please see the 'Response #14' tab in AHJ Response Tables 2.xlsx for a comparison of historical paid/allowed ratios and AV values. We presented values using the manual data, rather than entity specific experience, to remove the impact of transitional policies from the paid/allowed ratios.*

15. Follow up to Question 42. Why is the average commission calculated in the 'Response 31' tab in AHIC Objection Response Tables 1.xlsx \$15.50 PMPM and \$16.22 on the PAAM Table 6? The commission is a flat PMPM, so this should not vary unless the schedule is changing. Please explain.

*The PMPM commission of \$15.50 shown in 'Response #31' is the average commission we expect to pay based on the distribution of membership. We convert \$15.50 to a percent of premium as we are required to enter commission in Table 6 of PAAM Exhibits as such. When the average small group premium trend is applied to \$15.50, the resulting value is the \$16.22 shown in Table 6 of the PAAM Exhibits.*

16. Follow up to Question 43. Based on the data provided in 'Response 43' tab in file "AHJ Objection Response Tables 1.xlsx", please quantify how the manual is impacted by the actual experience as the rates are based fully on the manual and the actual experience has been significantly below the manual over the past few years.

a. The Exhibit provided shows data for AHASPA. Please provide for AHJ.

*The manual experience includes all the legal entities including AHJ. As mentioned above in our response to question 5, we apply a product adjustment to project specific costs onto the QPOS and HMO products. Please see the 'Response #16' tab in AHJ Objection Response Tables 2.xlsx for the AHJ data. Note that the previous exhibit that we provided shows the data for AHJ, but was incorrectly labeled as AHASPA.*

17. Follow-up to Question 44. Please provide a calculation with working formulas to the original question.

*Please see the 'Response #17' tab in AHJ Objection Response Tables 2.xlsx. Note this information is sourced from the annual SCHEs, which will not reconcile to the data provided for rating support in the PAAM exhibits.*

*The following differences exist between the two data sources:*

*-Claims in the SHCE are on a financial basis. "Incurred claims" in this report represent paid claims plus the change in the reserve. The data used for pricing, on the other hand, is truly on an incurred basis.*

*-The claims in the SHCE are only paid through December of the year in question, whereas the claims used in pricing are paid through February 2019.*

*In addition, the administrative costs in the SCHE will not be exactly equal to the admin assumed in pricing. Aetna's administrative cost and QIS assumptions are set nationally and allocated to a local level, so there will be some variation from year to year. Also, Aetna's cost and QIS assumptions are set across legal entities and the allocation of experience can vary by entity. In addition, there can be discrepancies on which members and groups are considered large or small, and on timing of expenses.*

18. As requested, you have added the RA User Fees in Table 6. Please identify where offsetting adjustments were made elsewhere.

*The RA User Fee of 0.03% was previously included in the Health Insurance Provider Fee line, totaling 2.63%. The HIF line was reduced to 2.60% when the 0.03% RA User Fee was separated out.*



19. In response to the Department's RADV survey, issuers indicated that they did not include an adjustment in the initial submission, as there was no supportable reason for a RADV adjustment in the 2020 rate submission. Therefore, the Department has determined that there should be no RADV adjustments in the 2020 rate filings; please modify the filing accordingly, if necessary.

*We did not apply any RADV adjustments in our 2020 rate submission so no modification is necessary.*

20. If the risk adjustment results released on June 28, 2019 are inconsistent with your projected assumptions, you may modify the risk adjustment transfer amount in Table 5. Supporting documentation must be provided for all modifications. If such a modification is made, revise all the documents and exhibits impacted and the PA Actuarial Memorandum to discuss this change. This change must be made with your responses due by July 12, 2019.

*We do not wish to modify our filed rates with regard to risk adjustment.*

21. Please explain the system limitations that will not allow you to determine how much has been paid on claims incurred in 2015 and 2016. Is this a permanent limitation that will impact reporting to the PID in the future?

