

|                             |  |                          |                                   |                            |               |
|-----------------------------|--|--------------------------|-----------------------------------|----------------------------|---------------|
| <b>SERFF Tracking #:</b>    | HGHM-131904495   | <b>State Tracking #:</b> | HGHM-131904495                    | <b>Company Tracking #:</b> | 1A-DP-19-HHIC |
| <b>State:</b>               | Pennsylvania   | <b>Filing Company:</b>   | HM Health Insurance Company- HHIC |                            |               |
| <b>TOI/Sub-TOI:</b>         | H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense |                          |                                   |                            |               |
| <b>Product Name:</b>        | 1A-DP-19-HHIC  |                          |                                   |                            |               |
| <b>Project Name/Number:</b> | 1A-DP-19-HHIC/1A-DP-19-HHIC  |                          |                                   |                            |               |

## Supporting Document Schedules

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | ACA Public Rate Filing PDF   |
| <b>Comments:</b>         | A redacted version of the rate filing is attached for public disclosure. |
| <b>Attachment(s):</b>    | 1A-DP-19-HHIC Public Rate Filing 071919.pdf                              |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |



May 21, 2019

Ms. Tracie Gray, Director  
Bureau of Life, Accident & Health Insurance  
Commonwealth of Pennsylvania Insurance Department  
1311 Strawberry Square  
Harrisburg, PA 17120

Re: Highmark Health Insurance Company 2020 ACA Rate Filing (Individual Market)  
Highmark Health Insurance Company Filing # 1A-DP-19-HHIC (SERFF Filing # HGHM-131904495)

**This constitutes Notice pursuant to Section 707 of the Pennsylvania Right-to-Know Law that the attached Highmark Health Insurance Company (HHIC) 2020 Individual Market Rates Filing contains Trade Secret and Confidential Proprietary Information. Therefore, HHIC must, prior to the release of any portion of this Filing, be notified of any request by a third party for access to this Filing, and the Trade Secret and/or Confidential Proprietary Information identified by HHIC should be redacted before release.**

Dear Ms. Gray:

This Filing includes the Highmark Health Insurance Company's ("HHIC", "Company") Individual Market rates and the supporting rate development for policies with effective dates on or after January 1, 2020.

**In the event the Department decides to publish this Filing in the PA Bulletin, the company information requested in the Department's 2020 ACA-Compliant Health Insurance Rate Filing Guidance, Section B, is provided below:**

**Requested Company Information**

1. Company Name & NAIC #: **Highmark Health Insurance Company, NAIC # 71768**
2. Market: **Individual**
3. On or Off Exchange: **This filing reflects that the Company anticipates selling one plan on the off exchange.**

4. Effective date of coverage: **January 1, 2020**
5. Average rate change requested: **Not applicable; the Company is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.**
6. Range of rate change requested: **Not applicable; the Company is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.**
7. Total additional annual revenue generated from the proposed rate change: **Not applicable; the Company is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.**
8. Product(s): **PPO**
9. Rating Areas and the change from 2019: **Rating Areas 1, 2, 4, 5, 6**

The Company offered plans in Rating Areas 1, 2, 4, 5, and 6, as well as 7 and 9 in 2019. In 2020, the Company intends to discontinue the plans offered in Rating Areas 7 and 9. Please see the Plan Design Summary for details.

10. Metal Levels and Catastrophic Plans: This filing reflects that the Company anticipates selling only a **Catastrophic** plan in the indicated Market
11. Current number of covered lives and of policyholders as of February 1, 2019: **10,598 covered lives; 7,735 policyholders**
12. Number of plans offered in 2020 and the change this represents from 2019: **1**

The Company offered 18 plans in 2019. For 2020, the Company is offering 1 new plan in the Market and removing 18 plans from the Market.

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

13. Corresponding contract form #, SERFF and Binder ID#s: **The corresponding SERFF binder number is HGHM-PA20-125091809 affecting the following Company products and forms:**

| Product Name / Type   | Contract Form & SERFF#          |
|-----------------------|---------------------------------|
| Major Events Blue PPO | CAT/PPO/HHIC/DP; HGHM-131923485 |

14. HIOS Issuer ID # and submission tracking number: **HIOS Issuer ID #70194, Company Filing #1A-DP-19-HHIC (SERFF Filing # HGHM-131904495)**

#### **Additional Filing Disclosures**

The Company has submitted all Required Documents stipulated by the Department, including the federal documents related to this filing, in its SERFF submission. In addition to the Required Documents, the Company has submitted a Supplemental Exhibits file containing additional detailed exhibits on items referenced in the PA Actuarial Memorandum. All tables, exhibits, and detail in support of this filing and the PA Actuarial Memorandum have been included in Excel format. To assist in the Department's review, the Excel files have retained their formulas to the extent possible.

CMS has instructed issuers that it no longer requires any interim changes to the URRT to be submitted to HIOS. CMS is requesting that only the initial URRT and the final URRT be submitted to HIOS.

#### **Potential Changes to Federal Regulations**

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. We have accounted for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2020 by using the factors prescribed in the Department's guidance. Additional assumptions include that advance payment of premium credits (APTCs) will continue until the end of 2020, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2020. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, HHIC reserves the right to submit a revised filing.

#### **Request for Confidentiality**

Please note that the rates and the supporting rate development contained in this Filing are competitively sensitive, are not in the public domain, and constitute business confidential proprietary/trade secret information that would cause harm to the competitive position of HHIC if disclosed to the public.

Public disclosure of any information contained in this Filing would allow HHIC competitors to better understand or discover its confidential and proprietary rating, pricing and/or marketing practices, would undermine competition in the Individual market and could have negative consequences for the operation of HHIC's business. Therefore, HHIC asserts that this Filing, in

its entirety, constitutes Trade Secret and Confidential Proprietary Information and should not be disclosed.

It is our understanding that the Department does not intend to publish the confidential & proprietary information contained in this Filing or to otherwise permit this Filing and its confidential information, other than the redacted information and final approved rates, to be disclosed or released.

Furthermore and pursuant to the Pennsylvania Right-to-Know Law ("RTKL"), HHIC must be notified prior to release of information contained in this Filing and be given the opportunity to respond to requests for such information. Should the Department receive such request or require the release of information contained in this Filing for its own purposes, HHIC asserts its right to release a redacted version of the Filing. In accordance with the RTKL, please contact the HHIC RTKL representative identified below prior to release of any information contained in this Filing:

[REDACTED]  
RTKL Representative  
VP Chief Privacy Officer  
Highmark Health  
120 Fifth Avenue, Suite 2114  
Pittsburgh, PA 15222

Furthermore, it should be noted that HHIC is equally concerned that even if this information is released in aggregate form, it still may be easy to identify the carrier that submitted it.

Should you have any questions regarding the attached Filing, please feel free to contact me at [REDACTED] or via e-mail at: [REDACTED].

Sincerely,

[REDACTED]

[REDACTED]  
Vice President, Actuarial Services  
Highmark Inc.

cc:

[REDACTED]  
[REDACTED]  
[REDACTED]

# Rate Change Summary

## Highmark Health Insurance Company – Individual Plans

Rate request filing ID # 1A-DP-19-HHIC (SERFF # HGHM-131904495) - 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: | N/A <sup>1</sup>               |
| Revised requested average rate change: | N/A <sup>1</sup>               |
| Range of requested rate change:        | N/A                            |
| Effective date:                        | January 1, 2020                |
| People impacted:                       | 10,598                         |
| Available in:                          | Rating Areas 1, 2, 4, 5, and 6 |

### Key information

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

|                            |                     |
|----------------------------|---------------------|
| Premiums                   | \$161,466,202       |
| Claims                     | \$91,364,203        |
| Administrative expenses    | \$11,940,848        |
| Taxes & fees               | \$12,332,377        |
| Company made (after taxes) | <b>\$45,828,774</b> |

#### How it plans to spend your premium

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

|                 |     |
|-----------------|-----|
| Claims:         | 81% |
| Administrative: | 14% |
| Taxes & fees:   | 5%  |
| Profit:         | 0%  |

The company expects its annual medical costs to increase **7.46%**.

### Explanation of requested rate change

The proposed 2020 rate change does not apply. HHIC is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.

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

# Actuarial Memorandum

## 1. Basic Information and Data

### A. Company Information

The appropriate company information has been provided in Table 0. General information pertaining to this rate filing is summarized below:

- Company Name: Highmark Health Insurance Company (“HHIC”)
- NAIC #: 71768
- HIOS Issuer ID: 70194
- State: Pennsylvania
- Market: Individual
- Effective Date: 1/1/2020
- SERFF Rate Filing #: HGHM-131904495

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. We have accounted for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2020 by using the factors prescribed in the Department’s guidance. Additional assumptions include that advance payment of premium credits (APTCs) will continue until the end of 2020, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2020. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, the Company reserves the right to submit a revised filing.

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

The three most recent rate changes in Pennsylvania for Highmark Health Insurance Company (HHIC) are as follows:

| Year | Avg. Increase | SERFF ID#      |
|------|---------------|----------------|
| 2019 | -6.8%         | HGHM-131475752 |
| 2018 | 9.7%          | HGHM-131020572 |
| 2017 | 55.1%         | HGHM-130540841 |

Historical rate changes varied by plan due to updated cost sharing levels to meet federal AV requirements as well as updates to AV and other pricing factors.

The proposed 2020 rate change does not apply. HHIC is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.

### **C. Average Rate Change**

HHIC is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan so there is no rate change.

### **D. Membership Count**

Please see Table 1 for the average age, age breakdown, and total membership for the periods shown.

### **E. Benefit/Cost Sharing Changes**

Benefit changes are not applicable, as the plan is new for 2020.

The PA Plan Design Summary and Rate Tables along with the HIOS Plan ID can be found within the *Rate/Rule Schedule* section in SERFF.

### **F. Experience Period Claims and Premium**

Please see Table 2 for the experience period data for the most recent calendar year. The experience period paid claims data represents the 2018 calendar year results for all policies in the single risk pool, with run out through February 2019. This data is consistent with the data reported in Section I of Worksheet I of the URRT.

Table 2 is populated with the experience period data as follows:

- The Earned Premium represents actual revenues earned in the experience period.
- Incurred Claims represent claims paid by HHIC. Note that the URRT includes capitated services and is net of Rx Rebates. Those values are not included here as they are listed as separate items.
- The Allowed Claims represent our best estimate of the total claims prior to member cost sharing incurred during the experience period. The Allowed Claims include:
  - Two months of run out from the end of the experience period,
  - Claims processed outside of the Company's claims system (e.g., claim settlement costs), and
  - Our best estimate of claims incurred but not paid as of the end of the run out period.Note that allowed claims in the URRT include capitation and are net of drug rebates. They are not included here as they are called out separately in the exhibit.
- Allowed Charges for non EHB services are included in column G. The amount of non EHB included is shown in column H.
- Prescription Drug Rebates are used to reduce the level of Incurred Claims in the experience period.
- Total EHB capitation includes amounts for the pediatric vision benefit \$0.34 PMPM.

The Estimated Risk Adjustment for the experience period represents our best estimate of the year end risk adjustment transfer payment that HHIC will incur. This amount is developed based on an analysis of HHIC data (risk scores as defined in the HHS Notice of Benefit and Payment Parameters, as well as other



risk transfer formula components), and an estimate as to the Market-wide risk profile. This Market-wide risk profile is developed from available Market data, including prior years' risk adjustment transfer results, publicly available data (such as MLR reports), and outside expertise from actuarial consultants. The total amount shown here includes an estimate for the impact of the High Cost Risk Pool during the experience period.

## **G. Credibility of Data**

Given the drastically different product offering between the experience period and the projection period, the experience data is not given any credibility in the rate calculation. The 2020 rates are based on 2018 experience from HHIC and Highmark Inc. Catastrophic plans, adjusted for the expected 2020 HHIC population. This experience was chosen because it is large and reasonably represents the population expected to buy the HHIC product.

A manual rate was developed by blending 2018 experience from multiple sources, including ACA and group claims for the February 1, 2019 snapshot membership, to approximate the anticipated 2020 HHIC population. A demonstration of the manual rate calculation can be found in Attachment A.

Given the lack of premium and paid claims data for some of the membership sources, these items have been left blank in Table 2b. Additionally, Risk Adjustment has been left blank as it is not used in the rate calculation. All other fields represent the data and assumptions that make up the manual rate.

## **H. Trend Identification**

Table 3b identifies the annual medical and prescription drug allowed claims cost and utilization trends. The underlying total annual trend is 7.50%. Additionally, there is an induced utilization adjustment of 0.0% per year applied to reach the overall trend of 7.50% shown in Table 3b column G. The definitions of service categories, cost, and utilization in Table 3b are consistent with the URRT instructions. The numbers entered in the Cost and Utilization columns are consistent with those entered in Worksheet I, Section 2 of the URRT, except as noted below.

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

The significant changes observed in the volume, demographics and morbidity of the ACA population from 2015 to 2018 yields component trends that are not directly applicable for trend analysis. The trend components in Table 3b therefore represent the same blended average for all types of service and are applied to the aggregate experience for pricing. Component data was not used in the development of the trend.

A separate regression study was developed by the Company's valuation team to analyze the ACA trend levels of enrolled cohorts of ACA members. The enrollment period covers a significant portion of both 2017 and 2018. The analysis took into consideration seasonality and adjusted for step changes that were included in the network factors in the two periods. Resulting r-squared levels were compared to

determine confidence levels of the resulting regression trends to develop a reasonable range of trend assumptions.

The regression study resulted in a composite trend in line with the requested composite trend of 7.5%. This trend level was also compared to the Highmark group business for reasonability.

## **I. Historical Experience**

Table 4 presents the most recent 48 months (4 calendar years) of HHIC data with run-out through February 2019. This data was not used to develop the trend in Table 3.

## **2. Rate Development & Change**

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

The development of the Projected Index Rate, Projected Market-Adjusted Index Rate, and Projected Total Allowed Claims, shown in Table 5, closely follows the methodologies discussed in the Part III Actuarial Memorandum submitted in the Rate Filing Justification. Please refer to the Part III Memorandum for further details.

Some of the items separately identified in Table 5 include:

- Given that expected 2020 population is used to develop the manual cost, no Change in Morbidity is required.

#### **Impact of Health Insurance Coverage Mandate Elimination**

In accordance with the Department's guidance, the morbidity factor was increased by 6.0% to reflect the market uncertainty from the elimination of the health insurance coverage mandate. This deterioration is reflected in the filing by multiplying the morbidity factor of 1.00 by 1.06 to arrive at a final morbidity factor of 1.06.

- Given that the population used to set the manual cost is consistent with the expected 2020 population, no Change in Demographic is required.
- There is no Change in Network adjustment.
- There is no Change in Benefits adjustment.
- There is no Change in Other adjustment.

Please see Attachment A and E for a more detailed calculation of these factors. These factors can also be found in the accompanying spreadsheet.

The projected paid-to-allowed ratio is 0.576. The formula found in Table 5 cell C28 was overwritten because, unlike the average factor found in Table 10 cell K15, the Company's paid-to-allowed factor accounts for the projected enrollment by plan and is dampened by items such as capitation.

The quantitative development of the projected risk adjustment transfer amount for the Company is shown in Attachment B and included in the accompanying spreadsheet. The transfer amount is developed based on an analysis of the claims data underlying the manual rate development for this filing (risk scores as defined in the HHS Notice of Benefit and Payment Parameters, as well as other risk transfer formula components) and an estimate as to the market-wide risk profile. This market-wide risk profile is developed from available market data, including prior years' risk adjustment transfer results, publicly available data (such as MLR reports), outside expertise from actuarial consultants, and results from the PA Insurance Department's RATEE analysis. Applying the federally prescribed transfer formula at the level of granularity available in Attachment B yields a projected gross risk adjustment transfer of (\$95.55) PMPM on a *billable* member month basis. This amount is then converted to a *total* member month basis of (\$95.55) PMPM in order to be used in the rate development. The expected risk adjustment payable reflects that the Company anticipates its average risk score (net of allowable rating factors) to be lower than the statewide average.

The (\$95.55) PMPM value in cell C31 of Table 5 equals the (\$95.55) PMPM value from Attachment B. Please note that, pursuant to the revised URRT instructions for 2020, the risk adjustment user fee is no longer included here but is now captured in the taxes and fees portion of administrative costs.

The exchange user fee in cell C32 of Table 5 is set to 0% since the new catastrophic plan is offered on the off exchange only.

## **B. Retention Items**

Table 6 has been completed with the requested retention elements for the proposed rates for the rating period. The amounts presented separately sum to the total administrative expenses and taxes and fees presented in the rate development.

Administrative costs reflect internal costs that HHIC is projected to incur in the projected experience period, and are developed from standard expense allocation methods.

The proposed rate development assumes an average broker commission of \$1.90 PMPM for 2020. The assumed broker commission schedule and the development of the average value are included in Attachment D.

Expenses for Quality Improvement initiatives are assumed to be 0.56%.

The following is a summary of the Taxes and Fees included in the rate development:

- Pennsylvania Premium Tax is set to 2.0%.
- Federal Income Tax is set to 0.0%.
- Health Insurance Provider Fee is estimated to be 2.8%.
- Risk Adjustment User Fee is set to \$0.18 PMPM consistent with Federal regulations.
  - Please note that, pursuant to the revised URRT instructions for 2020, the risk adjustment user fee should be captured in the taxes and fees portion of administrative costs. Table 10, column S thus captures this fee.

The Profit/Contingency for is set to 0%. HHIC has voluntarily refrained from adding a risk and contingency factor in this filing. By this voluntary action, HHIC is not waving any right to include a risk and contingency factor which HHIC believes is consistent with historical and legal interpretations of HHIC and the Pennsylvania Insurance Department.

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

The normalization factors presented in Table 7 are each determined from the underlying membership demographics expected in the projected rating period. The 2019 values are pulled from the prior year's filing, while the 2020 values represent our projection for 2020 assumed in the 2020 rate development.

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

Table 8 presents the components of change in the proposed 2020 Calibrated Plan Adjusted Index Rate (PMPM). This table is not applicable since there is no rate change.

Table 9 presents the data elements supporting the calculations in Table 8. The 2019 values are populated using the 2019 filed factors adjusted for the membership mix as of February 1, 2019.

## **3. Plan Rate Development**

Table 10 shows the plan rate development for 2020. This table shows the plans that the Company intends to offer in 2020. The 2020 rating factors are consistent with the factors found on Worksheet 2 of the URRT. The pricing effect on Table 10 is further broken out into Pricing AV, Benefit Richness, and Non-Funding of CSR Adjustment. Similar to the URRT, the admin effect on Table 10 is broken out into Admin Costs, Taxes and Fees, and Profit or Contingency.

