

<b>SERFF Tracking #:</b>	HGHM-132324144	<b>State Tracking #:</b>	HGHM-132324144	<b>Company Tracking #:</b>	1A-DP-20-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-20-HHIC				
<b>Project Name/Number:</b>	1A-DP-20-HHIC/1A-DP-20-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>	REDACTED 1A-DP-20-HHIC Public Rate Filing 071620.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



July 16, 2020

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 2021 ACA Rate Filing (Individual Market)  
Highmark Health Insurance Company Filing # 1A-DP-20-HHIC (SERFF Filing # HGHM-132324144)

**This constitutes Notice pursuant to Section 707 of the Pennsylvania Right-to-Know Law that the attached Highmark Health Insurance Company (HHIC) 2021 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, 2021.

As a result of the Department's review of this filing thus far, the following changes have been made to the initial version of the filing:

- Pursuant to the Department's July 10, 2020 COVID-19 Impact Guidance, the Company is adding a 2.5% morbidity load to account for anticipated increased claim expense in 2021 due to COVID-19. This factor has been added to Table 5, cells C16 and/or D16 as prescribed.
- At the Department's request, the Company added the prescribed formula for the benefit richness factors found in Table 10 column L of the PAAM Exhibits file.

The remainder of this cover letter and all of the supporting filing documents have been revised to reflect the changes described above.

**In the event the Department decides to publish this Filing in the PA Bulletin, the company information requested in the Department's 2021 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, 2021**
5. Average rate change requested: **-15.6%**
6. Range of rate change requested: **-15.6% to -15.6%**
7. Total additional annual revenue generated from the proposed rate change: **-\$30,130**
8. Product(s): **PPO**
9. Rating Areas and the change from 2020: **Rating Areas 1, 2, 4, 5, 6**

There are no changes in the covered Rating Areas from the 2020 rate filing.

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 as of February 1, 2020: **53**
12. Number of plans offered in 2021 and the change this represents from 2020: **1**

The Company offered 1 plan in 2020. For 2021, the Company is offering 1 new plan in the Market and removing 1 plan 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-PA21-125098194 affecting the following Company products and forms:**

Product Name / Type	Contract Form & SERFF#
My Blue Access Catastrophic PPO	BA/CAT/PPO/HHIC/DP HGHE-132364613

14. HIOS Issuer ID # and submission tracking number: **HIOS Issuer ID #70194, Company Filing #1A-DP-20-HHIC (SERFF Filing # HGHE-132324144)**

#### **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.

#### **Potential for Material Unforeseen Impacts**

This rate filing also accounts for the Reinsurance Program operating in the Individual Market in 2021 pursuant to a waiver of certain provisions of the Affordable Care Act for the State of Pennsylvania, as authorized by section 1332 of that Act and expected to be approved by the Centers for Medicare and Medicaid Services and the United States Department of Treasury.

Other assumptions in the filing account for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2021 by using the factors prescribed in the Department's guidance. Additional assumptions include that advance payment of premium tax credits (APTCs) will continue until the end of 2021, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and that there are no significant changes in the participation of QHP issuers that would materially change risk adjustment transfer amounts. Finally, modifications to the rate development may be necessary if significant unforeseen events occur. Examples include, but are not limited to, repeal or invalidation of the ACA or material developments in the course of the COVID-19 pandemic. As a result, Highmark 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]  
[REDACTED]

# Rate Change Summary

## Highmark Health Insurance Company – Individual Plans

Rate request filing ID # 1A-DP-20-HHIC (SERFF # HGHM-132324144) - 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:	-15.6% <sup>1</sup>
Revised requested average rate change:	N/A <sup>1</sup>
Range of requested rate change:	-15.6%
Effective date:	January 1, 2021
People impacted:	53
Available in:	Rating Areas 1, 2, 4, 5, and 6

### Key information

#### Jan. 2019-Dec. 2019 financial experience

Premiums	\$93,565,398
Claims	\$59,417,161
Administrative expenses	\$7,447,764
Taxes & fees	\$4,075,723
Company made (after taxes)	<b>\$22,624,750</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:	17%
Taxes & fees:	2%
Profit:	0%

The company expects its annual medical costs to increase **9.1%**.