*The granular sources we use for actuarial reporting and rate buildups are only maintained for up to three years and rolled forward each year.*

Please let us know if you need any additional information to complete your review of this filing.

Sincerely,

A black rectangular redaction box covering the signature and name of the sender.

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 4 from July 5, 2019 objection letter.

	Base	Manual
Exp Membership, Projected Network Factor	0.968	0.988
Projected Membership, Projected Network Factor	0.961	0.961
Mix Change	0.993	0.973
Exp Membership, Projected Network Factor	0.968	0.988
Exp Membership, Experience Network Factor	0.968	0.988
Factor Change	1.000	1.000
Change in Network Factor	0.993	0.973

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 5 from July 5, 2019 objection letter.

HIOS ID	Network Adj
64844PA0070142	0.950
64844PA0060126	0.970

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 6 from July 5, 2019 objection letter.

<u>Quarter</u>	<u>PAAM Table 11 Average Rate</u>	<u>Change</u>
4Q19	\$479.41	
1Q20	\$467.25	-2.54%

\*4Q19 comes from the 2019 filing

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 7 from July 5, 2019 objection letter.

2016 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>	<b>Leveraging</b>	<b>Projection Paid Trend</b>
Facility Inpatient	7.8%	3.0%	1.4%	12.5%
Facility Outpatient	5.7%	5.4%	1.5%	13.1%
Physician	2.0%	5.9%	1.1%	9.3%
Capitation	0.0%	0.0%	0.0%	0.0%
Pharmacy	8.3%	2.5%	2.5%	13.8%

2017 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>	<b>Leveraging</b>	<b>Projection Paid Trend</b>
Facility Inpatient	6.1%	2.5%	1.1%	9.9%
Facility Outpatient	4.5%	6.5%	1.4%	12.8%
Physician	1.9%	6.0%	1.0%	9.1%
Capitation	0.0%	0.0%	0.0%	0.0%
Pharmacy	10.3%	2.6%	2.5%	16.0%

2018 Trend

<b>Benefit Category</b>	<b>Unit Cost Trend</b>	<b>Utilization Trend</b>	<b>Leveraging</b>	<b>Projection Paid Trend</b>
Facility Inpatient	5.5%	2.8%	1.2%	9.8%
Facility Outpatient	4.1%	6.8%	1.6%	12.9%
Physician	1.7%	6.3%	1.1%	9.3%
Capitation	0.0%	0.0%	0.0%	0.0%
Pharmacy	10.4%	2.4%	1.5%	14.7%

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 8 from July 5, 2019 objection letter.

<b>Capitative Service Category</b>	<b>Manual Paid PMPM</b>
Primary Care	\$1.30
Radiology	\$0.36
Physical Therapy	\$0.14
Lab	\$0.05
Other Capitative Fees	\$0.07
<b>Total</b>	<b>\$1.92</b>

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 9 from July 5, 2019 objection letter.

<b>Category</b>	<b>Manual Paid PMPM</b>	<b>Manual Allowed PMPM</b>	<b>Manual Paid/Allowed Ratio</b>	<b>Weights</b>	<b>PAAM Weights</b>
Inpatient Hospital	\$88.09	\$112.47	0.783	17.26%	17.26%
Outpatient Hospital	\$65.14	\$83.16	0.783	12.77%	12.77%
Professional	\$72.53	\$92.60	0.783	14.21%	14.21%
Other Medical	\$77.58	\$99.04	0.783	15.20%	15.20%
Capitation	\$1.92	\$1.92	1.000	0.38%	0.38%
Prescription Drug	\$205.01	\$222.21	0.923	40.18%	40.18%
<b>Total</b>	<b>\$510.28</b>	<b>\$611.40</b>	<b>0.835</b>	<b>100.00%</b>	<b>100.00%</b>

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 11 from July 5, 2019 objection letter.