The benefit richness factors in column L are populated with the factors found in Attachment C. The table in Attachment C can also be found in the attached spreadsheet. The derivation of the AV and Cost Sharing factors can also be found in Attachment C. The values in column 8 of the attachment represent the pure induced utilization for each plan. HHIC's utilization factors are consistent with those used in the Federal Risk Adjustment program. Each plan's factor was then normalized by the average utilization factor. The average is a weighted average using projected membership as the weight. After normalization the average factor as shown in Attachment C is 1.000.

Columns AG through AP are populated with the February 1, 2019 enrollment by 2020 plan and rating area.

### **Impact of Non-Payment of Cost Sharing Reduction Subsidies**

There is no impact for non-payment of cost sharing reduction subsidies since the one new plan is a catastrophic plan.

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

Table 11 presents the Company's 21-year-old non-tobacco premium in the Individual Market. Since the plan is new to the Individual Market for 2020, the change in 21-year-old premiums is not applicable.

## **5. Plan Factors**

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

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

### **B. Geographic Factors**

Please see Table 13 for HHIC's geographic factors. HHIC's factors for the rating period are unchanged from the currently approved factors.

### **C. Network Factors**

Please see Table 14 for Highmark's network rating factors. The current factors represent the medical network adjustment factors from the prior approved rate filing. The projected factors are shown in Table 14.

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

HHIC is offering the 2020 product in one service area. The Plan Design Summary exhibit uploaded as a separate document contains the service areas related to this filing. As requested, service area maps are included.

## **6. Actuarial Certifications**

I, [REDACTED], am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of HHIC to accompany its rate filing (for calendar year 2020) for the Individual Market on and off the Pennsylvania Exchange.

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

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1) and 147.102),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient

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

I certify that all factors, benefit and other changes from the prior approved filing have been disclosed in the 2020 PA Actuarial Memorandum Rate Exhibits.

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

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

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

I certify that the information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2020 Rate Filing Justification.

[REDACTED]

[REDACTED]

Title: [REDACTED]

Date: 07/12/2019

**Highmark Health Insurance Company**

**Individual Market Product Portfolio**

**Supplemental Exhibits**

|              |                             |
|--------------|-----------------------------|
| Attachment A | Manual Cost Development     |
| Attachment B | Risk Adjustment Calculation |
| Attachment C | Induced Demand Calculations |
| Attachment D | Broker Commission Schedule  |
| Attachment E | Demographics Calculation    |
| Attachment F | URRT Average Increase       |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

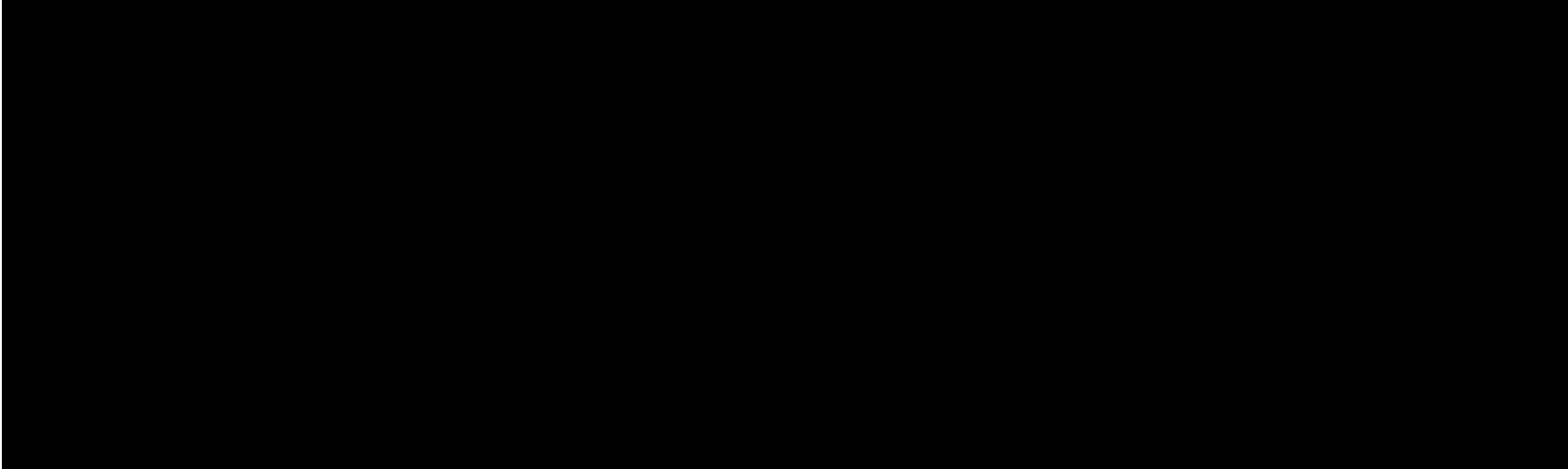
**Attachment A - Manual Cost Development**

| Manual Cost Development                 |           |
|---|-----------|
| Projected Member Months                 | 744       |
| Manual Allowed Claims                   | \$114,763 |
| Medical Allowed PMPM                    | \$154.25  |
| Rx Rebates PMPM                         | (\$5.00)  |
| Hosp/Phys. Settlement PMPM              | \$5.35    |
| Dental Claims PMPM                      | \$0.76    |
| Pediatric Vision Capitation PMPM        | \$0.34    |
| Adjusted Manual Cost PMPM - PID Table 5 | \$155.71  |



HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market

Attachment B - Risk Adjustment Calculation

|                       | 2020 Total State Development   | 2020 Calculated Results |
|-----------------------|--|-------------------------|
| Non-Catastrophic Pool |  |                         |
| Catastrophic Pool     |  |                         |
| Composite             |  |                         |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Attachment C - Induced Demand Calculations**

| <b>Induced Utilization Exhibit</b> |                    |                                |                                    |                                 |                                     |                                       |                |
|------------------------------------|--------------------|--------------------------------|------------------------------------|---------------------------------|-------------------------------------|---------------------------------------|----------------|
| Plan ID<br>(1)                     | Metal Level<br>(2) | Projected<br>Membership<br>(3) | Projected<br>Allowed Claims<br>(4) | Projected Paid<br>Claims<br>(5) | Paid to<br>Allowed<br>Factor<br>(6) | AV & Cost<br>Sharing<br>Factor<br>(7) | (7)/(6)<br>(8) |
| 70194PA0590001                     | Catastrophic       | 744                            | \$141,743.80                       | \$81,581.73                     | 0.576                               | 0.576                                 | 1.000          |
| Total                              |                    | 744                            | \$141,743.80                       | \$81,581.73                     | 0.576                               | 0.576                                 | 1.000          |

| Components of AV & Cost Sharing Factor |  |                       |                            |                       |                          |
|--|--|-----------------------|----------------------------|-----------------------|--------------------------|
| HIOS Plan ID      Metal Level          |  | Paid-to-Allowed Ratio | Induced Utilization Factor | Avg. Benefit Richness | AV & Cost Sharing Factor |
| 70194PA0590001    Catastrophic         |  | 0.576                 | 1.000                      | 1.000                 | 0.576                    |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Attachment D - Broker Commission Calculation**

| Region | Channel | Segment | Commission<br>PMPM | Estimated<br>Distribution |
|--------|---------|---------|--------------------|---------------------------|
|        |         |         |                    |                           |
|        |         |         |                    |                           |
|        |         |         |                    |                           |
|        |         |         |                    |                           |

### Attachment E - 'Change in Demographics' Calculation

**Table E.3 - Projection Period Membership**

[illegible]

**Table E.5 - 'Change in Demographics' Calculation**

|                             | Experience<br>Period | Projection<br>Period | Change in<br>Demographics |
|-----------------------------|----------------------|----------------------|---------------------------|
| Average Age Factor          | N/A                  | 1.011                |                           |
| Average Tobacco Factor      | N/A                  | 1.001                |                           |
| <u>Average Area Factor</u>  | <u>N/A</u>           | <u>0.970</u>         |                           |
| Average Demographic Factor  | N/A                  | 0.981                |                           |
| Child Capping Adjustment    |                      | 1.000                |                           |
| Adjusted Demographic Factor |                      | 0.981                |                           |
| <u>Capitation Dampening</u> | <u>N/A</u>           | <u>1.000</u>         |                           |
| Final Demographic Factor    | N/A                  | 0.981                | N/A                       |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Attachment F - URRT Average Increase**

| HIOS Plan ID   | URRT Plan Category | URRT Current Enrollment | Current Enrollment in Renewing Plans | Current Avg Rate | Projected Avg Rate | Cumulative Rate Change % |
|----------------|--------------------|-------------------------|--------------------------------------|------------------|--------------------|--------------------------|
| 70194PA0260001 | Terminated         | 364                     | 0                                    | \$ 720.04        | \$ -               | 0.00%                    |
| 70194PA0300001 | Terminated         | 556                     | 0                                    | \$ 696.44        | \$ -               | 0.00%                    |
| 70194PA0530001 | Terminated         | 1,206                   | 0                                    | \$ 957.53        | \$ -               | 0.00%                    |
| 70194PA0530002 | Terminated         | 1,859                   | 0                                    | \$ 935.21        | \$ -               | 0.00%                    |
| 70194PA0530004 | Terminated         | 0                       | 0                                    |                  | \$ -               | 0.00%                    |
| 70194PA0530006 | Terminated         | 0                       | 0                                    |                  | \$ -               | 0.00%                    |
| 70194PA0530007 | Terminated         | 2,574                   | 0                                    | \$ 678.33        | \$ -               | 0.00%                    |
| 70194PA0540001 | Terminated         | 302                     | 0                                    | \$ 973.50        | \$ -               | 0.00%                    |
| 70194PA0540002 | Terminated         | 365                     | 0                                    | \$ 950.81        | \$ -               | 0.00%                    |
| 70194PA0540004 | Terminated         | 0                       | 0                                    |                  | \$ -               | 0.00%                    |
| 70194PA0540006 | Terminated         | 0                       | 0                                    |                  | \$ -               | 0.00%                    |
| 70194PA0540007 | Terminated         | 692                     | 0                                    | \$ 689.64        | \$ -               | 0.00%                    |
| 70194PA0550001 | Terminated         | 37                      | 0                                    | \$ 558.55        | \$ -               | 0.00%                    |
| 70194PA0560001 | Terminated         | 92                      | 0                                    | \$ 549.38        | \$ -               | 0.00%                    |
| 70194PA0570001 | Terminated         | 715                     | 0                                    | \$ 898.26        | \$ -               | 0.00%                    |
| 70194PA0580001 | Terminated         | 121                     | 0                                    | \$ 913.24        | \$ -               | 0.00%                    |
| 70194PA0590001 | New                | 0                       | 0                                    |                  | \$ -               | 0.00%                    |
| Total          |                    | 8,883                   | 0                                    | NA               | NA                 | NA                       |

PA Rate Template Part I  
Data Relevant to the Rate Filing

Table 0. Identifying Information

|                                |            |    |            |
|--------------------------------|------------|----|------------|
| Carrier Name:                  | HHHC       |    |            |
| Product(s):                    | PPO        |    |            |
| Market Segment:                | Individual |    |            |
| Rate Effective Date:           | 01/01/2020 | to | 12/31/2020 |
| Base Period Start Date         | 01/01/2018 | to | 12/31/2018 |
| Date of Most Recent Membership | 02/01/2019 |    |            |

Table 1. Number of Members

|             | Member-months     | Members                              | Member-months           |
|-------------|-------------------|--------------------------------------|-------------------------|
|             | Experience Period | Current Period<br>(as of 02-01-2019) | Projected Rating Period |
| Average Age | 44.3              | 45.2                                 | 23.8                    |
| Total       | 192,818           | 10,598                               | 744                     |
| <18         | 15,268            | 687                                  | 88                      |
| 18-24       | 11,511            | 640                                  | 155                     |
| 25-29       | 13,362            | 768                                  | 501                     |
| 30-34       | 13,754            | 755                                  | 0                       |
| 35-39       | 14,189            | 789                                  | 0                       |
| 40-44       | 14,037            | 704                                  | 0                       |
| 45-49       | 17,593            | 992                                  | 0                       |
| 50-54       | 22,083            | 1,129                                | 0                       |
| 55-59       | 29,146            | 1,595                                | 0                       |
| 60-63       | 35,284            | 1,920                                | 0                       |
| 64+         | 6,581             | 608                                  | 0                       |

\*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<br>(Member & HHS) | Allowed Claims (Non-Capitated) | Non-EHB portion of Allowed<br>Claims | Total Prescription Drug Rebates* | Total EHB Capitation | Total Non-EHB Capitation | Estimated Risk Adjustment |
|---|------------------|--------------------------|---------------|--|--------------------------------|--------------------------------------|----------------------------------|----------------------|--------------------------|---------------------------|
| \$ 170,668,679.44   | \$ 93,891,752.60 | \$ 95,862,646.51         | 192,818       | \$ 19,551,699.75                         | \$ 115,414,346.26              | \$ -                                 | \$ (4,564,002.06)                | \$ 65,558.12         | \$ -                     | \$ (9,202,477.73)         |
| Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) |                  |                          |               |  |                                |                                      |                                  |                      |                          | \$ 575.24                 |
| Loss Ratio  |                  |                          |               |  |                                |                                      |                                  |                      |                          | 56.58%                    |