### Explanation of requested rate change

The proposed average rate change is being driven by changes in the base claims experience, trend, retention, the anticipated impact of Covid-19, and the implementation of the Pennsylvania Health Insurance Individual market Stabilization Reinsurance Program ("Reinsurance Program").

<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: 1/1/2021
- SERFF Rate Filing #: HGHM-132324144

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing includes an assumption within the acceptable range of factors for the COVID-19 impact.

This rate filing also accounts for the Reinsurance Program operating in the Individual Market in 2021 pursuant to a waiver of certain provisions of the Affordable Care Act for the State of Pennsylvania, as authorized by section 1332 of that Act and expected to be approved by the Centers for Medicare and Medicaid Services and the United States Department of Treasury.

Other assumptions in the filing account for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2021 by using the factors prescribed in the Department’s guidance. Additional assumptions include that advance payment of premium tax credits (APTCs) will continue until the end of 2021, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and that there are no significant changes in the participation of QHP issuers that would materially change risk adjustment transfer amounts. Finally, modifications to the rate development may be necessary if significant unforeseen events occur. Examples include, but are not limited to, repeal or invalidation of the ACA or material developments in the course of the COVID-19 pandemic. As a result, HHIC 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#
2020	N/A	HGHM-131904495
2019	-6.8%	HGHM-131475752
2018	9.7%	HGHM-131020572

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.

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

The average rate changes as presented in the filing are:

- Table 10: -15.6%
- Table 11: -18.1%

Table 10 calculates the percentage change in the member weighted average rate for 2020 and the member weighted average rate for 2021. Table 11 calculates the percentage increase for each plan and then member weights the percentage increases.

Worksheet 2 of the URRT also shows a submission level rate change. This value is used in the development of the average rate change shown in the Federal Part II justification.

### **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 2019 calendar year results for all policies in the single risk pool, with run out through February 2020. 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 \$0.25 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 2021 rates are based on 2019 experience from HHIC and Highmark Inc. Catastrophic plans, adjusted for the expected 2021 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 2019 experience from multiple sources, including ACA and group claims for the February 1, 2020 snapshot membership, to approximate the anticipated 2021 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 annual trend is 8.4% for medical, 11.4% for pharmacy. Additionally, there is an induced utilization adjustment of 0.44% per year applied to reach the overall trend of 9.09% shown in Table 3b column G. The definitions of service categories, cost, and utilization in Table 3b are consistent with the URRT instructions.

The cost trends presented in Table 3b reflect the Company's expectations regarding increases in in-network contractual reimbursement, as well as projected out-of-network costs. The significant changes observed in the volume, demographics and morbidity of the ACA population from 2016 to 2019 yield component trends that are generally not directly applicable for trend analysis. The trend components in

Table 3b therefore represent the same blended average for all medical types of service and are applied to the aggregate medical experience for pricing. Component data was not used in the development of the trend, except Pharmacy projections data was evaluated. The Pharmacy trend takes into account factors such as projected specialty drug use, pipeline drugs coming to market, and provider contracting.

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 both 2018 and 2019. The analysis took into consideration seasonality and demographics. 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 that was adjusted for pharmacy expectations as described above.

## **I. Historical Experience**

Table 4 presents the most recent 48 months (4 calendar years) of HHIC data with run-out through February 2020. This data was not used to develop the trend in Table 3b. Please see Section H for further details.

## **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 2021 population is used to develop the manual cost, no Change in Morbidity is required.
- In accordance with the Department's guidance, there is an adjustment of -0.1% to reflect the impact of morbidity improvement due to the Reinsurance program.

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

In accordance with the Department's guidance, the morbidity factor was increased by 1.0% to reflect the market uncertainty from the elimination of the health insurance coverage mandate.

#### **Covid-19 Impact**

For the Covid-19 adjustment, Highmark applied a 1.025 factor for Covid-19 impact which is within the acceptable range of factors specified by the Department in its COVID-19 guidance.

The elimination of the health insurance coverage mandate and the Covid-19 impact are reflected in the filing by multiplying the morbidity factor of 1.00 by 1.01 and 1.025 to arrive at a final morbidity factor of 1.035.

- Given that the expected 2021 population is used to develop the manual cost, the Change in Demographics adjustment is set to 0.927.
- There is no Change in Network adjustment.
- There is no Change in Benefits adjustment.
- The Change in Other adjustment of 0.999 reflects changes in pharmacy rebates and expected changes in hospital/physician settlements.