**Section II: Projections (Unrounded)**

Benefit Category	Experience Period Index	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	\$80.23	1.055	1.028	1.055	1.028	\$94.47
Outpatient Hospital	\$66.22	1.041	1.068	1.041	1.068	\$81.87
Professional	\$70.43	1.017	1.063	1.017	1.063	\$82.31
Other Medical	\$78.73	1.041	1.068	1.041	1.068	\$97.33
Capitation	\$6.73	1.000	1.000	1.000	1.000	\$6.73
Prescription Drug	\$74.01	1.104	1.024	1.104	1.024	\$94.56
<b>Total</b>	<b>\$376.36</b>					<b>\$457.27</b>

Morbidity Adjustment	1.216
Demographic Shift	0.996
Plan Design Changes	1.000
Other	0.997
Adjusted EHB Allowed Claims PMPM for 1/1/2020	<b>\$551.80</b>

-0.3%

**Section II: Projections (Rounded for Worksheet 1)**

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	\$80.23	1.055	1.028	1.055	1.028	\$94.37
Outpatient Hospital	\$66.22	1.041	1.068	1.041	1.068	\$81.85
Professional	\$70.43	1.017	1.063	1.017	1.063	\$82.31
Other Medical	\$78.73	1.041	1.068	1.041	1.068	\$97.32
Capitation	\$6.73	1.000	1.000	1.000	1.000	\$6.73
Prescription Drug	\$74.01	1.104	1.024	1.104	1.024	\$94.59
<b>Total</b>	<b>\$376.35</b>					<b>\$457.17</b>

Morbidity Adjustment	1.216
Demographic Shift	0.996
Plan Design Changes	1.000
Other	0.997
Adjusted EHB Allowed Claims PMPM for 1/1/2020	<b>\$552.03</b>

-0.3%

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 12, from July 5, 2019 objection letter.