\*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

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

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

\*\* Should = URRT Trend

Table 4. Historical Experience

| Month-Year | Total Annual Premium | Incurred Claims  | Completion Factors* | Ultimate Incurred Claims | Members | Ultimate Incurred PMPM | Estimated Annual Cost Sharing<br>(Member + HHS) | Prescription Drug Rebates** | Allowed Claims (Net of<br>Prescription Drug Rebates) | Allowed PMPM |
|------------|----------------------|------------------|---------------------|--------------------------|---------|------------------------|---|-----------------------------|--|--------------|
| Jan-15     |                      | \$ 20,958,613.07 | 1.0000              | \$ 20,958,613.07         | 30,211  | \$ 693.74              |   | \$ (495,441.52)             | \$ 26,599,938.46                                     | \$ 880.47    |
| Feb-15     |                      | \$ 21,187,466.90 | 1.0000              | \$ 21,187,466.90         | 29,023  | \$ 730.02              |   | \$ (487,680.96)             | \$ 25,149,151.65                                     | \$ 866.52    |
| Mar-15     |                      | \$ 23,416,019.10 | 1.0000              | \$ 23,416,019.10         | 28,312  | \$ 827.07              |   | \$ (484,478.08)             | \$ 26,886,232.21                                     | \$ 949.64    |
| Apr-15     |                      | \$ 23,131,970.50 | 1.0000              | \$ 23,131,970.50         | 28,000  | \$ 826.14              |   | \$ (516,507.68)             | \$ 26,233,366.17                                     | \$ 936.91    |
| May-15     |                      | \$ 21,703,556.46 | 1.0000              | \$ 21,703,556.46         | 27,737  | \$ 782.48              |   | \$ (472,106.89)             | \$ 24,435,047.83                                     | \$ 880.95    |
| Jun-15     |                      | \$ 23,402,838.68 | 1.0000              | \$ 23,402,838.68         | 27,446  | \$ 852.69              |   | \$ (536,681.65)             | \$ 25,924,121.33                                     | \$ 944.55    |
| Jul-15     |                      | \$ 22,015,332.36 | 1.0000              | \$ 22,015,332.36         | 27,167  | \$ 810.37              |   | \$ (490,884.82)             | \$ 24,330,165.12                                     | \$ 895.58    |
| Aug-15     |                      | \$ 20,167,253.52 | 1.0000              | \$ 20,167,253.52         | 26,808  | \$ 752.28              |   | \$ (459,907.31)             | \$ 22,158,860.32                                     | \$ 826.58    |
| Sep-15     |                      | \$ 22,188,898.77 | 1.0000              | \$ 22,188,898.77         | 26,456  | \$ 838.71              |   | \$ (463,551.92)             | \$ 24,041,675.35                                     | \$ 908.74    |
| Oct-15     |                      | \$ 21,357,256.89 | 1.0000              | \$ 21,357,256.89         | 26,054  | \$ 819.73              |   | \$ (503,294.22)             | \$ 23,075,932.63                                     | \$ 885.70    |
| Nov-15     |                      | \$ 20,124,134.82 | 1.0000              | \$ 20,124,134.82         | 25,619  | \$ 785.52              |   | \$ (445,921.21)             | \$ 22,200,710.70                                     | \$ 866.57    |
| Dec-15     | \$ 141,360,441.30    | \$ 24,542,768.77 | 1.0000              | \$ 24,542,768.77         | 24,757  | \$ 991.35              | \$ 39,079,742.98                                | \$ (554,679.74)             | \$ 26,329,595.06                                     | \$ 1,063.52  |
| Jan-16     |                      | \$ 15,904,603.61 | 1.0000              | \$ 15,904,603.61         | 28,047  | \$ 567.07              |   | \$ (321,099.96)             | \$ 21,749,124.21                                     | \$ 775.45    |
| Feb-16     |                      | \$ 18,105,385.12 | 1.0000              | \$ 18,105,385.12         | 28,299  | \$ 639.79              |   | \$ (397,912.74)             | \$ 23,056,902.16                                     | \$ 814.76    |
| Mar-16     |                      | \$ 19,641,215.98 | 1.0000              | \$ 19,641,215.98         | 28,193  | \$ 696.67              |   | \$ (433,343.05)             | \$ 24,179,432.12                                     | \$ 857.64    |
| Apr-16     |                      | \$ 18,642,830.19 | 0.9976              | \$ 18,686,911.48         | 27,862  | \$ 670.70              |   | \$ (398,143.34)             | \$ 22,468,572.51                                     | \$ 806.42    |
| May-16     |                      | \$ 18,670,219.40 | 0.9977              | \$ 18,713,803.61         | 27,407  | \$ 682.81              |   | \$ (402,170.62)             | \$ 22,086,365.68                                     | \$ 805.87    |
| Jun-16     |                      | \$ 19,811,568.62 | 0.9978              | \$ 19,854,763.01         | 27,049  | \$ 734.03              |   | \$ (430,937.00)             | \$ 23,126,995.55                                     | \$ 855.00    |
| Jul-16     |                      | \$ 18,470,664.23 | 0.9977              | \$ 18,513,649.56         | 26,681  | \$ 693.89              |   | \$ (408,361.93)             | \$ 21,218,593.13                                     | \$ 795.27    |
| Aug-16     |                      | \$ 18,900,537.07 | 0.9978              | \$ 18,943,067.64         | 26,311  | \$ 719.97              |   | \$ (406,513.60)             | \$ 21,726,112.78                                     | \$ 825.74    |
| Sep-16     |                      | \$ 19,270,470.27 | 0.9978              | \$ 19,312,623.88         | 25,960  | \$ 743.94              |   | \$ (398,406.68)             | \$ 22,039,437.48                                     | \$ 848.98    |
| Oct-16     |                      | \$ 18,074,167.30 | 0.9977              | \$ 18,116,075.96         | 25,527  | \$ 709.68              |   | \$ (398,879.25)             | \$ 20,450,535.95                                     | \$ 801.13    |
| Nov-16     |                      | \$ 19,663,500.50 | 0.9979              | \$ 19,704,806.40         | 25,023  | \$ 787.47              |   | \$ (427,925.82)             | \$ 22,102,946.99                                     | \$ 883.31    |
| Dec-16     | \$ 144,152,154.23    | \$ 22,250,977.73 | 0.9982              | \$ 22,290,957.07         | 23,908  | \$ 932.36              | \$ 45,980,618.90                                | \$ (464,309.02)             | \$ 24,675,440.68                                     | \$ 1,032.10  |
| Jan-17     |                      | \$ 13,296,009.13 | 0.9957              | \$ 13,354,063.57         | 27,089  | \$ 492.97              |   | \$ (396,533.53)             | \$ 18,254,147.23                                     | \$ 673.86    |
| Feb-17     |                      | \$ 13,809,705.00 | 0.9958              | \$ 13,868,536.68         | 27,215  | \$ 509.59              |   | \$ (415,931.46)             | \$ 17,824,498.10                                     | \$ 654.95    |
| Mar-17     |                      | \$ 15,134,294.29 | 0.9960              | \$ 15,194,028.20         | 27,222  | \$ 558.19              |   | \$ (498,466.84)             | \$ 19,213,069.87                                     | \$ 706.49    |
| Apr-17     |                      | \$ 14,884,448.75 | 0.9959              | \$ 14,946,307.08         | 26,762  | \$ 558.49              |   | \$ (474,048.19)             | \$ 18,403,399.03                                     | \$ 687.67    |
| May-17     |                      | \$ 15,298,690.89 | 0.9959              | \$ 15,362,319.64         | 26,280  | \$ 584.56              |   | \$ (527,916.42)             | \$ 18,704,467.10                                     | \$ 711.74    |
| Jun-17     |                      | \$ 15,682,311.12 | 0.9960              | \$ 15,745,278.82         | 25,957  | \$ 606.59              |   | \$ (528,766.14)             | \$ 18,774,747.44                                     | \$ 723.30    |
| Jul-17     |                      | \$ 15,748,116.54 | 0.9961              | \$ 15,810,224.60         | 25,533  | \$ 619.21              |   | \$ (505,899.17)             | \$ 18,444,290.53                                     | \$ 722.37    |
| Aug-17     |                      | \$ 15,478,693.95 | 0.9958              | \$ 15,544,110.17         | 25,060  | \$ 620.28              |   | \$ (511,693.50)             | \$ 18,147,808.36                                     | \$ 724.17    |
| Sep-17     |                      | \$ 14,170,843.88 | 0.9955              | \$ 14,235,335.98         | 24,616  | \$ 578.30              |   | \$ (452,823.66)             | \$ 16,626,919.68                                     | \$ 675.45    |
| Oct-17     |                      | \$ 17,207,661.89 | 0.9959              | \$ 17,278,526.62         | 24,179  | \$ 714.61              |   | \$ (516,275.61)             | \$ 19,736,198.82                                     | \$ 816.25    |
| Nov-17     |                      | \$ 16,480,081.34 | 0.9956              | \$ 16,553,078.47         | 23,687  | \$ 698.83              |   | \$ (497,452.72)             | \$ 18,814,237.07                                     | \$ 794.29    |
| Dec-17     | \$ 227,606,791.14    | \$ 16,739,566.21 | 0.9956              | \$ 16,813,426.38         | 22,933  | \$ 733.15              | \$ 43,045,408.13                                | \$ (492,877.71)             | \$ 18,969,576.14                                     | \$ 827.17    |
| Jan-18     |                      | \$ 7,462,268.05  | 0.9931              | \$ 7,513,904.00          | 17,778  | \$ 422.65              |   | \$ (318,918.24)             | \$ 9,935,191.23                                      | \$ 558.85    |
| Feb-18     |                      | \$ 6,701,031.08  | 0.9922              | \$ 6,753,420.43          | 17,339  | \$ 389.49              |   | \$ (338,150.89)             | \$ 8,479,712.66                                      | \$ 489.05    |
| Mar-18     |                      | \$ 7,910,745.05  | 0.9926              | \$ 7,969,565.76          | 16,915  | \$ 471.15              |   | \$ (371,788.95)             | \$ 9,576,244.71                                      | \$ 566.14    |
| Apr-18     |                      | \$ 8,105,262.05  | 0.9915              | \$ 8,175,020.39          | 16,634  | \$ 491.46              |   | \$ (399,474.73)             | \$ 9,586,040.07                                      | \$ 576.29    |
| May-18     |                      | \$ 7,479,034.03  | 0.9908              | \$ 7,548,179.54          | 16,269  | \$ 463.96              |   | \$ (390,119.76)             | \$ 8,809,673.54                                      | \$ 541.50    |
| Jun-18     |                      | \$ 7,339,920.43  | 0.9895              | \$ 7,417,520.12          | 16,004  | \$ 463.48              |   | \$ (401,622.02)             | \$ 8,503,494.16                                      | \$ 531.34    |
| Jul-18     |                      | \$ 7,857,387.41  | 0.9863              | \$ 7,966,210.68          | 15,815  | \$ 503.71              |   | \$ (391,807.76)             | \$ 9,006,004.11                                      | \$ 569.46    |
| Aug-18     |                      | \$ 9,360,519.11  | 0.9858              | \$ 9,495,085.54          | 15,596  | \$ 608.82              |   | \$ (413,942.42)             | \$ 10,496,403.63                                     | \$ 673.02    |
| Sep-18     |                      | \$ 7,389,728.25  | 0.9796              | \$ 7,543,624.29          | 15,431  | \$ 488.86              |   | \$ (356,161.39)             | \$ 8,307,016.29                                      | \$ 538.33    |
| Oct-18     |                      | \$ 8,582,317.14  | 0.9725              | \$ 8,825,432.31          | 15,247  | \$ 578.83              |   | \$ (404,963.53)             | \$ 9,846,937.89                                      | \$ 645.83    |
| Nov-18     |                      | \$ 7,630,537.56  | 0.9587              | \$ 7,959,331.95          | 15,030  | \$ 529.56              |   | \$ (357,322.76)             | \$ 8,764,510.77                                      | \$ 583.13    |
| Dec-18     | \$ 170,669,029.14    | \$ 8,072,982.67  | 0.9276              | \$ 8,702,911.96          | 14,760  | \$ 589.63              | \$ 19,549,837.25                                | \$ (419,727.57)             | \$ 9,544,813.11                                      | \$ 646.67    |

\* Express Completion Factor as a percentage

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

|                      |            |
|----------------------|------------|
| Carrier Name:        | HHIC       |
| Product(s):          | PPO        |
| Market Segment:      | Individual |
| Rate Effective Date: | 01/01/2020 |

Table 2b. Manual Experience Period Claims and Premiums

| Earned Premium  | Paid Claims | Ultimate Incurred Claims | Member Months | Estimated Cost Sharing<br>(Member & HHS) | Allowed Claims (Non-Capitated) | Non-EHB portion of Allowed<br>Claims | Total Prescription Drug Rebates* | Total EHB Capitation | Total Non-EHB Capitation | Estimated Risk Adjustment |
|---|-------------|--------------------------|---------------|--|--------------------------------|--------------------------------------|----------------------------------|----------------------|--------------------------|---------------------------|
|   |             |                          | 744           |  | \$ 119,312.07                  | \$ -                                 | \$ (3,720.00)                    | \$ 252.96            | \$                       |                           |
| Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) |             |                          |               |  |                                |                                      |                                  |                      |                          | \$ 155.71                 |
| Loss Ratio  |             |                          |               |  |                                |                                      |                                  |                      |                          | 0.00%                     |

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

| Service Category                      | Cost* | Utilization* | Induced Utilization* | Composite Trend | Weight* |
|---------------------------------------|-------|--------------|----------------------|-----------------|---------|
| Inpatient Hospital                    | 4.50% | 2.87%        | 0.00%                | 7.50%           | 3.35%   |
| Outpatient Hospital                   | 4.50% | 2.87%        | 0.00%                | 7.50%           | 51.85%  |
| Professional                          | 4.50% | 2.87%        | 0.00%                | 7.50%           | 32.07%  |
| Other Medical                         | 4.50% | 2.87%        | 0.00%                | 7.50%           | 1.53%   |
| Capitation                            |       |              |                      | -14.25%         | 0.22%   |
| Prescription Drugs                    | 4.50% | 2.87%        | 0.00%                | 7.50%           | 11.01%  |
| Total Annual Trend                    |       |              |                      | 7.46%           | 100.00% |
| Months of Trend                       |       |              |                      | 24              |         |
| Total Applied Trend Projection Factor |       |              |                      | 1.155           |         |

\* 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<br>(Member + HHS) | Prescription Drug Rebates** | Allowed Claims (Net of<br>Prescription Drug Rebates) | Allowed PMPM |
|------------|----------------------|-----------------|---------------------|--------------------------|---------|------------------------|---|-----------------------------|--|--------------|
| Jan-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Feb-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Mar-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Apr-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| May-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jun-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jul-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Aug-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Sep-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Oct-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Nov-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Dec-15     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jan-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Feb-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Mar-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Apr-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| May-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jun-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jul-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Aug-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Sep-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Oct-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Nov-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Dec-16     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jan-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Feb-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Mar-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Apr-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| May-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jun-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jul-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Aug-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Sep-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Oct-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Nov-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Dec-17     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jan-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Feb-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Mar-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Apr-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| May-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jun-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Jul-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Aug-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Sep-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Oct-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Nov-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |
| Dec-18     |                      |                 |                     | #DIV/0!                  |         | #DIV/0!                |   |                             |  | #DIV/0!      |

\* 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:        | HHIC       |
| Product(s):          | PPO        |
| Market Segment:      | Individual |
| Rate Effective Date: | 01/01/2020 |

**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 Capitation PMPM (net of prescription drug rebates) PMPM  | \$ 575.24              | \$ 155.71   | <- Actual Experience PMPM should be consistent with the Index Rate for Experience Period |
| Two year trend projection Factor  | 1.000                  | 1.155       |  |
| Unadjusted Projected Allowed EHB Claims PMPM  | \$ 575.24              | \$ 179.79   |  |
| <u>Single Risk Pool Adjustment Factors</u>  |                        |             |  |
| Change in Morbidity   |                        | 1.060       | <- See URRT Instructions   |
| Change in Other   | 0.000                  | 1.000       |  |
| Change in Demographics  |                        | 1.000       | <- See URRT Instructions   |
| Change in Network   |                        | 1.000       |  |
| Change in Benefits  |                        | 1.000       | <- See URRT Instructions   |
| Change in Other   |                        | 1.000       |  |
|   |                        |             |  |
| Total Adjusted Projected Allowed EHB Claims PMPM  | \$ -                   | \$ 190.52   |  |
| Credibility Factors   | 0%                     | 100%        | <- See Instructions  |
| Blended Projected EHB Claims PMPM   |                        | \$ 190.52   | <- Projected Index Rate  |
| <b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>           |                        |             |  |
| Adjusted Projected Allowed EHB Claims PMPM  | \$ 190.52              |             | <- Index Rate for Projection Period on URRT - Individual or First Quarter Small Group    |
| Adjusted Projected Allowed EHB Claims PMPM [will only populate for small group filings] | \$ -                   |             |  |
| Projected Paid to Allowed Ratio   | 0.576                  |             |  |
| Projected Paid EHB Claims PMPM  | \$ 109.65              |             |  |
| <u>Market-wide Adjustments</u>  |                        |             |  |
| Projected Risk Adjustment PMPM  | \$ (95.55)             |             |  |
| Projected Paid Exchange User Fees PMPM  | \$ -                   |             |  |
|   |                        |             |  |
| Market-Adjusted Projected Paid EHB Claims PMPM  | \$ 205.20              |             |  |
|   |                        |             |  |
| Market-Adjusted Projected Allowed EHB Claims PMPM                                       | \$ 356.53              |             | <- Market-Adjusted Index Rate  |
|   |                        |             |  |
| Projected Allowed Non-EHB Claims PMPM   | \$ -                   |             |  |
|   |                        |             |  |
| Market-Adjusted Projected Paid Total Claims PMPM  | \$ 205.20              |             |  |
|   |                        |             |  |
| Market-Adjusted Projected Allowed Total Claims PMPM                                     | \$ 356.53              |             |  |

**Table 6. Retention**

| Retention Items - Express in percentages                        | Percentages | PMPM Amounts |
|---|-------------|--------------|
| Administrative Expenses   | 14.03%      | \$35.50      |
| General and Claims  | 12.72%      | \$32.18      |
| Agent/Broker Fees and Commissions                               | 0.75%       | \$1.90       |
| Quality Improvement Initiatives                                 | 0.56%       | \$1.42       |
| Taxes and Fees  | 4.87%       | \$12.33      |
| RA User Fee   | 0.07%       | \$0.18       |
| PA Premium Tax (if applicable)                                  | 2.00%       | \$5.06       |
| Federal Income Tax  | 0.00%       | \$0.00       |
|   |             |              |
| Health Insurance Providers Fee (Prorated for Small Groups only) | 2.80%       | \$7.08       |
|   |             |              |
| Profit/Contingency (after tax)                                  | 0.00%       | \$0.00       |
|   |             |              |
| Total Retention   | 18.90%      | \$47.83      |
|   |             |              |
| Projected Required Revenue PMPM                                 | \$ 253.03   |              |

**Table 8. Components of Rate Change**

| Rate Components   | 2019         | 2020      | Difference  | Percent Change |
|---|--------------|-----------|-------------|----------------|
| A. Calibrated Plan Adjusted Index Rate (PMPM)                                       | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |
| B. Base period allowed claims before normalization                                  | \$ 726.82    | \$ 155.71 | -\$571.11   | #DIV/0!        |
| C. Normalization factor component of change   | \$ (351.50)  | \$ 3.05   | \$354.55    | #DIV/0!        |
| D. Change in Normalized Allowed Claims Adjustment Components                        |              |           |             |                |
| D1. Base period allowed claims after normalization                                  | \$ 375.32    | \$ 158.75 | \$ (216.57) | #DIV/0!        |
| D2. URRT Trend  | \$ 66.48     | \$ 24.56  | \$ (41.92)  | #DIV/0!        |
| D3. URRT Morbidity  | \$ 25.08     | \$ 10.93  | \$ (14.15)  | #DIV/0!        |
| D4. URRT Other  | \$ (6.23)    | \$ 0.00   | \$ 6.23     | #DIV/0!        |
| D5. Normalized URRT RA/RI on an allowed basis                                       | \$ (14.11)   | \$ 169.26 | \$ 183.37   | #DIV/0!        |
| D6. Normalized Exchange User Fee on an allowed basis                                | \$ 15.16     | \$ -      | \$ (15.16)  | #DIV/0!        |
| D7. Subtotal - Sum(D1:D6)   | \$ 461.70    | \$ 363.51 | \$ (98.20)  | #DIV/0!        |
| E. Change in Allowable Plan Adjusted Level Components                               |              |           |             |                |
| E1. Network   | \$ (5.57)    | \$ -      | \$ 5.57     | #DIV/0!        |
| E2. Pricing AV  | -120.3794919 | #VALUE!   | #VALUE!     | #VALUE!        |
| E3. Benefit Richness  | \$ 7.23      | #VALUE!   | #VALUE!     | #VALUE!        |
| E4. Catastrophic Eligibility  | \$ 20.74     | #VALUE!   | #VALUE!     | #VALUE!        |
| E5. Subtotal - Sum(E1:E4)   | \$ (97.98)   | #VALUE!   | #VALUE!     | #VALUE!        |
| F. Change in Retention Components   |              |           |             |                |
| F1. Administrative Expenses   | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |
| F2. Taxes and Fees  | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |
| F3. Profit and/or Contingency   | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |
| F4. Subtotal - Sum(F1:F3)   | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |
|   |              |           |             |                |
| G. Change in Miscellaneous Items  |              |           | \$ -        | #DIV/0!        |
|   |              |           |             |                |
| H. Sum of Components of Rate Change (should approximate the change shown in line A) | #DIV/0!      | #VALUE!   | #VALUE!     | #VALUE!        |

riod on URR

For Informational Purposes only - No input required.

|  |    |        |  |
|--|----|--------|--|
| Blended Base Period Unadjusted Claims before Normalization | \$ | 155.71 | <- Index Rate of Experience Period on URRT |
| Blended Earned Premium                                     | \$ | -      |  |
| Blended Loss Ratio   |    | 0.00%  |  |

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

| Effective Date                                | 01/01/2020 | 04/01/2020 | 07/01/2020 | 10/01/2020 | Total Single Risk Pool |
|---|------------|------------|------------|------------|------------------------|
| # of Member Months Renewing in Quarter        |            |            |            |            | -                      |
| Adjusted Projected Allowed EHB Claims PMPM Q1 | \$ 190.52  | \$ 190.52  | \$ 190.52  | \$ 190.52  | \$ 190.52              |
| Months of Trend                               | -          | 3          | 6          | 9          |                        |
| Annual Trend                                  | 7.46%      | 7.46%      | 7.46%      | 7.46%      |                        |
| Single Risk Pool Projected Allowed Claims     | \$ 190.52  | \$ 193.97  | \$ 197.49  | \$ 201.07  | \$ -                   |
| Quarterly Trend Factor                        | 100.0%     | 101.8%     | 103.7%     | 105.5%     | 0.0%                   |
| 2020 Trend Factors by Quarter                 | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    |                        |

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

| Normalization Factors  | 2019      | 2020      |
|--|-----------|-----------|
| Average Age Factor   | 1.826     | 1.011     |
| Average Geographic Factor                                      | 1.032     | 0.970     |
| Average Tobacco Factor   | 1.009     | 1.001     |
| Average Benefit Richness (induced demand)                      | 1.031     | 1.000     |
| Average Network Factor   | 0.988     | 1.000     |
| Market-Adjusted Projected Allowed Total Claims PMPM            | \$ 894.11 | \$ 356.53 |
| Normalized Market-Adjusted Projected Allowed Total Claims PMPM | \$ 461.70 | \$ 363.51 |