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 0.598. 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), and outside expertise from actuarial consultants. Applying the federally prescribed transfer formula at the level of granularity available in Attachment B yields a projected gross risk adjustment transfer of \$55.70 PMPM on a *billable* member month basis. This amount is then converted to a *total* member month basis of \$55.70 PMPM in order to be used in the rate development. The expected risk adjustment receivable reflects that the Company anticipates its average risk score (net of allowable rating factors) to be higher than the statewide average.

The \$55.17 PMPM value in cell C31 of Table 5 equals the \$55.70 PMPM value from Attachment B plus the (\$0.52) PMPM for the projected High Cost Risk Pool charge adjusted further for the composite effect of catastrophic eligibility and benefits in addition to EHB. Please note that the risk adjustment user fee is captured in the taxes and fees portion of administrative costs.

The exchange user fee in cell C32 of Table 5 is developed by taking the required user fee percentage of 3.0% and multiplying by the percentage of total members expected to be on exchange of 0%. This results in a percentage of 0.0%. The PMPM of \$0.00 is calculated as 0.0% of the total required premium adjusted further for the composite effect of catastrophic eligibility and benefits in addition to EHB.

The projected incurred reinsurance recoveries of \$14.59 PMPM is found in cell C33 of Table 5. The reinsurance recoveries PMPM was developed by trending Highmark individual ACA CY2019 incurred claims by member to the CY2021 rating period, applying the parameters defined in Tab II.b, and

calculating the amount of incurred claims expected to be reimbursed by the program. The modeling produced an estimated incurred claims savings of 6.1%. This percentage was converted to a PMPM and adjusted further for the composite effect of catastrophic eligibility and benefits in addition to EHB. The formula found in Table 5 cell C33 was overwritten to round the estimate calculated in Tab II.b to exactly 6.10%.

## **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 \$2.40 PMPM for 2021. 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 1.2%.

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 set to 0.0%.
- Risk Adjustment User Fee is set to \$0.25 PMPM consistent with Federal regulations.
- Patient-Centered Outcomes Research Institute (PCORI) fee is set to \$0.23 PMPM.

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 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.

## **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 2020 values are pulled from the prior year's filing, while the 2021 values represent our projection for 2021 assumed in the 2021 rate development.

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

Table 8 presents the components of change in the proposed 2021 Calibrated Plan Adjusted Index Rate (PMPM). Cell C73 is populated with the base period allowed charges found in the 2020 plan year rate filing (\$155.71).

Table 9 presents the data elements supporting the calculations in Table 8. The 2020 values are populated using the 2020 filed factors adjusted for the membership mix as of February 1, 2020.

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

Table 10 shows the plan rate development for 2021. This table shows the plans that the Company intends to offer in 2021. The 2021 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 and the corresponding supporting spreadsheet included with this rate filing. 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. The Company's induced utilization factors are based on the following state defined formula:  $(\text{Plan AV})^2 - (\text{Plan AV}) + 1.24$ . The "Plan AV" is the product of the "Pricing AV" and "Non-Funding of CSR Adjustment." 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.

Note that the HHS Actuarial Value Calculator was unable to accommodate all of the Company'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.

Columns AG through AP are populated with the February 1, 2020 enrollment by 2021 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 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 2021, 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. The proposed area factors were developed based on a review of 2019 ACA Individual experience in the applicable regions. Allowed cost PMPMs were normalized based on HHS risk scores. By taking this approach, the area factors are normalized consistent

with Risk Adjustment calculations and remove morbidity/selection impacts. To ensure credibility of the factors, all Western PA counties were combined and all Central PA counties were combined. Based on this analysis, factors of 0.940 for Western PA and 1.040 for Central PA were determined.

### **C. Network Factors**

Please see Table 14 for HHIC'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 2021 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 2021) 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 2021 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 2021 Rate Filing Justification.