Rating Area	County	Base Member Months	Manual Member Months	Projection Member Months	Experience Area Factor	Projection Area Factor
Rating Area 1	Clarion	36	18	0	0.785	0.779
Rating Area 1	Crawford	0	0	0	0.785	0.779
Rating Area 1	Erie	0	0	0	0.785	0.779
Rating Area 1	Forest	0	0	0	0.785	0.779
Rating Area 1	Mckean	0	0	0	0.785	0.779
Rating Area 1	Mercer	0	0	0	0.785	0.779
Rating Area 1	Venango	0	0	0	0.785	0.779
Rating Area 1	Warren	0	0	0	0.785	0.779
Rating Area 2	Cameron	0	0	0	0.792	0.819
Rating Area 2	Elk	0	96	0	0.792	0.819
Rating Area 2	Potter	0	0	0	0.792	0.819
Rating Area 3	Bradford	447	12	0	0.998	1.020
Rating Area 3	Carbon	227	18	0	0.998	1.020
Rating Area 3	Clinton	0	8	0	0.998	1.020
Rating Area 3	Lackawanna	330	165	0	0.998	1.020
Rating Area 3	Luzerne	157	148	12	0.998	1.020
Rating Area 3	Lycoming	432	158	0	0.998	1.020
Rating Area 3	Monroe	685	230	96	0.998	1.020
Rating Area 3	Pike	149	56	24	0.998	1.020
Rating Area 3	Sullivan	0	0	0	0.998	1.020
Rating Area 3	Susquehanna	145	93	72	0.998	1.020
Rating Area 3	Tioga	0	0	0	0.998	1.020
Rating Area 3	Wayne	0	15	0	0.998	1.020
Rating Area 3	Wyoming	0	0	0	0.998	1.020
Rating Area 4	Allegheny	0	26	0	0.810	0.855
Rating Area 4	Armstrong	0	0	0	0.810	0.855
Rating Area 4	Beaver	0	0	0	0.810	0.855
Rating Area 4	Butler	0	0	0	0.810	0.855
Rating Area 4	Fayette	0	0	0	0.810	0.855
Rating Area 4	Greene	0	0	0	0.810	0.855
Rating Area 4	Indiana	0	0	0	0.810	0.855
Rating Area 4	Lawrence	0	0	0	0.810	0.855
Rating Area 4	Washington	0	0	0	0.810	0.855
Rating Area 4	Westmoreland	0	0	0	0.810	0.855
Rating Area 5	Bedford	0	0	0	0.780	0.837
Rating Area 5	Blair	27	54	0	0.780	0.837
Rating Area 5	Cambria	0	30	0	0.780	0.837
Rating Area 5	Clearfield	0	145	0	0.780	0.837
Rating Area 5	Huntingdon	0	162	0	0.780	0.837
Rating Area 5	Jefferson	0	38	0	0.780	0.837
Rating Area 5	Somerset	0	0	0	0.780	0.837
Rating Area 6	Centre	102	186	0	0.983	1.030
Rating Area 6	Columbia	0	0	0	0.983	1.030
Rating Area 6	Lehigh	6,144	865	288	0.983	1.030
Rating Area 6	Mifflin	0	0	0	0.983	1.030
Rating Area 6	Montour	0	0	0	0.983	1.030
Rating Area 6	Northampton	4,794	463	156	0.983	1.030
Rating Area 6	Northumberland	0	0	0	0.983	1.030
Rating Area 6	Schuylkill	11	108	0	0.983	1.030
Rating Area 6	Snyder	0	0	0	0.983	1.030
Rating Area 6	Union	0	0	0	0.983	1.030
Rating Area 7	Adams	267	199	0	0.984	1.080
Rating Area 7	Berks	9,457	789	120	0.984	1.080
Rating Area 7	Lancaster	2,948	3,470	252	0.984	1.080
Rating Area 7	York	2,979	848	168	0.984	1.080
Rating Area 8	Bucks	36,098	2,607	360	1.000	1.000
Rating Area 8	Chester	38,683	2,312	552	1.000	1.000
Rating Area 8	Delaware	17,345	3,717	354	1.000	1.000
Rating Area 8	Montgomery	58,239	3,406	1,092	1.000	1.000
Rating Area 8	Philadelphia	19,532	4,549	720	1.000	1.000
Rating Area 9	Cumberland	2,312	1,151	228	0.933	0.939
Rating Area 9	Dauphin	1,681	788	0	0.933	0.939
Rating Area 9	Franklin	876	244	0	0.933	0.939
Rating Area 9	Fulton	0	61	0	0.933	0.939
Rating Area 9	Juniata	90	185	180	0.933	0.939
Rating Area 9	Lebanon	196	757	48	0.933	0.939
Rating Area 9	Perry	0	62	0	0.933	0.939

	Base	Manual
Exp Membership, Projected Area Factor	1.006	1.007
Projected Membership, Projected Area Factor	1.007	1.007
Mix Change	1.001	1.000
Exp Membership, Projected Area Factor	1.006	1.007
Exp Membership, Experience Area Factor	0.996	0.984
Factor Change	1.010	1.024
Change in Area Factor	1.011	1.023

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 12, from July 5, 2019 objection letter.