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

|   | 2019       | 2020     |  |
|---|------------|----------|--|
| Paid-to-Allowed                         | 0.770      | 0.576    |  |
| URRT Trend (Total Applied Trend Factor) | 1.177      | 1.155    | <- URRT W1, S2   |
| URRT Morbidity                          | 1.057      | 1.060    | <- URRT W1, S2   |
| URRT "Other"                            | 0.987      | 1.000    | <- URRT W1, S2   |
| Risk Adjustment                         | \$ (21.05) | \$ 95.55 | <- URRT W1, S3   |
| Exchange User Fee                       | \$ 22.62   | \$ -     | <- URRT W1, S3   |
| Capitation                              | \$ 0.25    | \$ 0.25  | <- URRT W1, S2   |
| Network                                 | 0.988      | 1.000    |  |
| Pricing AV                              | 0.736      | #VALUE!  | <- For 2019 in cell J81, please include a factor equal to the product of the aver. |
| Benefit Richness                        | 1.022      | 1.000    |  |
| Catastrophic Eligibility                | 1.060      | 1.000    |  |
| Administrative Expenses                 | 8.46%      | 14.03%   |  |
| Taxes and Fees                          | 2.02%      | 4.87%    |  |
| Profit and/or Contingency               | 0.00%      | 0.00%    |  |

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

|                                |            |
|--------------------------------|------------|
| Carrier Name:                  | HHIC       |
| Product(s):                    | PPO        |
| Market Segment:                | Individual |
| Rate Effective Date:           | 01/01/2020 |
| Base Period Start Date         | 01/01/2018 |
| Date of Most Recent Membership | 02/01/2019 |
| Market Adjusted Index Rate     | \$ 356.53  |

#### 45 CFR Part 156.8 (d) (2) Allowable Factors

| Plan Number        | HIOS Plan ID<br>(Standard Component) | Plan Type<br>(HMO, POS, PPO, EPO, Indemnity, Other) | 1/1/2019 Plan Marketing Name  | Existing, Modified, New, Discontinued & Mapped, Discontinued & Not Mapped (E,M,N,DM, DNM) for 2020 | 1/1/2020 Plan HIOS Plan ID (If 1/1/2019 Plan Discontinued & Mapped) | Metallic Tier | Metallic Tier Actuarial Value | Standard AV, Approach (1), Approach (2) | Exchange On/Off or Off | Pricing AV (company-determined AV) | Benefit Richness (induced demand) | Benefits in addition to EHB | Provider Network | Catastrophic Eligibility | Non-Funding of CSR Adjustment | Pure Premium |
|--------------------|--------------------------------------|---|---|--|---|---------------|-------------------------------|---|------------------------|------------------------------------|-----------------------------------|-----------------------------|------------------|--------------------------|-------------------------------|--------------|
|                    |                                      |   |   |  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               |              |
| Totals             |                                      |   |   |  |   |               | 0.575                         |   |                        | #VALUE!                            | 1.000                             | 1.000                       | 1.000            | 1.000                    | 1.000                         | \$ 1.03      |
| Transitional Plans | TRANSITIONAL                         | N/A   | TRANSITIONAL  | DNM  | TRANSITIONAL  | N/A           | N/A                           | N/A                                     | N/A                    | N/A                                | N/A                               | N/A                         | N/A              | N/A                      | N/A                           | N/A          |
| Plan 1             | 70194PA0260001                       | PPO   | Shared Cost Blue PPO Bronze 7500                                      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 2             | 70194PA0300001                       | PPO   | Shared Cost Blue PPO Bronze 7500                                      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 3             | 70194PA0530001                       | EPO   | my Direct Blue EPO Gold 1000 - 2 Free PCP Visits                      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 4             | 70194PA0530002                       | EPO   | my Direct Blue EPO Silver 2400 - 2 Free PCP Visits                    | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 5             | 70194PA0530007                       | EPO   | my Direct Blue EPO Bronze 4000  | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 6             | 70194PA0530008                       | EPO   | my Direct Blue EPO Bronze 7900  | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 7             | 70194PA0530009                       | EPO   | my Direct Blue EPO Silver 0   | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 8             | 70194PA0530010                       | EPO   | my Direct Blue EPO Silver 3500 - 2 Free PCP Visits                    | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 9             | 70194PA0540001                       | EPO   | my Direct Blue Lehigh Valley EPO Gold 1000 - 2 Free PCP Visits        | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 10            | 70194PA0540002                       | EPO   | my Direct Blue Lehigh Valley EPO Silver 2400 - 2 Free PCP Visits      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 11            | 70194PA0540007                       | EPO   | my Direct Blue Lehigh Valley EPO Bronze 4000                          | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 12            | 70194PA0540008                       | EPO   | my Direct Blue Lehigh Valley EPO Bronze 7900                          | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 13            | 70194PA0540009                       | EPO   | my Direct Blue Lehigh Valley EPO Silver 0                             | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 14            | 70194PA0540010                       | EPO   | my Direct Blue Lehigh Valley EPO Silver 3500 - 2 Free PCP Visits      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 15            | 70194PA0550001                       | EPO   | my Direct Blue Lehigh Valley Major Events EPO 7900                    | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 16            | 70194PA0560001                       | EPO   | my Direct Blue Major Events EPO 7900                                  | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 17            | 70194PA0570001                       | EPO   | my Direct Blue EPO Silver 4450 HSA                                    | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 18            | 70194PA0580001                       | EPO   | my Direct Blue Lehigh Valley EPO Silver 4450 HSA                      | DNM  |   |               |                               |   |                        |                                    |                                   |                             |                  |                          |                               | \$0.00       |
| Plan 19            | 70194PA0590001                       | PPO   | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | N  |   | Catastrophic  | 0.575                         | Standard AV                             | Off                    | 0.576                              | 1.000                             | 1.000                       | 1.000            | 1.000                    | 1.000                         | \$205.20     |

|                                  |
|----------------------------------|
| Total Covered Lives @ 02-01-2019 |
| 10,598                           |

|  |  |
|--|--|
| <p><b>Total<br/>Covered Lives<br/>Mapped into 2020<br/>Plans @ 02-01-<br/>2019</b></p> | <p><b>Total Policyholders<br/>@ 02-01-2019</b></p> |
|--|--|

| 2019 Calibrated<br>Plan Adjusted<br>Index Rate<br>PMPM | 2020<br>Calibrated Plan<br>Adjusted Index<br>Rate PMPM |
|--|--|
|--|--|

| Proposed Rate Change Compared to Prior 12 months | Number of Customers | Percentage of Customers |
|--|---------------------|-------------------------|
| Increased  | 1,000               | 10.0%                   |
| Decreased  | 9,000               | 90.0%                   |
| No Change  | 0                   | 0.0%                    |
| Total  | 10,000              | 100.0%                  |

**% of Total Covered Lives**

[illegible]

|    |    |   |     |    |       |       |   |       |        |
|----|----|---|-----|----|-------|-------|---|-------|--------|
| 66 | 19 | - | 235 | 42 | 1,961 | 4,850 | - | 3,425 | 10,598 |
|----|----|---|-----|----|-------|-------|---|-------|--------|

|   |       |
|---|-------|
| - | -     |
| - | 276   |
| - | 383   |
| - | 865   |
| - | 1,420 |
| - | 1,834 |
| - | 692   |
| - | 85    |
| - | 190   |
| - | 211   |
| - | 279   |
| - | 505   |
| - | 151   |
| - | 25    |
| - | 89    |
| - | 36    |
| - | 87    |
| - | 521   |
| - | 86    |
| - | -     |

| N/A       | N/A       |
|-----------|-----------|
| \$ 369.41 | #VALUE!   |
| \$ 357.30 | #VALUE!   |
| \$ 491.25 | #VALUE!   |
| \$ 479.80 | #VALUE!   |
| \$ 348.01 | #VALUE!   |
| \$ 327.43 | #VALUE!   |
| \$ 503.81 | #VALUE!   |
| \$ 391.93 | #VALUE!   |
| \$ 499.44 | #VALUE!   |
| \$ 487.80 | #VALUE!   |
| \$ 353.81 | #VALUE!   |
| \$ 332.89 | #VALUE!   |
| \$ 512.21 | #VALUE!   |
| \$ 398.47 | #VALUE!   |
| \$ 286.55 | #VALUE!   |
| \$ 281.85 | #VALUE!   |
| \$ 460.84 | #VALUE!   |
| \$ 468.52 | #VALUE!   |
| \$ -      | \$ 257.98 |

[illegible]

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

Carrier Name: HHIC
Product(s): PPO
Market Segment: Individual
Rate Effective Date: 01/01/2020

Table with 7 columns: 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.

Table with 7 columns: Plan Number, HIOS Plan ID, Plan Marketing Name, Discontinued, New, Modified, Existing (D,N,M,E) for 2020, 1/1/2020 Plan HIOS Plan ID, Metallic Tier, Exchange On/Off or Off. Rows include Plan 1 through Plan 19 with various plan details.

Table with 10 columns: 2019 21-year-old, Non-Tobacco Premium PMPM, Average (weighted by enrollment by rating area). Columns 1-9 are blank, column 10 contains the average value.

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Table with 10 columns: 2019 21-year-old, Non-Tobacco Premium PMPM, Average (weighted by enrollment by rating area). Rows contain numerical values for each column, representing premium development data.

[illegible]

|           |           |      |           |           |           |      |      |      |      |
|-----------|-----------|------|-----------|-----------|-----------|------|------|------|------|
| \$ 250.24 | \$ 250.24 | \$ - | \$ 250.24 | \$ 250.24 | \$ 268.30 | \$ - | \$ - | \$ - | \$ - |
|-----------|-----------|------|-----------|-----------|-----------|------|------|------|------|

[illegible][illegible]

## PA Rate Quarterly Template Part V Consumer Factors

|                      |            |
|----------------------|------------|
| Carrier Name:        | HHIC       |
| Product(s):          | PPO        |
| Market Segment:      | Individual |
| Rate Effective Date: | 01/01/2020 |

### Table 12. Age and Tobacco Factors

| Projection Period Age and Tobacco Factors |            |                |  |          |            |                |
|---|------------|----------------|--|----------|------------|----------------|
| Age Band                                  | Age Factor | Tobacco Factor |  | Age Band | Age Factor | Tobacco Factor |
| 0-14                                      | 0.765      |                |  | 40       | 1.278      | 1.100          |
| 15  | 0.833      |                |  | 41       | 1.302      | 1.105          |
| 16  | 0.859      |                |  | 42       | 1.325      | 1.112          |
| 17  | 0.885      |                |  | 43       | 1.357      | 1.121          |
| 18  | 0.913      | 1.000          |  | 44       | 1.397      | 1.132          |
| 19  | 0.941      | 1.000          |  | 45       | 1.444      | 1.145          |
| 20  | 0.970      | 1.000          |  | 46       | 1.500      | 1.160          |
| 21  | 1.000      | 1.025          |  | 47       | 1.563      | 1.177          |
| 22  | 1.000      | 1.025          |  | 48       | 1.635      | 1.196          |
| 23  | 1.000      | 1.025          |  | 49       | 1.706      | 1.217          |
| 24  | 1.000      | 1.025          |  | 50       | 1.786      | 1.225          |
| 25  | 1.004      | 1.025          |  | 51       | 1.865      | 1.225          |
| 26  | 1.024      | 1.025          |  | 52       | 1.952      | 1.225          |
| 27  | 1.048      | 1.025          |  | 53       | 2.040      | 1.225          |
| 28  | 1.087      | 1.025          |  | 54       | 2.135      | 1.225          |
| 29  | 1.119      | 1.025          |  | 55       | 2.230      | 1.225          |
| 30  | 1.135      | 1.025          |  | 56       | 2.333      | 1.225          |
| 31  | 1.159      | 1.025          |  | 57       | 2.437      | 1.225          |
| 32  | 1.183      | 1.025          |  | 58       | 2.548      | 1.225          |
| 33  | 1.198      | 1.025          |  | 59       | 2.603      | 1.225          |
| 34  | 1.214      | 1.025          |  | 60       | 2.714      | 1.225          |
| 35  | 1.222      | 1.025          |  | 61       | 2.810      | 1.225          |
| 36  | 1.230      | 1.025          |  | 62       | 2.873      | 1.225          |
| 37  | 1.238      | 1.025          |  | 63       | 2.952      | 1.225          |
| 38  | 1.246      | 1.025          |  | 64+      | 3.000      | 1.225          |
| 39  | 1.262      | 1.025          |  |          |            |                |

\*PA follows the federal default age curve.

### Table 13. Geographic Factors

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

### Table 14. Network Factors

[illegible]

Company Name: **HM Health Insurance Company**  
Market: **Individual**  
Product: **PPO**  
Effective Date of Rates: **January 1, 2020**