[REDACTED]

[REDACTED]

[REDACTED]

Date: 07/16/2020

**Highmark Health Insurance Company**

**Individual Market Product Portfolio**

**Supplemental Exhibits**

Attachment A	Manual Cost Development
Attachment B	Risk Adjustment Calculation
Attachment C	Induced Demand Calculation
Attachment D	Broker Commission Calculation
Attachment E	Demographic Calculation



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

**Attachment A - Manual Cost Development**

Manual Cost Development	
Projected Member Months	780
Manual Allowed Claims	\$274,115
Medical Allowed PMPM	\$351.43
Rx Rebates PMPM	(\$6.66)
Hosp/Phys. Settlement PMPM	\$5.35
Dental Claims PMPM	\$0.52
Pediatric Vision Capitation PMPM	\$0.25
Adjusted Manual Cost PMPM - PID Table 5	\$350.89

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

Attachment B - Risk Adjustment Calculation



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

Attachment C - Induced Demand Calculation

Induced Utilization Exhibit							
Plan ID (1)	Metal Level (2)	Projected Membership (3)	Projected Allowed Claims (4)	Projected Paid Claims (5)	Paid to Allowed Factor (6)	AV & Cost Sharing Factor (7)	(7)/(6) (8)
70194PA0600001	Catastrophic	780	\$311,842	\$186,544	0.598	0.598	1.000
Total		780	\$311,842	\$186,544	0.598	0.598	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
70194PA0600001	Catastrophic	0.598	1.000	1.000	0.598

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

**Attachment D - Broker Commission Calculation**



## Attachment E - Demographic Calculation

**Table E.3 - Projection Period Membership**[illegible]

Table E.5 - 'Change in Demographics' Calculation

	Experience Period	Projection Period	Change in Demographics
Average Age Factor	N/A	1.018	
Average Tobacco Factor	N/A	1.001	
<u>Average Area Factor</u>	<u>N/A</u>	<u>0.944</u>	
Average Demographic Factor	N/A	0.963	
<u>Capitation Dampening</u>	<u>N/A</u>	<u>1.000</u>	
Final Demographic Factor	N/A	0.962	N/A

PA Rate Template Part I  
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	HHIC		
Product(s):	PPO		
Market Segment:	Individual		
Rate Effective Date:	01/01/2021	to	12/31/2021
Base Period Start Date:	01/01/2019	to	12/31/2019
Date of Most Recent Membership:	02/01/2020		

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2020)	Projected Rating Period
Average Age	45.0	24.6	24.6
Total	118,784	53	780
<18	8,181	4	59
18-24	7,039	9	132
25-29	8,408	40	589
30-34	8,385	0	0
35-39	8,993	0	0
40-44	8,003	0	0
45-49	11,280	0	0
50-54	12,811	0	0
55-59	18,577	0	0
60-63	23,074	0	0
64+	4,033	0	0

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & WHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 93,757,713.88	\$ 61,539,861.25	\$ 63,852,123.55	118,784	\$ 15,061,096.47	\$ 78,913,220.02	\$ -	\$ (4,464,658.43)	\$ 29,696.00	\$ -	\$ (192,315.59)	\$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 627.01
Loss Ratio											63.50%

\*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%	0.00%	0.00%	0.00%	0.00%
Outpatient Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Professional	0.00%	0.00%	0.00%	0.00%	0.00%
Other Medical	0.00%	0.00%	0.00%	0.00%	0.00%
Capitation				0.00%	0.00%
Prescription Drugs	0.00%	0.00%	0.00%	0.00%	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 equal URRT Trend