Age	Gender	Base Member Months	Manual Member Months	Projection Member Months	Experience Age Claim Costs Factor	Projection Age Claim Costs Factor
0	M	786	152	25	1.117	1.117
1	M	767	93	16	1.117	1.117
2	M	838	115	19	0.511	0.511
3	M	786	85	14	0.511	0.511
4	M	794	176	29	0.511	0.511
5	M	850	134	22	0.379	0.379
6	M	834	101	17	0.379	0.379
7	M	916	92	15	0.379	0.379
8	M	1,115	115	19	0.379	0.379
9	M	1,243	157	26	0.379	0.379
10	M	1,117	164	27	0.412	0.412
11	M	1,242	174	29	0.412	0.412
12	M	1,272	175	29	0.412	0.412
13	M	1,473	242	40	0.412	0.412
14	M	1,352	180	30	0.412	0.412
15	M	1,361	187	31	0.532	0.532
16	M	1,568	202	34	0.532	0.532
17	M	1,477	169	28	0.532	0.532
18	M	1,819	181	30	0.532	0.532
19	M	1,813	168	28	0.532	0.532
20	M	1,686	202	34	0.479	0.479
21	M	1,547	224	37	0.479	0.479
22	M	1,663	159	27	0.479	0.479
23	M	1,852	171	29	0.479	0.479
24	M	1,854	188	31	0.479	0.479
25	M	1,972	169	28	0.489	0.489
26	M	1,792	265	44	0.489	0.489
27	M	1,965	317	53	0.489	0.489
28	M	1,607	336	56	0.489	0.489
29	M	1,850	287	48	0.489	0.489
30	M	2,001	281	47	0.552	0.552
31	M	1,956	295	49	0.552	0.552
32	M	1,899	287	48	0.552	0.552
33	M	1,835	280	47	0.552	0.552
34	M	1,718	187	31	0.552	0.552
35	M	1,973	284	48	0.670	0.670
36	M	1,866	243	41	0.670	0.670
37	M	1,864	304	51	0.670	0.670
38	M	1,913	267	45	0.670	0.670
39	M	1,906	274	46	0.670	0.670
40	M	1,804	278	47	0.839	0.839
41	M	1,741	177	30	0.839	0.839
42	M	1,625	235	39	0.839	0.839
43	M	1,638	266	44	0.839	0.839
44	M	1,602	240	40	0.839	0.839
45	M	1,723	258	43	1.063	1.063
46	M	1,994	242	40	1.063	1.063
47	M	2,120	310	52	1.063	1.063
48	M	2,028	263	44	1.063	1.063
49	M	2,086	299	50	1.063	1.063
50	M	2,282	334	56	1.456	1.456
51	M	2,223	280	47	1.456	1.456
52	M	2,557	321	54	1.456	1.456
53	M	2,507	298	50	1.456	1.456
54	M	2,115	303	51	1.456	1.456
55	M	2,134	309	52	1.868	1.868
56	M	2,663	278	47	1.868	1.868
57	M	2,445	360	60	1.868	1.868
58	M	2,426	295	49	1.868	1.868
59	M	2,257	260	43	1.868	1.868
60	M	2,220	191	32	2.358	2.358
61	M	1,971	206	34	2.358	2.358
62	M	2,017	283	47	2.358	2.358
63	M	1,729	133	22	2.358	2.358
64	M	1,534	159	27	2.358	2.358
65	M	1,867	147	25	2.358	2.358
0	F	664	127	21	1.114	1.114
1	F	709	127	21	1.114	1.114
2	F	802	137	23	0.511	0.511
3	F	738	115	19	0.511	0.511
4	F	697	67	11	0.511	0.511
5	F	838	137	23	0.379	0.379
6	F	931	120	20	0.379	0.379
7	F	1,070	109	18	0.379	0.379
8	F	904	82	14	0.379	0.379
9	F	1,017	122	20	0.379	0.379
10	F	1,132	188	31	0.380	0.380
11	F	1,314	152	25	0.380	0.380
12	F	1,221	188	31	0.380	0.380
13	F	1,247	169	28	0.380	0.380
14	F	1,467	172	29	0.380	0.380
15	F	1,385	177	30	0.591	0.591
16	F	1,413	178	30	0.591	0.591
17	F	1,488	117	20	0.591	0.591

	Base	Manual
Exp Membership, Projected Age Factor	1.122	1.105
Projected Membership, Projected Age Factor	1.105	1.105
Mix Change	0.985	1.000
Exp Membership, Projected Age Factor	1.122	1.105
Exp Membership, Experience Age Factor	1.122	1.105
Factor Change	1.000	1.000
Change in Age Factor	0.985	1.000