Ending date of Rates: **December 31, 2020**

| HIOS Plan ID (On Exchange)=>  | N/A   |          | N/A   |          | N/A   |          | N/A   |          | N/A   |          |
|-------------------------------|---|----------|---|----------|---|----------|---|----------|---|----------|
| HIOS Plan ID (Off Exchange)=> | 70194PA0590001  |          | 70194PA0590001  |          | 70194PA0590001  |          | 70194PA0590001  |          | 70194PA0590001  |          |
| Plan Marketing Name =>        | Major Events Blue PPO, a<br>Community Blue Plan 8150 - 3<br>Free PCP Visits |          | Major Events Blue PPO, a<br>Community Blue Plan 8150 - 3<br>Free PCP Visits |          | Major Events Blue PPO, a<br>Community Blue Plan 8150 - 3<br>Free PCP Visits |          | Major Events Blue PPO, a<br>Community Blue Plan 8150 - 3<br>Free PCP Visits |          | Major Events Blue PPO, a<br>Community Blue Plan 8150 - 3<br>Free PCP Visits |          |
| Form # =>                     | CAT/PPO/HHIC/DP   |          | CAT/PPO/HHIC/DP   |          | CAT/PPO/HHIC/DP   |          | CAT/PPO/HHIC/DP   |          | CAT/PPO/HHIC/DP   |          |
| Rating Area =>                | Area 1  |          | Area 2  |          | Area 4  |          | Area 5  |          | Area 6  |          |
| Network =>                    | C   |          | C   |          | C   |          | C   |          | C   |          |
| Metal =>                      | Catastrophic  |          | Catastrophic  |          | Catastrophic  |          | Catastrophic  |          | Catastrophic  |          |
| Deductible =>                 | 8150  |          | 8150  |          | 8150  |          | 8150  |          | 8150  |          |
| Coinsurance =>                | 100%  |          | 100%  |          | 100%  |          | 100%  |          | 100%  |          |
| Copays =>                     | \$0 (Visits 1-3); then 100% after<br>Ded. PCP                               |          | \$0 (Visits 1-3); then 100%<br>after Ded. PCP                               |          | \$0 (Visits 1-3); then 100%<br>after Ded. PCP                               |          | \$0 (Visits 1-3); then 100%<br>after Ded. PCP                               |          | \$0 (Visits 1-3); then 100%<br>after Ded. PCP                               |          |
| OOP Maximum =>                | 8150  |          | 8150  |          | 8150  |          | 8150  |          | 8150  |          |
| Pediatric Dental (Yes/No) =>  | Yes   |          | Yes   |          | Yes   |          | Yes   |          | Yes   |          |
| Age Band                      | Non-Tobacco   | Tobacco  | Non-Tobacco   | Tobacco  | Non-Tobacco   | Tobacco  | Non-Tobacco   | Tobacco  | Non-Tobacco   | Tobacco  |
| 0 - 14                        | \$191.43  | \$191.43 | \$191.43  | \$191.43 | \$191.43  | \$191.43 | \$191.43  | \$191.43 | \$205.25  | \$205.25 |
| 15                            | \$208.45  | \$208.45 | \$208.45  | \$208.45 | \$208.45  | \$208.45 | \$208.45  | \$208.45 | \$223.49  | \$223.49 |
| 16                            | \$214.96  | \$214.96 | \$214.96  | \$214.96 | \$214.96  | \$214.96 | \$214.96  | \$214.96 | \$230.47  | \$230.47 |
| 17                            | \$221.46  | \$221.46 | \$221.46  | \$221.46 | \$221.46  | \$221.46 | \$221.46  | \$221.46 | \$237.45  | \$237.45 |
| 18                            | \$228.47  | \$228.47 | \$228.47  | \$228.47 | \$228.47  | \$228.47 | \$228.47  | \$228.47 | \$244.96  | \$244.96 |
| 19                            | \$235.48  | \$235.48 | \$235.48  | \$235.48 | \$235.48  | \$235.48 | \$235.48  | \$235.48 | \$252.47  | \$252.47 |
| 20                            | \$242.73  | \$242.73 | \$242.73  | \$242.73 | \$242.73  | \$242.73 | \$242.73  | \$242.73 | \$260.25  | \$260.25 |
| 21                            | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$268.30  | \$275.01 |
| 22                            | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$268.30  | \$275.01 |
| 23                            | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$268.30  | \$275.01 |
| 24                            | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$250.24  | \$256.50 | \$268.30  | \$275.01 |
| 25                            | \$251.24  | \$257.52 | \$251.24  | \$257.52 | \$251.24  | \$257.52 | \$251.24  | \$257.52 | \$276.10  | \$276.10 |
| 26                            | \$256.25  | \$262.66 | \$256.25  | \$262.66 | \$256.25  | \$262.66 | \$256.25  | \$262.66 | \$274.74  | \$281.61 |
| 27                            | \$262.25  | \$268.81 | \$262.25  | \$268.81 | \$262.25  | \$268.81 | \$262.25  | \$268.81 | \$281.18  | \$288.21 |
| 28                            | \$272.01  | \$278.81 | \$272.01  | \$278.81 | \$272.01  | \$278.81 | \$272.01  | \$278.81 | \$291.64  | \$298.93 |
| 29                            | \$280.02  | \$287.02 | \$280.02  | \$287.02 | \$280.02  | \$287.02 | \$280.02  | \$287.02 | \$300.23  | \$307.74 |
| 30                            | \$284.02  | \$291.12 | \$284.02  | \$291.12 | \$284.02  | \$291.12 | \$284.02  | \$291.12 | \$304.52  | \$312.13 |
| 31                            | \$290.03  | \$297.28 | \$290.03  | \$297.28 | \$290.03  | \$297.28 | \$290.03  | \$297.28 | \$310.96  | \$318.73 |
| 32                            | \$296.03  | \$303.43 | \$296.03  | \$303.43 | \$296.03  | \$303.43 | \$296.03  | \$303.43 | \$317.40  | \$325.34 |
| 33                            | \$299.79  | \$307.28 | \$299.79  | \$307.28 | \$299.79  | \$307.28 | \$299.79  | \$307.28 | \$321.42  | \$329.46 |
| 34                            | \$303.79  | \$311.38 | \$303.79  | \$311.38 | \$303.79  | \$311.38 | \$303.79  | \$311.38 | \$325.72  | \$333.86 |
| 35                            | \$305.79  | \$313.43 | \$305.79  | \$313.43 | \$305.79  | \$313.43 | \$305.79  | \$313.43 | \$327.86  | \$336.06 |
| 36                            | \$307.80  | \$315.50 | \$307.80  | \$315.50 | \$307.80  | \$315.50 | \$307.80  | \$315.50 | \$330.01  | \$338.26 |
| 37                            | \$309.80  | \$317.55 | \$309.80  | \$317.55 | \$309.80  | \$317.55 | \$309.80  | \$317.55 | \$332.16  | \$340.46 |
| 38                            | \$311.80  | \$319.60 | \$311.80  | \$319.60 | \$311.80  | \$319.60 | \$311.80  | \$319.60 | \$334.30  | \$342.66 |
| 39                            | \$315.80  | \$323.70 | \$315.80  | \$323.70 | \$315.80  | \$323.70 | \$315.80  | \$323.70 | \$338.59  | \$347.05 |
| 40                            | \$319.81  | \$327.79 | \$319.81  | \$327.79 | \$319.81  | \$327.79 | \$319.81  | \$327.79 | \$342.89  | \$352.18 |
| 41                            | \$325.81  | \$333.79 | \$325.81  | \$333.79 | \$325.81  | \$333.79 | \$325.81  | \$333.79 | \$349.33  | \$359.61 |
| 42                            | \$331.57  | \$339.55 | \$331.57  | \$339.55 | \$331.57  | \$339.55 | \$331.57  | \$339.55 | \$355.50  | \$366.04 |
| 43                            | \$339.58  | \$347.56 | \$339.58  | \$347.56 | \$339.58  | \$347.56 | \$339.58  | \$347.56 | \$364.08  | \$374.13 |
| 44                            | \$349.59  | \$357.57 | \$349.59  | \$357.57 | \$349.59  | \$357.57 | \$349.59  | \$357.57 | \$374.82  | \$384.30 |
| 45                            | \$361.35  | \$369.33 | \$361.35  | \$369.33 | \$361.35  | \$369.33 | \$361.35  | \$369.33 | \$387.43  | \$400.01 |
| 46                            | \$375.36  | \$383.34 | \$375.36  | \$383.34 | \$375.36  | \$383.34 | \$375.36  | \$383.34 | \$402.45  | \$416.84 |
| 47                            | \$391.13  | \$400.11 | \$391.13  | \$400.11 | \$391.13  | \$400.11 | \$391.13  | \$400.11 | \$419.35  | \$436.75 |
| 48                            | \$409.14  | \$418.12 | \$409.14  | \$418.12 | \$409.14  | \$418.12 | \$409.14  | \$418.12 | \$438.67  | \$457.65 |
| 49                            | \$426.91  | \$436.89 | \$426.91  | \$436.89 | \$426.91  | \$436.89 | \$426.91  | \$436.89 | \$457.72  | \$477.72 |
| 50                            | \$446.93  | \$457.91 | \$446.93  | \$457.91 | \$446.93  | \$457.91 | \$446.93  | \$457.91 | \$479.18  | \$499.77 |
| 51                            | \$466.70  | \$477.68 | \$466.70  | \$477.68 | \$466.70  | \$477.68 | \$466.70  | \$477.68 | \$500.38  | \$521.07 |
| 52                            | \$488.47  | \$499.45 | \$488.47  | \$499.45 | \$488.47  | \$499.45 | \$488.47  | \$499.45 | \$523.72  | \$544.61 |
| 53                            | \$510.49  | \$521.47 | \$510.49  | \$521.47 | \$510.49  | \$521.47 | \$510.49  | \$521.47 | \$547.33  | \$568.81 |
| 54                            | \$534.26  | \$545.24 | \$534.26  | \$545.24 | \$534.26  | \$545.24 | \$534.26  | \$545.24 | \$572.82  | \$594.27 |
| 55                            | \$558.04  | \$569.02 | \$558.04  | \$569.02 | \$558.04  | \$569.02 | \$558.04  | \$569.02 | \$598.31  | \$619.76 |
| 56                            | \$583.81  | \$594.79 | \$583.81  | \$594.79 | \$583.81  | \$594.79 | \$583.81  | \$594.79 | \$625.94  | \$647.43 |
| 57                            | \$609.83  | \$620.81 | \$609.83  | \$620.81 | \$609.83  | \$620.81 | \$609.83  | \$620.81 | \$653.85  | \$675.54 |
| 58                            | \$637.61  | \$648.59 | \$637.61  | \$648.59 | \$637.61  | \$648.59 | \$637.61  | \$648.59 | \$683.63  | \$705.32 |
| 59                            | \$665.37  | \$676.35 | \$665.37  | \$676.35 | \$665.37  | \$676.35 | \$665.37  | \$676.35 | \$713.47  | \$735.16 |
| 60                            | \$693.15  | \$704.13 | \$693.15  | \$704.13 | \$693.15  | \$704.13 | \$693.15  | \$704.13 | \$741.62  | \$763.31 |
| 61                            | \$720.93  | \$731.91 | \$720.93  | \$731.91 | \$720.93  | \$731.91 | \$720.93  | \$731.91 | \$769.77  | \$791.46 |
| 62                            | \$748.71  | \$759.69 | \$748.71  | \$759.69 | \$748.71  | \$759.69 | \$748.71  | \$759.69 | \$797.92  | \$819.61 |
| 63                            | \$776.49  | \$787.47 | \$776.49  | \$787.47 | \$776.49  | \$787.47 | \$776.49  | \$787.47 | \$826.07  | \$848.16 |
| 64+                           | \$750.72  | \$761.70 | \$750.72  | \$761.70 | \$750.72  | \$761.70 | \$750.72  | \$761.70 | \$804.90  | \$826.59 |



**HM Health Insurance Company  
Individual  
Plan Design Summary**

| HIOS Plan ID   | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Network | Rating Area   | Counties Covered   |
|----------------|---|---------|--------------|-----------------|---------|---------------|--|
| 70194PA0590001 | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             | C       | 1, 2, 4, 5, 6 | Crawford, Clarion, Erie, Forest, McKean, Mercer, Venango, Warren, Elk, Cameron, Potter, Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland, Bedford, Blair, Clearfield, Cambria, Huntingdon, Jefferson, Somerset, Centre |

Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | RATING AREA 1 |          |          |          |          |          |          |          | RATING AREA 2 |          |          |
|---|---|---------|--------------|-----------------|---------------|----------|----------|----------|----------|----------|----------|----------|---------------|----------|----------|
| HIOS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | 5             | 5        | 23       | 0        | 10       | 7        | 8        | 8        | 9             | 0        | 10       |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             | Crawford      | Clarion  | Erie     | Forest   | McKean   | Mercer   | Venango  | Warren   | Elk           | Cameron  | Potter   |
|   |   |         |              |                 | \$250.24      | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24      | \$250.24 | \$250.24 |

Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

|   |   |         |              |                 | RATING AREA 3 |        |         |            |         |          |        |      |          |             |       |       |         |
|---|---|---------|--------------|-----------------|---------------|--------|---------|------------|---------|----------|--------|------|----------|-------------|-------|-------|---------|
| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | 0             | 0      | 0       | 0          | 0       | 0        | 0      | 0    | 0        | 0           | 0     | 0     | 0       |
| HIOS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Bradford      | Carbon | Clinton | Lackawanna | Luzerne | Lycoming | Monroe | Pike | Sullivan | Susquehanna | Tioga | Wayne | Wyoming |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             |               |        |         |            |         |          |        |      |          |             |       |       |         |

Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

| RATING AREA 4                                       |   |         |              |                 |           |           |          |          |          |          |          |          |            |              |
|---|---|---------|--------------|-----------------|-----------|-----------|----------|----------|----------|----------|----------|----------|------------|--------------|
| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | 88        | 8         | 6        | 5        | 31       | 15       | 20       | 8        | 29         | 25           |
| HIOS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Allegheny | Armstrong | Beaver   | Butler   | Fayette  | Greene   | Indiana  | Lawrence | Washington | Westmoreland |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             | \$250.24  | \$250.24  | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24 | \$250.24   | \$250.24     |

Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

|   |   |         |              |                 | RATING AREA 5 |          |            |          |            |           |          |  |
|---|---|---------|--------------|-----------------|---------------|----------|------------|----------|------------|-----------|----------|--|
| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | 8             | 6        | 11         | 1        | 8          | 7         | 1        |  |
| HIQS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Bedford       | Blair    | Clearfield | Cambria  | Huntingdon | Jefferson | Somerset |  |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             | \$250.24      | \$250.24 | \$250.24   | \$250.24 | \$250.24   | \$250.24  | \$250.24 |  |

Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

|   |   |         |              |                 | RATING AREA 6 |          |        |         |         |             |                |            |        |       | RATING AREA 7 |       |           |      |
|---|---|---------|--------------|-----------------|---------------|----------|--------|---------|---------|-------------|----------------|------------|--------|-------|---------------|-------|-----------|------|
| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | 40            | 5        | 943    | 3       | 0       | 716         | 15             | 222        | 6      | 11    | 60            | 1,279 | 3,310     | 201  |
| HIOS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Centre        | Columbia | Lehigh | Mifflin | Montour | Northampton | Northumberland | Schuylkill | Snyder | Union | Adams         | Berks | Lancaster | York |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             | \$268.30      |          |        |         |         |             |                |            |        |       |               |       |           |      |

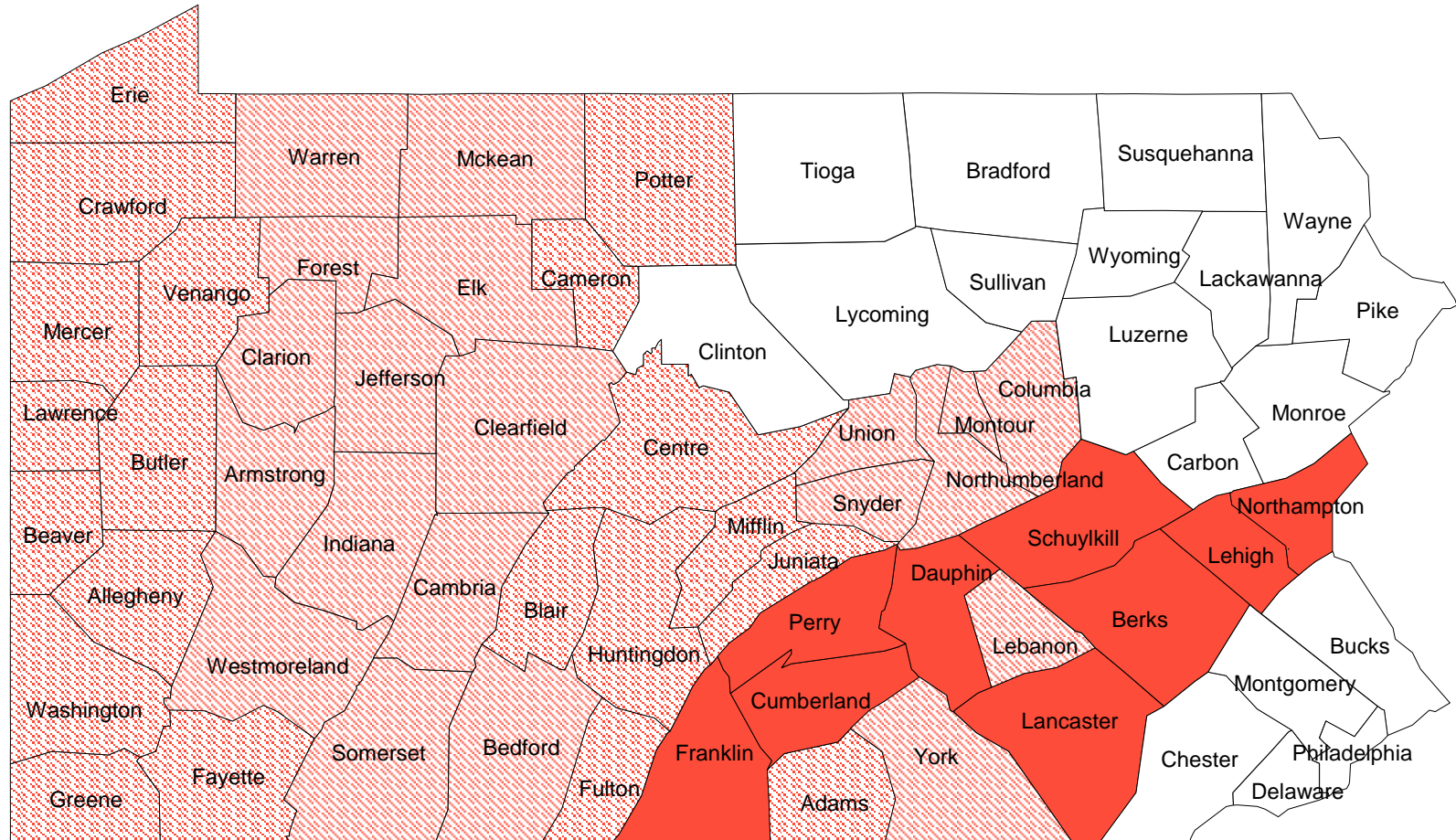
Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

|   |   |         |              |                 | RATING AREA 8 |         |          |            |              | RATING AREA 9 |         |          |        |         |         |       |
|---|---|---------|--------------|-----------------|---------------|---------|----------|------------|--------------|---------------|---------|----------|--------|---------|---------|-------|
| 02-01-2019 Number of Covered Lives by Rating County |   |         |              |                 | 0             | 0       | 0        | 0          | 0            | 718           | 982     | 1,358    | 19     | 6       | 192     | 150   |
| HIOS Plan ID  | Plan Marketing Name   | Product | Metal        | On/Off Exchange | Bucks         | Chester | Delaware | Montgomery | Philadelphia | Cumberland    | Dauphin | Franklin | Fulton | Juniata | Lebanon | Perry |
| 70194PA0590001                                      | Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP Visits | PPO     | Catastrophic | Off             |               |         |          |            |              |               |         |          |        |         |         |       |


# 2019 Service Area


Issuer: Highmark Health Insurance Company (HHIC)

Market: Individual



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

 : 2019 on-exchange service area

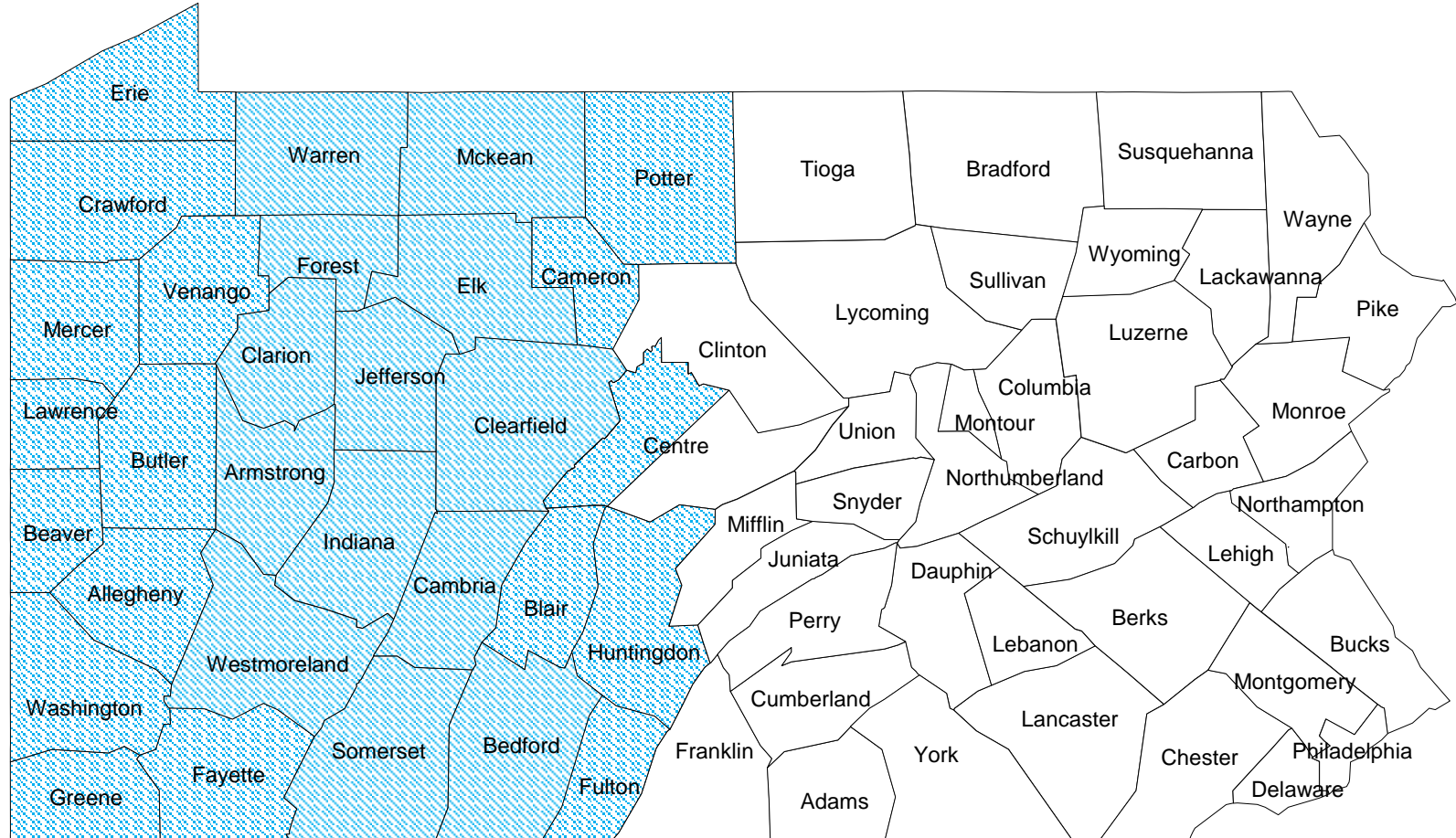
 : 2019 off-exchange only service area



# 2020 Service Area


**Issuer: Highmark Health Insurance Company (HHIC)**

**Market: Individual**



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

 : 2020 on-exchange service area

 : 2020 off-exchange only service area



June 25, 2019

Mr. James Lavery, Actuary  
Bureau of Life, Accident & Health Insurance  
Commonwealth of Pennsylvania Insurance Department  
1311 Strawberry Square  
Harrisburg, PA 17120

Re: Highmark Health Insurance Company 2020 ACA Rate Filing (Individual Market)  
Highmark Health Insurance Company Filing # 1A-DP-19-HHIC (SERFF Filing # HGHM-131904495)

Dear Mr. Lavery:

Enclosed are responses to your June 18, 2019 questions regarding SERFF Filing # HGHM-131904495. We have included your questions along with our responses for your convenience. Since the questions did not require changes to the originally submitted content, the Filing has not been revised at this time.