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-16	\$ 144,152,154.23	\$ 15,606,591.86	1.0000	\$ 15,606,591.86	28,002	\$ 557.34	\$ 45,705,132.48	\$ (321,085.59)	\$ 21,760,610.33	\$ 777.11
Feb-16		\$ 17,730,086.37	1.0000	\$ 17,730,086.37	28,289	\$ 626.75		\$ (397,914.93)	\$ 23,056,319.38	\$ 815.03
Mar-16		\$ 19,223,946.48	1.0000	\$ 19,223,946.48	28,191	\$ 681.92		\$ (433,323.66)	\$ 24,172,851.56	\$ 857.47
Apr-16		\$ 18,267,545.12	1.0000	\$ 18,267,545.12	27,861	\$ 655.67		\$ (398,125.52)	\$ 22,416,366.44	\$ 804.58
May-16		\$ 18,295,067.60	1.0000	\$ 18,295,067.60	27,403	\$ 667.63		\$ (402,152.62)	\$ 22,046,416.21	\$ 804.53
Jun-16		\$ 19,409,778.13	1.0000	\$ 19,409,778.13	27,048	\$ 717.60		\$ (430,943.64)	\$ 23,088,213.93	\$ 853.60
Jul-16		\$ 18,086,717.12	1.0000	\$ 18,086,717.12	26,681	\$ 677.89		\$ (408,391.85)	\$ 21,178,342.89	\$ 793.76
Aug-16		\$ 18,514,038.92	1.0000	\$ 18,514,038.92	26,311	\$ 703.66		\$ (406,495.40)	\$ 21,678,644.75	\$ 823.94
Sep-16		\$ 18,892,896.20	1.0000	\$ 18,892,896.20	25,999	\$ 722.80		\$ (398,412.17)	\$ 21,993,451.72	\$ 847.23
Oct-16		\$ 17,696,523.74	1.0000	\$ 17,696,523.74	25,527	\$ 693.25		\$ (398,886.20)	\$ 20,405,044.16	\$ 799.35
Nov-16		\$ 19,255,133.53	1.0000	\$ 19,255,133.53	25,020	\$ 769.59		\$ (427,982.62)	\$ 22,059,719.16	\$ 881.68
Dec-16		\$ 21,809,030.21	1.0000	\$ 21,809,030.21	23,906	\$ 912.28		\$ (464,308.81)	\$ 24,637,067.25	\$ 1,030.58
Jan-17	\$ 156,793,445.50	\$ 12,910,147.90	1.0000	\$ 12,910,147.90	27,087	\$ 476.62	\$ 42,930,225.09	\$ (396,489.75)	\$ 18,179,276.72	\$ 671.14
Feb-17		\$ 13,420,684.49	1.0000	\$ 13,420,684.49	27,212	\$ 493.19		\$ (415,836.90)	\$ 17,794,325.62	\$ 653.92
Mar-17		\$ 14,651,552.05	1.0000	\$ 14,651,552.08	27,214	\$ 538.39		\$ (498,466.13)	\$ 19,167,208.86	\$ 704.31
Apr-17		\$ 14,422,137.24	1.0000	\$ 14,422,373.37	26,753	\$ 539.09		\$ (474,066.01)	\$ 18,329,431.95	\$ 685.14
May-17		\$ 14,784,657.34	1.0000	\$ 14,784,929.36	26,271	\$ 562.79		\$ (527,920.34)	\$ 18,634,380.67	\$ 709.31
Jun-17		\$ 15,167,963.21	1.0000	\$ 15,168,244.43	25,947	\$ 584.59		\$ (528,913.56)	\$ 18,707,649.86	\$ 720.99
Jul-17		\$ 15,245,377.65	1.0000	\$ 15,245,676.27	25,524	\$ 597.31		\$ (505,925.52)	\$ 18,368,078.87	\$ 719.64
Aug-17		\$ 14,990,504.71	1.0000	\$ 14,990,992.52	25,053	\$ 598.37		\$ (511,704.68)	\$ 18,087,012.97	\$ 723.95
Sep-17		\$ 13,733,066.03	1.0000	\$ 13,733,598.01	24,610	\$ 558.05		\$ (452,713.41)	\$ 16,566,168.41	\$ 673.15
Oct-17		\$ 16,703,616.52	0.9999	\$ 16,705,245.68	24,173	\$ 691.07		\$ (516,781.12)	\$ 19,664,253.27	\$ 813.48
Nov-17		\$ 16,005,853.41	0.9999	\$ 16,007,778.27	23,679	\$ 676.03		\$ (497,624.23)	\$ 18,761,648.42	\$ 792.33
Dec-17		\$ 16,373,599.97	0.9999	\$ 16,376,002.96	22,925	\$ 714.33		\$ (492,739.29)	\$ 19,088,025.50	\$ 812.63