18	F	1,584	208	35	0.591	0.591
19	F	1,516	160	27	0.591	0.591
20	F	1,395	182	30	0.787	0.787
21	F	1,254	98	16	0.787	0.787
22	F	1,609	163	27	0.787	0.787
23	F	1,701	184	31	0.787	0.787
24	F	1,722	117	20	0.787	0.787
25	F	1,442	160	27	1.176	1.176
26	F	1,201	244	41	1.176	1.176
27	F	1,215	291	49	1.176	1.176
28	F	1,272	244	41	1.176	1.176
29	F	1,312	248	41	1.176	1.176
30	F	1,259	254	42	1.393	1.393
31	F	1,126	223	37	1.393	1.393
32	F	1,287	288	48	1.393	1.393
33	F	1,329	241	40	1.393	1.393
34	F	1,172	242	40	1.393	1.393
35	F	1,169	295	49	1.303	1.303
36	F	1,184	232	39	1.303	1.303
37	F	1,253	207	35	1.303	1.303
38	F	1,451	260	43	1.303	1.303
39	F	1,322	241	40	1.303	1.303
40	F	1,365	253	42	1.224	1.224
41	F	1,176	229	38	1.224	1.224
42	F	1,283	214	36	1.224	1.224
43	F	1,350	243	41	1.224	1.224
44	F	1,298	217	36	1.224	1.224
45	F	1,301	244	41	1.314	1.314
46	F	1,487	272	45	1.314	1.314
47	F	1,596	297	50	1.314	1.314
48	F	1,635	290	49	1.314	1.314
49	F	1,892	306	51	1.314	1.314
50	F	1,891	245	41	1.565	1.565
51	F	1,938	304	51	1.565	1.565
52	F	1,945	219	37	1.565	1.565
53	F	1,807	216	36	1.565	1.565
54	F	1,969	288	48	1.565	1.565
55	F	2,201	270	45	1.810	1.810
56	F	2,172	273	46	1.810	1.810
57	F	2,240	238	40	1.810	1.810
58	F	1,919	258	43	1.810	1.810
59	F	2,026	250	42	1.810	1.810
60	F	2,065	165	28	2.227	2.227
61	F	1,917	236	39	2.227	2.227
62	F	1,691	231	39	2.227	2.227
63	F	1,604	130	22	2.227	2.227
64	F	1,302	149	25	2.227	2.227
65	F	1,250	119	20	2.227	2.227

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 12, from July 5, 2019 objection letter.

**Experience Period Large Claim Impact**

	Med	Rx	Total
Selected Pooling Point	\$ 500,000	\$ 250,000	
2018 Claims Below Pooling Point	\$ 9,351,159	\$ 2,827,929	\$ 12,179,088
2018 Claims Above Pooling Point	\$ 205,504	\$ 2,352,633	\$ 2,558,138
2018 Actual Charge to Pooled Claims	2.2%	83.2%	21.0%
Total Claims	\$ 9,556,663	\$ 5,180,563	\$ 14,737,226
Selected LCAF Charge to Pooled Claims	2.4%	2.7%	3.3%
Expected Claims Above Pooling Point	\$ 224,428	\$ 77,699	\$ 302,127
Expected Total Claims	\$ 9,575,586	\$ 2,905,629	\$ 12,481,215
Medical Large Claims Adjustment	<b>1.002</b>	<b>0.561</b>	<b>0.847</b>

**Medical Large Claims Adjustment to Medical and Rx Basis**

Medical Weight	60.7%
Large Claims Adjustment	<b>1.001</b>

Pooling	Pooling Factor
Manual Rate	0.999
Projection Period	0.838

Manual Rate	0.840
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**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 12, from July 5, 2019 objection letter.