Should you have any further questions regarding this Filing, please feel free to contact me at [REDACTED] or via e-mail at: [REDACTED]

Sincerely,

[REDACTED]

Manager, Actuarial Services  
Highmark Inc.

cc:

[REDACTED]

Enclosures

**1. Please refer to the “Guaranteed Renewability and Uniform Modification of Coverage” section of the URR instructions. Please explain how HHIC avoids triggering the 5-year ban under the market withdrawal provision given your statement that “HHIC is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.”**

Response:

HHIC is not withdrawing from the market. The 2020 HHIC product will continue to cover current catastrophic plan members who prefer renewing in a plan that offers the advantage of having both network and out of network benefit levels available to them. As a result, we are proposing that current western region Highmark (HIOS ID 33709) off-exchange catastrophic plan PPO members be offered renewed coverage in the 2020 HHIC product. Based on current enrollment, we project approximately 80 renewing offers will be made into that HHIC product for 2020 coverage.

HHIC has based this 2020 market strategy on guidance that CMS previously provided in the 2018 NBPP when it stated that CMS believes it would not be appropriate to interpret any issuer’s actions as constituting a market withdrawal when the issuer complies with the requirements of 45 C.F.R. §147.106(d)(3). That is the course we have taken and this rationale has been shared with CMS.

Based on prior correspondence and instructions from CMS and the PID on this topic, HHIC has submitted a revised URRT in HIOS denoting the catastrophic plan as “Renewing” rather than “New”.

**2. Please note that cell C3 of the URRT Worksheet 1 requires the legal name of the company.**

Response:

We will update the legal name of the company in the revised submission.

**3. The PAAM states, “Note that the HHS Actuarial Value Calculator was unable to accommodate all of HHIC’s benefit designs. Plans needing certification are marked in column I of Table 10. Screen shots of all of the AV calculations and the appropriate certifications are included as a separate attachment within the Supporting Documentation section in SERFF.” Similarly, it later states “The screenshots from the HHS AV calculator, showing the plan benefits and the resulting actuarial values, can be found as a separate attachment within the Supporting Documentation section in SERFF.” However, The Part III memo explains that you did not provide it because you offer only a Catastrophic plan. Please correct the PAAM.**

Response:

We will remove the two statements above from the PAAM in the revised submission.

**4. For both the allowed and incurred claims in the experience period, please provide the three components referenced in the Part III memo: the amount of claims which were processed through the claims system, processed outside of the Company’s claims system, and the best estimate of claims incurred but not paid as of the paid through date.**

Response:

Please see the attached exhibit labeled Q4 Response.

**5. Please explain why the ultimate incurred claims in Table 2 of the PAAM (95,862,647) does not match the sum of 2018 ultimate incurred claims in Table 4 (95,870,207).**

Response:

The ultimate incurred claims in Table 2 apply an annual completion factor; whereas, the ultimate incurred claims in Table 4 is applied at the monthly level. Hence, the minimal difference between the two amounts.

**6. Considering the current date of the URRT is February 1, 2019, please explain why the current enrollment on the URRT (8,883) does not match the PAAM Table 1 (10,598).**

Response:

HHIC has some plans that were offered only in 2019 (not offered in the experience period or in the projection period). These plans are not captured in the URRT; therefore, the enrollment is excluded as well. For the list of these terminated plans, see Section XV – Terminated Plans and Products of the URRT Part III actuarial memorandum.

**7. Please provide more detail as to sources used to provide the manual rate experience period claims and how these sources were blended as referenced in Section VI.1 of the Part III memo and provide quantitative support. How were group claims used given that Catastrophic plans cannot be offered in the group market?**

Response:

Please see the attached exhibit labeled Q7 Response.

The catastrophic plan is not being offered in the group market. Only the claims information of those members from the Highmark group market that enrolled in the catastrophic plans was used to develop the manual rate.

The manual rate is derived using the 2/1/2019 catastrophic enrollment profile which is categorized into the following categories:

Renewal

- This represents our 2018 ACA members that reenrolled in the catastrophic plans.

Other Highmark

- This represents the 2018 members from other Highmark markets such as group markets that enrolled in the catastrophic plans.

Prior ACA

- This represents our 2017 ACA members that lapsed in 2018 and now reenrolled in the catastrophic plans. We reviewed its 2017 ACA claims, trended to 2018, and used this as starting point to approximate the 2018 allowed claims.

New

- This represents the catch-all category of the remaining members that enrolled in the catastrophic plans. The 2018 allowed PMPM was set to approximate the “Renewal” segment.

**8. With respect to the data used to develop the manual rate, was the volume of large claims during the experience period unusually high or low? If so, was any adjustment made to reflect this?**

Response:

In the development of the manual rate, the volume of large claims was assumed to be reasonably consistent from year to year. Due to the level of population changes that typically occur in the ACA individual market, it would be unreliable to explicitly make an adjustment based on current data. The morbidity factor adjustments implicitly account for large claim volume differences between populations.

**9. Please explain all adjustment made to the 2018 manual rate data to reflect the population being projected. For example, what adjustments were made to the group source data to reflect the individual market?**

Response:

Please see the response to Question 7 above.

The allowed claims PMPMs for “Other Highmark” and “Prior ACA” segments were adjusted such that allowed PMPMs and the risk scores relative to the “Renewal” are in similar proportion directionally. For the “New” segment, the allowed claims PMPM was set to be about 5% higher than the “Renewal” to reflect the uncertainty of this segment.

**10. The URRT WS 1 estimates a risk adjustment payment of \$9 million while the PA RATEE template estimates a receivable of \$3.4 million. Please explain this discrepancy and why the PA estimate was not used.**

Response:

The URRT Worksheet 1 value represents the Company’s estimated calendar year 2018 risk adjustment transfer payment with two months of run-out. This particular estimate was chosen for reporting on URRT Worksheet 1 in order to align the timing of the risk adjustment and the claim values displayed. The URRT value also includes an estimate for the expected impact of the High Cost Risk Pool (HCRP) component of the program. The PA RATEE results did not include an estimate for the impact of the HCRP.

**11. Please explain how you plan to determine the projected 2020 risk adjustment transfer amount once HHS releases the actual amount for 2018.**

Response:

Once HHS releases the actual transfer amounts for 2018, Highmark will reassess its initial projected 2020 risk adjustment transfer amount. At this point in time, it would be difficult to speculate how or to what degree actual results may influence current assumptions.

**12. Regarding the risk adjustment attachment B:**

- a) Please provide quantitative support for the [REDACTED] HHS Risk Score
- b) Please provide quantitative support for the geographic cost factors

Response:

- a) The [REDACTED] HHIC HHS risk score shown in Attachment B was developed for the population of members that comprised the manual rate development discussed in the response to Question 7 above. For sources of members where we had 2018 (or 2017) claims experience and diagnosis data, we utilized their risk scores in the calculation. For the “New” source of members where we did not have claims experience, we made an assumption regarding this category’s risk score based on a review of the claim level and risk score relativities of the other sources.
- b) The geographic cost factors shown in Attachment B were developed using the estimated geographic cost factors by rating area from the CMS Interim Summary Report for 2018 released on March 22, 2019 (Appendix B).

**13. Please provide quantitative support for the Projected MLR of 86.1%.**

Response:

Please see the attached exhibit labeled Q13 Response for the development of the 86.1% Projected MLR.

**14. Please explain the increase in the administrative cost from the prior filing.**

Response:

The administrative expenses assumption is provided by our Cost Accounting Department. The increase in the admin expense on a PMPM basis reflected the fixed cost expenses being measured against a declining enrollment basis.

**15. a) Please provide quantitative support for the health insurer fee**

- b) Provide the actual paid HIT fees on a pmpm and percent of premium for calendar years 2018 and 2016.**

Response:

- a) The first step in calculating the health insurer fee is estimating the industry-wide fee to be collected as well as the industry-wide eligible premium in billions of dollars based on historical amounts. The ratio of these two estimates produces an estimated percentage of premium. Second, this percentage of premium is multiplied by our company-specific projected 2019 premium to derive an estimate of the dollars expected to be assessed in 2020. Finally, these estimated dollars are then divided by our company-specific projected 2020 premium to derive an estimate of the percentage of premium need to be built into the rate filing. This amount is 2.14%, which is further divided by (1 - 0.21) to account for the income tax rate. The resulting value is 2.71%. The pricing assumption was set at 2.8% given the potential fluctuation in the estimates outlined above.
- b) The HIT paid in 2018 was \$22.20 PMPM or 2.8% of premium. The HIT paid in 2016 was \$14.25 PMPM or 2.3% of premium.

**16. The Actuarial Certifications section of the PAAM states that “the projected index rate is ... neither excessive nor deficient except in the Erie County where the company has elected to pursue a cost structure consistent with the current market.” Please clarify. Since there is a single index rate for all plans in all rating areas of the state, how can it be excessive or deficient in only one county? If it is the rates and not the index rate that are excessive or deficient, which one applies - excessive or deficient?**

Response:

This was accidentally carried over from another rate filing. That bullet point should be “Neither excessive nor deficient.” We will include the corrected language in the revised submission.

**17. As noted in the previous question, the opinion that the projected index rate is neither excessive nor deficient is qualified in the PAAM, but the same statement is unqualified in the Part III memo. Please explain.**

Response:

Please see the response to Question 16 above.

**18. The Actuarial Certifications section of the PAAM states, “The allowable modifiers used to generate plan-level rates were:” The rest of the sentence is missing. Please correct this.**

Response:

The statement of “The allowable modifiers used to generate plan-level rates were:” should be deleted. We will reflect this change in the revised submission.

**The following are additional questions or comments from the PID:**

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

Response:

We have tested and confirmed that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

**2. Regarding Risk Adjustment Data Validation process (RADV):**

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

Response:

- a) The Company did consider whether or not any adjustment to projected experience was warranted due to the RADV process. However, since this process was only recently implemented, with 2017 results only recently released, we believe that it is too soon to make any assumptions in our projections regarding the anticipated level of payments or recoveries from this program.
- b) We provide the following additional considerations in assessing whether or not future adjustments would be practicable:
  - Overall, this program is designed to be revenue neutral across the market. So absent any reliable market-wide analysis, it would be equally likely that a company would receive a payment or would be required to make a contribution.
  - The consideration of risk score adjustments from the RADV process is dependent upon the entirety of market participants, and each participant's ultimate condition profile. These risk profiles are generally not known and could fluctuate from year to year.
  - The Individual market results for 2017 in Pennsylvania showed that a small risk score adjustment would be made for the 2018 risk adjustment transfer results. However, it has not been demonstrated that such an adjustment would tend to persist year over year. Furthermore, an adjustment could be made in the opposite direction in a future year.
  - Although we have not adjusted for the RADV process in our 2020 experience projection, we believe that such an adjustment may be warranted in future rate development periods if the process exhibits a reasonable level of predictability and recurrence. This may not be known until several years beyond the initial implementation.

**3. We have repurposed row 54 of Table 6 to capture RA User Fees. Please provide the RA User Fee percentage and pmpm amount in cells C54 and D54, respectively.**

Response:

We intend to make this update to the template later in the review process so that if there are other subsequent updates needed, the number of document versions produced can be minimized.



**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Response to Objection 1 - Question 4**

| <b>2018 Base Experience Period Claims</b>   | <b>Allowed Claims</b> | <b>Incurred Claims</b> |
|---|-----------------------|------------------------|
| Processed Through the Issuer's Claim System | \$111,861,661         | \$92,750,545           |
| Processed Outside the Issuer's Claim System | \$0                   | \$0                    |
| Incurred But Not Paid                       | \$2,374,178           | \$1,968,559            |
| Total Medical Claims                        | \$114,235,839         | \$94,719,104           |
| Rx Rebates                                  | (\$4,564,002)         | (\$4,564,002)          |
| Total Medical Claims after Rx Rebates       | \$109,671,837         | \$90,155,102           |
| Pediatric Dental Claims                     | \$147,317             | \$112,352              |
| Pediatric Vision Capitation                 | \$65,558              | \$65,558               |
| Professional Settlements                    | \$615,089             | \$615,089              |
| Hospital Settlements                        | \$416,101             | \$416,101              |
| <b>Total Claims</b>                         | <b>\$110,915,902</b>  | <b>\$91,364,203</b>    |
| Total From URRT, WS1 Section 1              | \$110,915,902         | \$91,364,203           |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Response to Objection 1 - Question 7**

|  | Renewal  | Other<br>Highmark | Prior ACA | New      | Total    |
|--|----------|-------------------|-----------|----------|----------|
| 2020 Enrollment Distribution           | 75%      | 5%                | 3%        | 17%      | 100%     |
| 2020 Risk Score Estimate               | ████     | ████              | ████      | ████     | ████     |
| 2018 Allowed Claims w/o Adjustment     | \$132.83 | \$1,015.93        | \$605.43  | N/A      |          |
| Allowed Claims Adjustment              | 1.00     | 0.50              | 0.30      | 1.05     |          |
| 2018 Allowed Claims w Adjustment       | \$132.83 | \$507.96          | \$181.63  | \$139.89 | \$154.25 |
| Ratio of Allowed Claims w/o Adjustment | 1.00     | 7.65              | 4.56      | N/A      |          |
| Ratio of Allowed Claims w/Adjustment   | 1.00     | 3.82              | 1.37      | 1.05     |          |
| Ratio of Risk Score                    | 1.00     | 3.35              | 1.26      | 1.00     |          |

**HM Health Insurance Company  
d/b/a Highmark Health Insurance Company  
Individual Market**

**Response to Objection 1 - Question 13**

| Description                           | Source              | Calculation      |
|---------------------------------------|---------------------|------------------|
| <b>Numerator</b>                      |                     |                  |
| Projected Paid EHB Claims PMPM        | Table 5, C29        | \$109.65         |
| Projected Required Revenue PMPM       | Table 6, C63        | \$253.03         |
| Quality Improvement Factor            | CMS Default         | 0.80%            |
| <u>Projected Risk Adjustment PMPM</u> | <u>Table 5, C31</u> | <u>(\$95.55)</u> |
| <b>Adjusted Claims</b>                |                     | <b>\$207.23</b>  |
| <b>Denominator</b>                    |                     |                  |
| Projected Required Revenue PMPM       | Table 6, C63        | \$253.03         |
| PA Premium Tax (if applicable)        | Table 6, D55        | \$5.06           |
| Risk Adjustment User Fee              | CMS                 | \$0.18           |
| <u>Health Insurer Fee</u>             | <u>Table 6, D57</u> | <u>\$7.08</u>    |
| <b>Adjusted Premium</b>               |                     | <b>\$240.70</b>  |
| <b>Projected MLR</b>                  |                     | <b>86.1%</b>     |



July 12, 2019

Mr. James Lavery, Actuary  
Bureau of Life, Accident & Health Insurance  
Commonwealth of Pennsylvania Insurance Department  
1311 Strawberry Square  
Harrisburg, PA 17120

Re: Highmark Health Insurance Company 2020 ACA Rate Filing (Individual Market)  
Highmark Health Insurance Company Filing # 1A-DP-19-HHIC (SERFF Filing # HGHM-131904495)

Dear Mr. Lavery:

Enclosed are responses to your July 5, 2019 questions regarding SERFF Filing # HGHM-131904495. We have included your questions along with our responses for your convenience. In conjunction with these responses, we are also submitting revisions to the following documents in SERFF:

- PAAM Exhibits – This file is being revised to utilize the Department’s new template that repurposed row 54 of Table 6 to capture the RA User Fee.
- PA Actuarial Memorandum – This document is being revised to remove language that explained the prior disconnect on Table 6 caused by the fact that the RA User Fee was missing from that table. This language is no longer applicable in light of the Department’s new template. Additionally, other minor language corrections have been made consistent with the responses to Objection 1, Questions 3, 16, 17 and 18.
- URRT – This file is being revised to denote the catastrophic plan as “Renewing” rather than “New”. Furthermore, the legal name has be updated as indicated in Objection 1, Question 2.

Should you have any further questions regarding this Filing, please feel free to contact me at [REDACTED]  
[REDACTED] or via e-mail at: [REDACTED]

Sincerely,

[REDACTED]  
[REDACTED]  
Manager, Actuarial Services  
Highmark Inc.

cc: [REDACTED]  
[REDACTED]  
[REDACTED]

Enclosures

**1. Regarding your response to item 1 of our previous objections, please post the revised URRT on SERFF in the revised submission.**

Response:

The revised URRT has been uploaded in SERFF.

**2. Regarding your response to item 7 of our previous objections, please explain the differences between the “Completed AC PMPMs” of \$154.25 shown in cell G17 of your response and the Experience Period “Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)” of \$155.71 shown in Cell L10 of Table 2b of the PAAM Exhibits.**

Response:

The “Completed AC PMPMs” of \$154.25 is the Medical Allowed Charge PMPM prior to adjusting for Rx Rebates, Hospital and Physician Settlements, Dental claims and Vision capitation. The \$155.71 value shown in Table 2b reflects these adjustments to the Medical Allowed Charge PMPM. A reconciliation of the two amounts can be found in Attachment A – Manual Cost Development.

**3. Regarding your response to item 9 of our previous objections, please explain why you did not include an adjustment for differences in experience between the group and individual markets.**

Response:

In the Objection 1 – Question 7 response exhibit, there is a factor of 0.50 on the allowed claims adjustment line in the ‘Other Highmark’ segment.

**The following are additional questions or comments from the PID:**

**1. 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. 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.**

Response:

The Company is not modifying its projected 2020 risk adjustment transfer amounts based on the 2018 results released by CMS on June 28, 2019.

**2. In response to the Department’s RADV survey, issuers indicated that they did not include a RADV adjustment in the initial submission, as there is no supportable reason for an adjustment when calculating the 2020 rates. Therefore, the Department has determined that there should be no RADV adjustments in the 2020 rate filings.**

Response:

The Company supports this position for the 2020 rate development and has not included any adjustments for RADV in our submitted 2020 rate filings.

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Unified Rate Review v5.0

Company Legal Name:Highmark Health Insurance Company

HIOS Issuer ID:70194

Effective Date of Rate Change(s):01/01/2020

State:PA

Market:Individual

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.

Market Level Calculations (Same for all Plans)

Section I: Experience Period Data

Experience Period:01/01/2018to12/31/2018

|                                      | Total            | PMPM     |
|--------------------------------------|------------------|----------|
| Allowed Claims                       | \$110,915,902.32 | \$575.24 |
| Reinsurance                          | \$0.00           | \$0.00   |
| Incurred Claims in Experience Period | \$91,364,202.57  | \$473.84 |
| Risk Adjustment                      | -\$9,202,477.73  | -\$47.73 |
| Experience Period Premium            | \$170,668,679.44 | \$885.13 |
| Experience Period Member Months      | 192,818          |          |

Section II: Projections

| Benefit Category    | Experience Period Index<br>Rate PMPM | Year 1 Trend |             | Year 2 Trend |             | Trended EHB Allowed Claims<br>PMPM |
|---------------------|--------------------------------------|--------------|-------------|--------------|-------------|------------------------------------|
|                     |                                      | Cost         | Utilization | Cost         | Utilization |                                    |
| Inpatient Hospital  | \$121.23                             | 1.045        | 1.029       | 1.045        | 1.029       | \$140.18                           |
| Outpatient Hospital | \$201.47                             | 1.045        | 1.029       | 1.045        | 1.029       | \$232.96                           |
| Professional        | \$129.52                             | 1.045        | 1.029       | 1.045        | 1.029       | \$149.76                           |
| Other Medical       | \$13.37                              | 1.045        | 1.029       | 1.045        | 1.029       | \$15.46                            |
| Capitation          | \$0.34                               | 0.694        | 1.000       | 1.000        | 1.000       | \$0.24                             |
| Prescription Drug   | \$109.31                             | 1.045        | 1.029       | 1.045        | 1.029       | \$126.39                           |
| Total               | \$575.24                             |              |             |              |             | \$664.98                           |

|   |          |
|---|----------|
| Morbidity Adjustment                                    | 0.777    |
| Demographic Shift                                       | 0.516    |
| Plan Design Changes                                     | 1.000    |
| Other   | 0.929    |
| Adjusted Trended EHB Allowed Claims PMPM for 01/01/2020 | \$247.68 |

|                                |          |
|--------------------------------|----------|
| Manual EHB Allowed Claims PMPM | \$190.52 |
| Applied Credibility %          | 0.00%    |

Projected Period Totals

|                                     |           |               |
|-------------------------------------|-----------|---------------|
| Projected Index Rate for 01/01/2020 | \$190.52  | \$141,746.88  |
| Reinsurance                         | \$0.00    | \$0.00        |
| Risk Adjustment Payment/Charge      | -\$166.01 | -\$123,511.44 |
| Exchange User Fees                  | 0.00%     | \$0.00        |
| Market Adjusted Index Rate          | \$356.53  | \$265,258.32  |

|                         |     |
|-------------------------|-----|
| Projected Member Months | 744 |
|-------------------------|-----|

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.

1 of 3

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.

State: PA  
Market: Individual

## Section I: General Product and Plan Information

[illegible]

## Section II: Experience Period and Current Plan Level Information

|               | 2.1 Plan ID (Standard Component ID)  | Total         | 70194P260000 | 70194P260001 | 70194P300000 | 70194P300001 | 70194P300002 | 70194P300003 | 70194P300004 | 70194P300005 | 70194P300007 | 70194P400000 | 70194P400001 | 70194P400002 | 70194P400003 | 70194P400004 | 70194P400005 | 70194P400006 | 70194P400007 | 70194P400008 | 70194P400009 | 70194P400010 | 70194P400011 | 70194P400012 | 70194P400013 | 70194P400014 | 70194P400015 | 70194P400016 | 70194P400017 | 70194P400018 | 70194P400019 | 70194P400020 |         |
|---------------|--------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|
| \$10,915,902  | 2.2 Allowed Claims                   | \$10,915,902  | \$6,958,701  | \$7,145,548  | \$29,347,157 | \$1,491,526  | \$29,066,777 | \$7,387,289  | \$8,715,599  |              | \$7,115,714  | \$545,470    | \$6,057,197  | \$2,265,372  | \$2,964,264  | \$4,834      | \$508,414    | \$1,150,564  | \$131,456    |              |              |              |              |              |              |              |              |              |              |              |              |              |         |
| \$0           | 2.3 Reinsurance                      | \$0           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| \$0           | 2.4 Member Cost Sharing              | \$19,551,700  | \$1,613,038  | \$1,646,131  | \$4,439,604  | \$404,300    | \$2,851,592  | \$2,324,232  | \$2,586,463  |              | \$1,081,508  | \$144,207    | \$650,173    | \$630,704    | \$826,205    | \$16,201     | \$43,079     | \$250,473    | \$43,079     | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| \$0           | 2.5 Cost Sharing Reduction           | \$0           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| \$91,364,203  | 2.6 Incurred Claims                  | \$91,364,203  | \$5,344,900  | \$5,499,410  | \$24,907,571 | \$1,087,223  | \$26,125,185 | \$5,063,270  | \$6,129,136  |              | \$6,054,209  | \$401,058    | \$5,407,026  | \$1,634,607  | \$2,137,838  | \$28,632     | \$465,315    | \$900,420    | \$88,399     | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| \$9,202,478   | 2.7 Risk Adjustment Transfer Amount  | \$9,202,478   | \$1,613,252  | \$241,063    | \$75,373     | \$1,085,923  | \$645,667    | \$5,320,354  | \$4,071,055  |              | \$1,346,579  | \$262,438    | \$472,691    | \$67,785     | \$2,254,361  | \$1,466,466  | \$156,935    | \$12,877     | \$19,890     | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| \$170,668,679 | 2.8 Premium                          | \$170,668,679 | \$3,987,150  | \$6,161,708  | \$42,043,123 | \$2,436,757  | \$50,212,562 | \$17,019,613 | \$13,896,235 |              | \$10,100,852 | \$1,100,885  | \$11,137,420 | \$3,910,043  | \$5,169,696  | \$31,448     | \$184,773    | \$1,332,998  | \$146,917    | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |         |
| 192,815       | 2.9 Experience-Related Member Months | 192,815       | 5,864        | 4,037        | 4,846        | 1,383        | 23,581       | 5,136        | 3,251        |              | 3,361        | 10,900       | 5,167        | 7,819        | 98           | 542          | 1,791        | 179          | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |         |
|               | 2.10 Current Enrollment              |               | 8,883        | 364          | 1,206        | 1,859        | 0            | 0            | 2,574        |              | 0            | 365          | 0            | 692          | 37           | 0            | 692          | 37           | 715          | 122          | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0       |
|               | 2.11 Current Premium PMPM            |               | \$814.02     | \$720.04     | \$696.44     | \$957.53     | \$935.21     | \$900.00     | \$678.33     |              | \$973.50     | \$950.81     | \$0.00       | \$0.00       | \$689.64     | \$558.55     | \$549.38     | \$898.26     | \$913.24     | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       |         |
|               | 2.12 Loss Ratio                      |               | 56.58%       | 95.44%       | 85.89%       | 59.35%       | 46.65%       | 51.04%       | 43.28%       |              | 62.38%       | 52.89%       | 29.42%       | 46.57%       | 50.48%       | 73.33%       | 191.11%      | 234.66%      | 68.21%       | 52.99%       | #DIV/0!      |              |              |              |              |              |              |              |              |              |              |              |         |
|               | Per Member Per Month                 |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |         |
|               | 2.13 Allowed Claims                  |               | \$575.24     | \$1,186.68   | \$811.72     | \$715.31     | \$501.72     | \$565.67     | \$313.26     |              | \$392.31     | \$763.10     | \$473.09     | \$555.71     | \$438.43     | \$374.32     | \$457.49     | \$938.03     | \$688.55     |              | \$574.39     |              |              |              |              |              |              |              |              |              |              | #DIV/0!      |         |
|               | 2.14 Reinsurance                     |               | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       |              | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | #DIV/0!      |         |
|               | 2.15 Member Cost Sharing             |               | \$101.40     | \$275.20     | \$187.00     | \$108.21     | \$136.54     | \$55.49      | \$98.55      |              | \$116.42     | \$115.66     | \$125.25     | \$59.65      | \$122.08     | \$106.36     | \$165.32     | \$79.48      | \$149.71     |              | \$240.54     |              |              |              |              |              |              |              |              |              |              |              | #DIV/0! |
|               | 2.16 Cost Sharing Reduction          |               | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       |              | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | #DIV/0!      |         |
|               | 2.17 Incurred Claims                 |               | \$473.84     | \$911.48     | \$624.72     | \$607.19     | \$397.18     | \$510.17     | \$214.71     |              | \$275.89     | \$647.44     | \$347.86     | \$496.06     | \$116.36     | \$209.96     | \$292.17     | \$855.55     | \$538.84     |              | \$940.85     |              |              |              |              |              |              |              |              |              |              |              | #DIV/0! |
|               | 2.18 Risk Adjustment Transfer Amount |               | \$27.11      | \$47.73      | \$14.78      | \$27.11      | \$34.78      | \$18.58      | \$7.88       |              | \$18.58      | \$27.11      | \$18.58      | \$7.88       | \$27.11      | \$18.58      | \$7.88       | \$27.11      | \$18.58      |              | \$111.12     |              |              |              |              |              |              |              |              |              |              |              | #DIV/0! |
|               | 2.19 Premium                         |               | \$883.84     | \$679.94     | \$699.96     | \$1,024.72   | \$882.95     | \$1,012.21   | \$721.72     |              | \$625.51     | \$1,080.19   | \$954.80     | \$1,021.82   | \$756.73     | \$652.82     | \$1,021.82   | \$337.22     | \$797.72     |              | \$820.76     |              |              |              |              |              |              |              |              |              |              |              | #DIV/0! |

**1 Plan ID (Standard Component ID)**

[illegible][illegible]

## 1 Plan ID (Standard Component ID)

[illegible]

## Rating Area Data Collection

| Rating Area   | Rating Factor |
|---------------|---------------|
| Rating Area 1 | 0.9700        |
| Rating Area 2 | 0.9700        |
| Rating Area 4 | 0.9700        |
| Rating Area 5 | 0.9700        |
| Rating Area 6 | 1.0400        |



## **Part II of the Preliminary Justification**

### **Highmark Health Insurance Company – Individual Market**

#### **Scope and Range:**

Highmark Health Insurance Company (HHIC) is offering only one new Catastrophic plan to the Individual Market for 2020. HHIC is discontinuing all 2019 plans and will not map enrollees into the 2020 plan. Thus, there is no proposed average rate change or range of proposed rate change to report. The product submitted with this filing will have effective dates from January 1, 2020 to December 31, 2020. This is projected to affect 8,883 members who will not be mapped to a renewing plan.

These premium rates are being set at a level that is required to adequately cover rising costs, primarily due to increasing medical and pharmacy services in the Individual market.

#### **Historical Financial Experience:**

HHIC incurred an underwriting gain in its Individual ACA programs in 2018.

#### **Change in Medical Service Costs:**

The projected average cost of medical care for the projected population is expected to increase. The increase will emerge in utilization and average cost per service, and is spread across all types of services.

#### **Change in Benefits and Cost Sharing:**

Some cost sharing parameters were changed in order to maintain compliance with Federal AV requirements. Additionally, some out of pocket maximum parameters were changed to keep up with the rising cost of health care. These out of pocket maximum changes also aided in mitigating the rate increase.

#### **Administrative Costs and Anticipated Operating Results:**

The anticipated administrative costs and operating results are not excessive or unreasonable. In accordance with regulations, the projected medical loss ratio is over 80%.

**Part III Actuarial Memorandum**  
**Highmark Health Insurance Company**  
**Individual Rate Filing**  
**Effective January 1, 2020**

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## **I. General Information**

### **Document Overview**

This document contains the Part III Actuarial Memorandum for Highmark Health Insurance Company's (HHIC) individual block of business rate filing, for products with an effective date of January 1, 2020. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

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

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

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

### **I.1 Company Identifying Information:**

- Company Legal Name: Highmark Health Insurance Company
- State: The Commonwealth of Pennsylvania has regulatory authority over these policies.
- HIOS Issuer ID: 70194
- Market: Individual
- Effective Date: January 1, 2020

### **I.2 Company Contact Information:**

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

## **II. Proposed Rate Increase(s)**

For all rate increases by plan, see the 'Cum'lative Rate Change % (over 12 mos prior)' found in Worksheet 2, line 1.11 of the URRT.

The proposed 2020 rate increase does not apply. HHIC is discontinuing all 2019 plans without mapping the 2019 enrollees into the one new 2020 plan.

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. We have accounted for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2020 by using the factors prescribed in the Department's guidance. Additional assumptions include that advance payment of premium credits (APTCs) will continue until the end of 2020, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2020. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, HHIC reserves the right to submit a revised filing.

## **III. Experience and Current Period Premium, and Enrollment**

### **III.1 Paid through Date:**

Experience Period claims were based on incurred calendar year 2018, paid through February 2019. This includes 2018 experience in Affordable Care Act compliant plans. HHIC did not offer any transitional plans in 2018.

### **III.2 Premiums in Experience Period:**

The premiums shown for the experience period were based on calendar year 2018 actual revenues with no MLR rebates.

As it is instructed on page 15 of the "Draft 2020 Unified Rate Review Instructions" (May 2019 released), the MLR rebates should not be reflected in the premium.

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

- **Historical Experience:** We chose HHIC's current experience for the individual block of business for the period January 1, 2018 through December 31, 2018, with claims paid through February, 2019 as the basis for the 2020 projected individual market pricing.
- **Claims Incurred During the 12-month Experience Period:** Worksheet 1, Section I shows our best estimate of the amount of claims that were incurred during the 12-

month experience period for HHIC's individual book-of-business. This section includes:

- The amount of claims which were processed through Company's claims system,
  - Claims processed outside of the Company's claims system, and
  - Our best estimate of claims incurred but not paid as of the paid through date stated above.
- Method for Determining Allowed Claims: For non-capitated claims, the allowed charges are summarized from HHIC's detailed claim-level historical data. This experience includes 2018 claims for Affordable Care Act compliant business. For capitated and other off-system claims, historical capitations and experience were tabulated and added to the claims.
  - Paid Claims: We also summarized the paid claims from detailed member records. The paid-to-allowed ratio for the experience period reflects the 2018 plan designs chosen by each member
  - Incurred but Not Paid (IBNR) Claims Estimate: HHIC is using a completion factor of 0.979 to include IBNR claims in allowed charges. The IBNR completion factor was developed using our corporate reserving system for HHIC's individual business. We applied it equally to both paid and allowed total claims (as a change to utilization) to complete the experience.

#### **IV. Benefit Categories**

The index rate of the experience period was summarized at the defined benefit categories included in Worksheet 1, Section II of the URRT.

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

#### **V. Projection Factors**

Given the drastically different product offering between the experience period and the projection period, the experience data is not given any credibility in the rate calculation. The factors entered on Worksheet 1 of the URRT for Morbidity Adjustment, Demographic Shift, Plan Design Changes, and Other are simply placeholders.

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

## **VI. Credibility Manual Rate Development**

### **VI.1 Source and Appropriateness of Experience Data Used**

A manual rate was developed by blending 2018 experience from multiple sources, primarily ACA claims experience and group claims for the February 1, 2019 snapshot membership as assumptions for any new members found in the snapshot, to approximate the anticipated 2020 HHIC population. This experience includes members from the current HHIC as well as Highmark Inc., Catastrophic plans, adjusted for the expected 2020 HHIC population. This experience was chosen because it is large and reasonably represents the anticipated 2020 HHIC population.

### **VI.2 Adjustments Made to the Data**

#### *Impact of Health Insurance Coverage Mandate Elimination*

In accordance with the Department's guidance, the morbidity was increased by 6.0% to reflect the market uncertainty from the elimination of the health insurance coverage mandate. This deterioration is reflected in the Manual EHB Allowed Claims PMPM found on worksheet 1 of the URRT.

### **VI.3 Trend Factors**

This development of the CY2020 rates reflects an annual trend rate of 7.5% (4.5% cost, 2.9% utilization). These trends reflect HHIC's expectations regarding increases in in-network contractual reimbursement and out-of-network costs. These estimates measure and normalize for benefit leverage, population aging, and historical changes for fee schedules, as well as company-wide utilization management programs, and external trend drivers.

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

## **VII. Credibility of Experience**

Given the drastically different product offering between the experience period and the projection period, the experience data is not given any credibility in the rate calculation. Therefore, Highmark has chosen to develop the rate on a 100% manual basis.

## **VIII. Index Rate**

The index rates as shown on Worksheet 1 of the URRT are simply the single risk pool average allowed claims for the Essential Health Benefits for the experience and projected populations, respectively, for HHIC. For the experience period, only non-grandfathered plans are included.

The projection period Index Rate is not adjusted for reinsurance or risk adjustment programs or any other fee.

## **IX. Market Adjusted Index Rate [MAIR]**

The Market Adjusted Index Rate is the Projected Index Rate further adjusted for risk adjustment and the exchange fee.

### **IX.1 Projected Reinsurance PMPM**

There is no reinsurance program for HHIC.

### **IX.2 Projected Risk Adjustment PMPM:**

The estimated average risk score for HHIC's projected 2020 population was developed by using 2018 claim diagnoses underlying the manual rate development and the risk adjustment coefficients as finalized in the Notice of Benefit and Payment Parameters. Similarly, allowable rating factors, actuarial value factors and induced demand factors were estimated for HHIC based upon its projected 2020 population.

We estimated the statewide average risk transfer factors based on current market assumptions. We estimated the statewide average premium using current market premium assumptions with adjustments for anticipated rate changes for 2020.

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

The analysis resulted in HHIC paying into the risk adjustment pool. The (\$166.01) PMPM value shown in worksheet 1 of the URRT is developed by taking the expected risk transfer amount and adjusting it to an equivalent allowed claims basis by dividing it by the paid-to-allowed factor.

For the purposes of this rate filing, HHIC has assumed that projected High Cost Risk Pool (HCRP) charges are offset by projected HCRP reimbursements. Thus, no adjustment has been made to the projected risk adjustment transfer discussed above for the HCRP component of the program. Similarly, we have not included an adjustment to the projected risk adjustment transfer for the Risk Adjustment Data Validation (RADV) program.

### **IX.3 Exchange User Fee %**

HHIC is offering one plan on the off the exchange only so the exchange user fee is set at 0%.