**Induced Utilization**

Manual		Mix Change	Factor Change	Total	Induced Util Factor	Induced Util Mix
Interim / Manual		1.000	0.983	0.983	0.991	1.000

Average CSR Adj Induced Utilization Factors					
Member Months	Base	Manual	Interim	Projection	
Manual 28,239	1.006	1.023	1.005	1.006	

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 12, from July 5, 2019 objection letter.

**Calculation of Experience Period Deductible Suppression**

Used to adjust claims levels to initial projection period

	Manual Rate
Experience Period Begin	201801
Experience Period End	201812
Experience Period Mmos	34,645
Deductible Credit Cap (in months)	11
Exp Ded Suppression Factor	1.0032

**Medical Deductible Suppression Factors to Medical and Rx Basis**

Deductible Suppression Factors Used	Medical Only
Medical Weight	80%
	Manual Rate
Adjusted Exp Pd Ded Suppression Factor	1.0025

Manual

	Total
Interim / Manual	0.9975
Projection / Interim	1.0000
Projection / Manual	0.9975

Year	Manual Factor	Interim Factor	Projection Factor
1	1.0025	1.0000	1.0000
2	1.0025	1.0000	1.0000

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 14 from July 5, 2019 objection letter.

Manual Data

<b>Calendar Year</b>	<b>Membership weighted AV Metal Value</b>	<b>Experience Paid/Allowed</b>
2017	0.757	86%
2018	0.702	83%

**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 16 from July 5, 2019 objection letter.

AHI

Calendar Year	Projected Claim Cost	Actual Claim Cost	Actual v. Projected
2015	\$ 336.41	\$ 329.04	-2.2%
2016	\$ 352.56	\$ 336.76	-4.5%
2017	\$ 463.97	\$ 363.88	-21.6%
2018	\$ 455.26	\$ 373.75	-17.9%

All Legal Entities

Calendar Year	Projected Claim Cost	Actual Claim Cost	Actual v. Projected
2015	\$ 336.75	\$ 331.38	-1.6%
2016	\$ 352.97	\$ 355.13	0.6%
2017	\$ 481.01	\$ 466.86	-2.9%
2018	\$ 451.89	\$ 510.28	12.9%

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 17 from July 5, 2019 objection letter.

Line	Other Indicators: 4.	5.0	1.1	1.5+1.6+1.7	10.5	11	G/(B/12)
	Member Months	Total Incurred Claims	Total Premium	Paid Taxes and Fees	Administrative Expense	Annual UW Gain/Loss	UW Gain/Loss PMPY
2014	1,018,238	\$ 270,867,975	\$ 344,775,370	\$ 24,425,608	\$ 36,017,825	\$ (3,318,649)	\$ (39)
2015	623,885	\$ 169,255,690	\$ 230,453,591	\$ 28,116,365	\$ 29,474,868	\$ (8,406,031)	\$ (162)
2016	464,762	\$ 131,632,813	\$ 184,178,601	\$ 2,534,010	\$ 16,376,211	\$ 20,095,814	\$ 519
2017	319,717	\$ 101,191,506	\$ 136,352,952	\$ (3,257,107)	\$ 15,687,838	\$ (18,313,257)	\$ (687)
2018	211,165	\$ 66,837,386	\$ 94,453,329	\$ 7,378,910	\$ 11,024,566	\$ 14,810,563	\$ 842



July 18, 2019

Mrs. Cherri Sanders-Jones  
Insurance Department  
Bureau of Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

Subject: Aetna Health Inc.  
Small Group Rate Filing  
SERFF # AETN-131899868

Dear Mrs. Cherri Sanders-Jones:

1. Follow up to Question 12 and 23. Please justify the leveraging factors used in the paid trend assumptions. Please provide actual historical trends on an allowed and a paid basis to support the deductible leveraging factors used.