## **X. Plan Adjusted Index Rate [PAIR]**

The Plan Adjusted Index Rates can be found on line 3.10, Worksheet 2 of the URRT. The PAIR rates are calculated by applying the allowable rating factors as described below to the Market Adjusted Index Rate.



### **X.1 AV and Cost Sharing Design of Plan**

The AV and Cost Sharing allowable rating factor is comprised of the following components:

- The utilization due to differences in cost sharing is based on the factors adopted by the risk adjustment methodology relative to the weighted average. No differences due to health status are in these adjustments.
- The pricing AV for the benefits and cost sharing of the plan.

#### **Impact of Non-Payment of Cost Sharing Reduction Subsidies**

There is no impact for non-payment of cost sharing reduction subsidies since the one new plan is a Catastrophic plan.

### **X.2 Provider Network Adjustment**

The provider network adjustments are developed by dividing the plan level network factors by the overall weighted average from all plans.

### **X.3 Benefits in Addition to EHB**

There are no benefits in addition to EHB.

### **X.4 Administrative Expense**

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

### **X.5 Taxes and Fees:**

The following fees were added:

- \$0.18 PMPM for Risk Transfer User Fee
- 2.8% for the Health Insurance Provider Fee
- 2.0% for the PA Premium Tax

### **X.6 Profit (or Contribution to Surplus) & Risk Margin:**

HHIC has voluntarily refrained from including a risk and contingency factor in this filing. By this voluntary restraint, HHIC is not waiving any right to include a risk and contingency factor which HHIC believes is consistent with historical and legal interpretations of HHIC and the Pennsylvania Insurance Department.

## **X.7 Catastrophic Adjustment**

The specific eligibility adjustment is set to 1.000 since the only plan available is the Catastrophic plan itself.

## **XI. Calibration**

### **XI.1 Age Curve Calibration:**

The projected weighted average age factor for billable members is 1.011. This factor is calculated by dividing the all members age factor of 1.011 by the ratio of billable members to total members 1.0. The age curve calibration factor is  $1/1.011 = 0.9895$ .

### **XI.2 Geographic Calibration Factor:**

The projected weighted average geographic factor is 0.970. Each Plan Adjusted Index Rate represents the rate for an average member with a geographic factor of 0.970. The geographic calibration factor is  $1/0.970 = 1.0309$ .

### **XI.3 Tobacco Calibration Factor:**

The projected weighted average tobacco factor is 1.001. Each Plan Adjusted Index Rate represents the rate for an average member with a tobacco factor of 1.001. The tobacco calibration factor is  $1/1.001 = 0.9995$ .

### **XI.4 Consumer Adjusted Premium Rate Development:**

The calibrated plan adjusted index rate represents the base rate for an age factor of 1.0, geographic rating factor of 1.0 and tobacco rating factor of 1.0. Thus, the approximate premium for a specific member can be derived by multiplying this rate by the HHS age curve factor, the rating area factor on Worksheet 3 of the URRT, and the appropriate tobacco factor. Please note that this method will only produce approximate rates due to URRT rounding constraints.

## **XII. Projected Loss Ratio**

The projected loss ratio for 2020 using the federally-prescribed MLR methodology is 86.1%

## **XIII. AV Metal Values**

HHIC is only offering a Catastrophic plan in 2020 so the HHS AV screen shot is not applicable.

## **XIV. Membership Projections**

Membership projections reflect HHIC's expectations for 2020. These projections reflect expected changes in market share due to market competition, relative price levels, and changes in plan offerings (where applicable).

The projected member months on line 4.9 of the URRT Worksheet 2 is the membership projection for the one Catastrophic plan.

## **XV. Terminated Plans and Products**

Plans in the 2018 experience period that will no longer be available in 2020 can be found in Exhibit I.

HHIC also has some plans that were offered only in 2019 (not offered in the experience period or in the projection period). For these plans, the members will not be mapped to a renewing or new plan. These plans are shown in Exhibit I.

## **XVI. Plan Type**

Worksheet 2, Section I of the Part I Unified Rate Review Template describe HHIC's plans adequately.

## **XVII. Actuarial Certification**

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

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

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient.

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

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

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

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

Signed

Title:

Date: May 21, 2019

**XVIII.**

**Exhibit I**

**Terminated Experience Period Plans**

| <b>HIOS ID</b> | <b>Metal</b> | <b>Plan Name</b>                                   | <b>2020 Mapping</b> |
|----------------|--------------|--|---------------------|
| 70194PA0260001 | Bronze       | Shared Cost Blue PPO 7000                          | N/A                 |
| 70194PA0300001 | Bronze       | Shared Cost Blue PPO 7000                          | N/A                 |
| 70194PA0530001 | Gold         | my Direct Blue EPO 1000G                           | N/A                 |
| 70194PA0530002 | Silver       | my Direct Blue EPO 3750S                           | N/A                 |
| 70194PA0530004 | Silver       | my Direct Blue EPO 7150S                           | N/A                 |
| 70194PA0530006 | Bronze       | my Direct Blue EPO 7000B                           | N/A                 |
| 70194PA0530007 | Bronze       | my Direct Blue EPO 6950B                           | N/A                 |
| 70194PA0540001 | Gold         | my Direct Blue Lehigh Valley EPO 1000G             | N/A                 |
| 70194PA0540002 | Silver       | my Direct Blue Lehigh Valley EPO 3750S             | N/A                 |
| 70194PA0540004 | Silver       | my Direct Blue Lehigh Valley EPO 7150S             | N/A                 |
| 70194PA0540006 | Bronze       | my Direct Blue Lehigh Valley EPO 7000B             | N/A                 |
| 70194PA0540007 | Bronze       | my Direct Blue Lehigh Valley EPO 6950B             | N/A                 |
| 70194PA0550001 | Catastrophic | my Direct Blue Lehigh Valley Major Events EPO 7350 | N/A                 |
| 70194PA0560001 | Catastrophic | my Direct Blue Major Events EPO 7350               | N/A                 |
| 70194PA0570001 | Silver       | my Direct Blue EPO 2750SQE                         | N/A                 |
| 70194PA0580001 | Silver       | my Direct Blue Lehigh Valley EPO 2750SQE           | N/A                 |

**Terminated Plans Offered in 2019 Only**

| <b>HIOS ID</b> | <b>Metal</b> | <b>Plan Name</b>   | <b>2020 Mapping</b> |
|----------------|--------------|--|---------------------|
| 70194PA0530008 | Bronze       | my Direct Blue EPO Bronze 7900                                   | N/A                 |
| 70194PA0530009 | Silver       | my Direct Blue EPO Silver 0                                      | N/A                 |
| 70194PA0530010 | Silver       | my Direct Blue EPO Silver 3500 - 2 Free PCP Visits               | N/A                 |
| 70194PA0540008 | Bronze       | my Direct Blue Lehigh Valley EPO Bronze 7900                     | N/A                 |
| 70194PA0540009 | Silver       | my Direct Blue Lehigh Valley EPO Silver 0                        | N/A                 |
| 70194PA0540010 | Silver       | my Direct Blue Lehigh Valley EPO Silver 3500 - 2 Free PCP Visits | N/A                 |

|   |  |  |   |  |   |
|---|--|--|---|--|---|
| 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.  |   |  |   |
| HIOS Issuer ID*                             | 70194                                  |  |   |  |   |
| Federal TIN*                                | 54-1637426                             |  |   |  |   |
| Rate Effective Date*                        | 01/01/2020                             |  |   |  |   |
| Rate Expiration Date*                       | 12/31/2020                             |  |   |  |   |
| Rating Method*                              | Age-Based Rates                        |  |   |  |   |
|   |  |  |   |  |   |
|   |  |  |   |  |   |
|   |  |  |   |  |   |
| Plan ID*                                    | Rating Area ID*                        | Tobacco*   | Age*  | Individual Rate*   | Individual Tobacco Rate*  |
| Required:<br>Enter the 14-character Plan ID | Required:<br>Select the Rating Area ID | Required:<br>Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan   | Required:<br>Select the age of a subscriber eligible for the rate | Required:<br>Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan | Required:<br>Enter the rate of an Individual tobacco enrollee on a plan |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 0-14  | 191.43   | 191.43  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 15  | 208.45   | 208.45  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 16  | 214.96   | 214.96  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 17  | 221.46   | 221.46  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 18  | 228.47   | 228.47  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 19  | 235.48   | 235.48  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 20  | 242.73   | 242.73  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 21  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 22  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 23  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 24  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 25  | 251.24   | 257.52  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 26  | 256.25   | 262.66  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 27  | 262.25   | 268.81  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 28  | 272.01   | 278.81  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 29  | 280.02   | 287.02  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 30  | 284.02   | 291.12  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 31  | 290.03   | 297.28  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 32  | 296.03   | 303.43  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 33  | 299.79   | 307.28  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 34  | 303.79   | 311.38  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 35  | 305.79   | 313.43  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 36  | 307.80   | 315.50  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 37  | 309.80   | 317.55  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 38  | 311.80   | 319.60  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 39  | 315.80   | 323.70  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 40  | 319.81   | 351.79  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 41  | 325.81   | 360.02  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 42  | 331.57   | 368.71  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 43  | 339.58   | 380.67  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 44  | 349.59   | 395.74  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 45  | 361.35   | 413.75  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 46  | 375.36   | 435.42  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 47  | 391.13   | 460.36  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 48  | 409.14   | 489.33  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 49  | 426.91   | 519.55  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 50  | 446.93   | 547.49  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 51  | 466.70   | 571.71  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 52  | 488.47   | 598.38  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 53  | 510.49   | 625.35  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 54  | 534.26   | 654.47  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 55  | 558.04   | 683.60  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 56  | 583.81   | 715.17  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 57  | 609.83   | 747.04  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 58  | 637.61   | 781.07  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 59  | 651.37   | 797.93  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 60  | 679.15   | 831.96  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 61  | 703.17   | 861.38  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 62  | 718.94   | 880.70  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 63  | 738.71   | 904.92  |
| 70194PA0590001                              | Rating Area 1                          | Tobacco User/Non-Tobacco User  | 64 and over   | 750.72   | 919.63  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 0-14  | 191.43   | 191.43  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 15  | 208.45   | 208.45  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 16  | 214.96   | 214.96  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 17  | 221.46   | 221.46  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 18  | 228.47   | 228.47  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 19  | 235.48   | 235.48  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 20  | 242.73   | 242.73  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 21  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 22  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 23  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 24  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 25  | 251.24   | 257.52  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 26  | 256.25   | 262.66  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 27  | 262.25   | 268.81  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 28  | 272.01   | 278.81  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 29  | 280.02   | 287.02  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 30  | 284.02   | 291.12  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 31  | 290.03   | 297.28  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 32  | 296.03   | 303.43  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 33  | 299.79   | 307.28  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 34  | 303.79   | 311.38  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 35  | 305.79   | 313.43  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 36  | 307.80   | 315.50  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 37  | 309.80   | 317.55  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 38  | 311.80   | 319.60  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 39  | 315.80   | 323.70  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 40  | 319.81   | 351.79  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 41  | 325.81   | 360.02  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 42  | 331.57   | 368.71  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 43  | 339.58   | 380.67  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 44  | 349.59   | 395.74  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 45  | 361.35   | 413.75  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 46  | 375.36   | 435.42  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 47  | 391.13   | 460.36  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 48  | 409.14   | 489.33  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 49  | 426.91   | 519.55  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 50  | 446.93   | 547.49  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 51  | 466.70   | 571.71  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 52  | 488.47   | 598.38  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 53  | 510.49   | 625.35  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 54  | 534.26   | 654.47  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 55  | 558.04   | 683.60  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 56  | 583.81   | 715.17  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 57  | 609.83   | 747.04  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 58  | 637.61   | 781.07  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 59  | 651.37   | 797.93  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 60  | 679.15   | 831.96  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 61  | 703.17   | 861.38  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 62  | 718.94   | 880.70  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 63  | 738.71   | 904.92  |
| 70194PA0590001                              | Rating Area 2                          | Tobacco User/Non-Tobacco User  | 64 and over   | 750.72   | 919.63  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 0-14  | 191.43   | 191.43  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 15  | 208.45   | 208.45  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 16  | 214.96   | 214.96  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 17  | 221.46   | 221.46  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 18  | 228.47   | 228.47  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 19  | 235.48   | 235.48  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 20  | 242.73   | 242.73  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 21  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 22  | 250.24   | 256.50  |
| 70194PA0590001                              | Rating Area 4                          | Tobacco User/Non-Tobacco User  | 23  | 250.24   | 256.50  |

|  |                |               |                               |             |        |        |
|--|----------------|---------------|-------------------------------|-------------|--------|--------|
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 24          | 250.24 | 256.50 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 25          | 251.24 | 257.52 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 26          | 256.25 | 262.66 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 27          | 262.25 | 268.81 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 28          | 272.01 | 278.81 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 29          | 280.02 | 287.02 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 30          | 284.02 | 291.12 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 31          | 290.03 | 297.28 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 32          | 296.03 | 303.43 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 33          | 299.79 | 307.28 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 34          | 303.79 | 311.38 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 35          | 305.79 | 313.43 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 36          | 307.80 | 315.50 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 37          | 309.80 | 317.55 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 38          | 311.80 | 319.60 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 39          | 315.80 | 323.70 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 40          | 319.81 | 351.79 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 41          | 325.81 | 360.02 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 42          | 331.57 | 368.71 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 43          | 339.58 | 380.67 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 44          | 349.59 | 395.74 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 45          | 361.35 | 413.75 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 46          | 375.36 | 435.42 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 47          | 391.13 | 460.36 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 48          | 409.14 | 489.33 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 49          | 426.91 | 519.55 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 50          | 446.93 | 547.49 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 51          | 466.70 | 571.71 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 52          | 488.47 | 598.38 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 53          | 510.49 | 625.35 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 54          | 534.26 | 654.47 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 55          | 558.04 | 683.60 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 56          | 583.81 | 715.17 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 57          | 609.83 | 747.04 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 58          | 637.61 | 781.07 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 59          | 651.37 | 797.93 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 60          | 679.15 | 831.96 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 61          | 703.17 | 861.38 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 62          | 718.94 | 880.70 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 63          | 738.71 | 904.92 |
|  | 70194PA0590001 | Rating Area 4 | Tobacco User/Non-Tobacco User | 64 and over | 750.72 | 919.63 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 0-14        | 191.43 | 191.43 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 15          | 208.45 | 208.45 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 16          | 214.96 | 214.96 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 17          | 221.46 | 221.46 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 18          | 228.47 | 228.47 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 19          | 235.48 | 235.48 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 20          | 242.73 | 242.73 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 21          | 250.24 | 256.50 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 22          | 250.24 | 256.50 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 23          | 250.24 | 256.50 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 24          | 250.24 | 256.50 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 25          | 251.24 | 257.52 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 26          | 256.25 | 262.66 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 27          | 262.25 | 268.81 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 28          | 272.01 | 278.81 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 29          | 280.02 | 287.02 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 30          | 284.02 | 291.12 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 31          | 290.03 | 297.28 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 32          | 296.03 | 303.43 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 33          | 299.79 | 307.28 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 34          | 303.79 | 311.38 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 35          | 305.79 | 313.43 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 36          | 307.80 | 315.50 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 37          | 309.80 | 317.55 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 38          | 311.80 | 319.60 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 39          | 315.80 | 323.70 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 40          | 319.81 | 351.79 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 41          | 325.81 | 360.02 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 42          | 331.57 | 368.71 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 43          | 339.58 | 380.67 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 44          | 349.59 | 395.74 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 45          | 361.35 | 413.75 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 46          | 375.36 | 435.42 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 47          | 391.13 | 460.36 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 48          | 409.14 | 489.33 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 49          | 426.91 | 519.55 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 50          | 446.93 | 547.49 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 51          | 466.70 | 571.71 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 52          | 488.47 | 598.38 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 53          | 510.49 | 625.35 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 54          | 534.26 | 654.47 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 55          | 558.04 | 683.60 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 56          | 583.81 | 715.17 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 57          | 609.83 | 747.04 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 58          | 637.61 | 781.07 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 59          | 651.37 | 797.93 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 60          | 679.15 | 831.96 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 61          | 703.17 | 861.38 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 62          | 718.94 | 880.70 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 63          | 738.71 | 904.92 |
|  | 70194PA0590001 | Rating Area 5 | Tobacco User/Non-Tobacco User | 64 and over | 750.72 | 919.63 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 0-14        | 205.25 | 205.25 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 15          | 223.49 | 223.49 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 16          | 230.47 | 230.47 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 17          | 237.45 | 237.45 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 18          | 244.96 | 244.96 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 19          | 252.47 | 252.47 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 20          | 260.25 | 260.25 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 21          | 268.30 | 275.01 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 22          | 268.30 | 275.01 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 23          | 268.30 | 275.01 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 24          | 268.30 | 275.01 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 25          | 269.37 | 276.10 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 26          | 274.74 | 281.61 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 27          | 281.18 | 288.21 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 28          | 291.64 | 298.93 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 29          | 300.23 | 307.74 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 30          | 304.52 | 312.13 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 31          | 310.96 | 318.73 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 32          | 317.40 | 325.34 |
|  | 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 33          | 321.42 | 329.46 |

|                |               |                               |             |        |        |
|----------------|---------------|-------------------------------|-------------|--------|--------|
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 34          | 325.72 | 333.86 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 35          | 327.86 | 336.06 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 36          | 330.01 | 338.26 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 37          | 332.16 | 340.46 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 38          | 334.30 | 342.66 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 39          | 338.59 | 347.05 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 40          | 342.89 | 377.18 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 41          | 349.33 | 386.01 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 42          | 355.50 | 395.32 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 43          | 364.08 | 408.13 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 44          | 374.82 | 424.30 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 45          | 387.43 | 443.61 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 46          | 402.45 | 466.84 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 47          | 419.35 | 493.57 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 48          | 438.67 | 524.65 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 49          | 457.72 | 557.05 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 50          | 479.18 | 587.00 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 51          | 500.38 | 612.97 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 52          | 523.72 | 641.56 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 53          | 547.33 | 670.48 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 54          | 572.82 | 701.70 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 55          | 598.31 | 732.93 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 56          | 625.94 | 766.78 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 57          | 653.85 | 800.97 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 58          | 683.63 | 837.45 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 59          | 698.38 | 855.52 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 60          | 728.17 | 892.01 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 61          | 753.92 | 923.55 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 62          | 770.83 | 944.27 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 63          | 792.02 | 970.22 |
| 70194PA0590001 | Rating Area 6 | Tobacco User/Non-Tobacco User | 64 and over | 804.90 | 986.00 |