*Please see tab 'Response #1a' in AHI Objection Response Tables 3.xlsx for the justification of our medical leveraging factors. Our pharmacy leveraging factor was developed by our pharmacy team using a separate methodology which better captures the impact of copayments.*

*Please see tab 'Response #1b' in AHI Objection Response Tables 3.xlsx for our actual historical trends. The Total (Med+Rx+Cap) paid and allowed trends imply a 2.3% leveraging factor. Given the volatility of our block and large changes in membership we determined the Milliman leveraging tables would provide a more appropriate estimate of leveraging than our small group full book experience.*

Please let us know if you need any additional information to complete your review of this filing.

Sincerely,



**Pennsylvania**  
**Aetna Health, Inc.**  
**1Q20 Small Group Rates**

Response to question 1 from July 16, 2019 objection letter.

Deductible	Milliman Ded Leveraging Value (With OOP Max)
0	1.04
100	1.05
250	1.06
500	1.08
750	1.10
1000	1.11
1500	1.13
2000	1.15
2500	1.17
5000	1.24

Small Group Avg Deductible	\$ 2,222.38
Table Lookup	8
Lev Fx w/ MOOP	1.1589

Provided in response #12 to June 18, 2019 Objection Letter

Service Type	Leveraging
Facility Inpatient	1.2%
Facility Outpatient	1.6%
Physician	1.1%
Capitation	0.0%
Pharmacy	1.5%

	Initial Allowed Trend Pick	Leveraging	Initial Paid Trend Pick
Inpatient	8.2%	1.2%	9.5%
Outpatient	10.9%	1.6%	12.6%
Physician	7.8%	1.1%	9.0%
Capitation	0.0%	0.0%	0.0%

**Pennsylvania  
Aetna Health, Inc.  
1Q20 Small Group Rates**

Response to question 1 from July 16, 2019 objection letter.

		<u>Allowed Actual Trend-</u> <u>SG Full Book</u>	<u>Paid Actual Trend-</u> <u>SG Full Book</u>	
<b>Utilization</b>	<b>Total Facility</b>	10.1%	10.2%	
	<b>Total Medical</b>	9.5%	9.7%	
<b>Cost/Visit</b>	<b>Total Facility</b>	6.1%	5.2%	
	<b>Total Medical</b>	6.7%	6.7%	
<b>PMPM</b>	<b>Total Facility</b>	17.0%	16.3%	
	<b>Total Medical</b>	17.1%	17.3%	
	<b>Medical + Rx</b>	26.8%	29.8%	
	<b>Medical + Cap</b>	16.8%	16.9%	<b>Leveraging</b>
	<b>TOTAL (Med+Rx+Cap)</b>	26.6%	29.4%	2.3%

Experience is not normalized for age-gender or benefit design  
Data is incurred claims from 201509-201808, SG ACA

# Attachment I

# Rate Change Summary

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## Aetna Health Inc. (a PA corp.) – Small Group Plans

Rate request filing ID # AETN-131899868 & AETN-131899740 - 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:	7.8%
Revised requested average rate change:	N/A
Range of requested rate change:	7.8% - 7.8%
Effective date:	January 1, 2020
Mapped Members:	384
Available in:	Rating Areas 1-3 and 5-9, certain counties excluded

### Key information

#### Jan. 2018-Dec. 2018 financial experience

Premiums	\$93.1 M
Claims	\$61.9 M
Administrative expenses	\$11.8 M
Taxes & fees	\$7.3 M
<hr/>	<hr/>
Company made (after taxes)	<b>\$12.1 M</b>

#### How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2020:

Claims:	80.7%
Administrative:	9.6%
Taxes & fees:	7.7%
Profit:	2.0%

The company expects its annual medical costs to increase **12.6%**.

### Explanation of requested rate change

Medical costs are going up, and we are changing our rates to reflect this increase. Medical costs go up for two reasons – providers raise their prices and members get more medical care. Rate increases differ by plan. The exact rate change depends on what benefit plan the group chooses, where the group is located, when the group's contract renews, and the ages and family sizes of enrolling employees. Rates charged to employees also depend upon any change in the amount of premium paid by the employer.

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