Jan-18	\$ 170,459,752.37	\$ 7,208,874.02	0.9998	\$ 7,208,047.81	17,755	\$ 405.97	\$ 19,330,687.28	\$ (319,078.89)	\$ 9,933,531.02	\$ 559.48
Feb-18		\$ 6,369,006.76	0.9998	\$ 6,370,231.96	17,330	\$ 367.58		\$ (338,709.40)	\$ 8,430,789.68	\$ 486.49
Mar-18		\$ 7,554,639.57	0.9998	\$ 7,556,354.88	16,913	\$ 446.78		\$ (371,893.80)	\$ 9,529,272.81	\$ 563.43
Apr-18		\$ 7,796,521.50	0.9997	\$ 7,798,516.51	16,631	\$ 468.91		\$ (399,167.29)	\$ 9,591,129.71	\$ 576.70
May-18		\$ 7,149,641.12	0.9997	\$ 7,151,680.04	16,267	\$ 439.64		\$ (389,786.78)	\$ 8,794,227.86	\$ 540.62
Jun-18		\$ 7,030,939.49	0.9997	\$ 7,033,123.99	15,996	\$ 439.68		\$ (401,724.40)	\$ 8,513,875.91	\$ 532.25
Jul-18		\$ 7,515,182.95	0.9996	\$ 7,517,928.65	15,811	\$ 475.49		\$ (391,451.65)	\$ 8,940,187.50	\$ 565.44
Aug-18		\$ 8,816,436.09	0.9996	\$ 8,819,924.32	15,590	\$ 565.74		\$ (413,623.34)	\$ 10,215,981.52	\$ 655.29
Sep-18		\$ 7,103,529.97	0.9994	\$ 7,107,834.82	15,420	\$ 460.95		\$ (355,808.39)	\$ 8,197,411.82	\$ 531.61
Oct-18		\$ 8,264,714.87	0.9992	\$ 8,271,087.10	15,232	\$ 543.01		\$ (405,780.79)	\$ 9,675,241.28	\$ 635.19
Nov-18		\$ 7,438,344.90	0.9988	\$ 7,447,389.54	15,001	\$ 496.46		\$ (357,400.17)	\$ 8,599,304.18	\$ 573.25
Dec-18		\$ 7,780,363.16	0.9986	\$ 7,791,503.52	14,643	\$ 532.10		\$ (419,577.16)	\$ 8,983,357.11	\$ 613.49
Jan-19	\$ 93,757,713.88	\$ 4,133,522.56	0.9981	\$ 4,141,221.44	10,977	\$ 377.26	\$ 15,061,096.47	\$ (363,123.43)	\$ 6,245,297.97	\$ 568.94
Feb-19		\$ 4,134,116.47	0.9976	\$ 4,144,258.05	10,605	\$ 390.78		\$ (335,308.43)	\$ 5,655,680.65	\$ 533.30
Mar-19		\$ 5,143,311.94	0.9969	\$ 5,159,142.69	10,172	\$ 497.41		\$ (364,271.22)	\$ 6,757,679.44	\$ 651.53
Apr-19		\$ 4,911,442.59	0.9868	\$ 4,976,834.24	10,167	\$ 488.55		\$ (416,137.59)	\$ 6,449,786.91	\$ 633.14
May-19		\$ 5,299,037.77	0.9874	\$ 5,366,841.67	10,029	\$ 535.13		\$ (390,770.88)	\$ 6,652,894.40	\$ 663.37
Jun-19		\$ 4,041,666.85	0.9824	\$ 4,114,082.96	9,880	\$ 416.41		\$ (352,099.77)	\$ 5,184,564.91	\$ 524.75
Jul-19		\$ 4,653,418.35	0.9808	\$ 4,744,395.26	9,739	\$ 487.15		\$ (389,631.99)	\$ 5,789,312.69	\$ 594.45
Aug-19		\$ 5,126,155.07	0.9753	\$ 5,255,896.68	9,608	\$ 547.03		\$ (371,626.24)	\$ 6,319,510.22	\$ 657.73
Sep-19		\$ 4,644,427.45	0.9638	\$ 4,822,944.69	9,535	\$ 505.81		\$ (364,487.01)	\$ 5,785,872.19	\$ 606.80
Oct-19		\$ 5,572,717.55	0.9555	\$ 5,832,035.13	9,440	\$ 617.80		\$ (375,573.89)	\$ 6,979,346.86	\$ 739.34
Nov-19		\$ 4,826,034.15	0.9314	\$ 5,181,246.27	9,291	\$ 557.66		\$ (370,296.54)	\$ 6,021,982.07	\$ 648.15
Dec-19		\$ 4,619,048.08	0.8138	\$ 5,676,086.26	9,121	\$ 622.31		\$ (371,331.44)	\$ 6,606,633.29	\$ 724.33

\* 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: 01/01/2021

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
			780		\$ 278,694.58	\$ -	\$ (5,192.46)	\$ 195.00	\$ -		\$ 350.89
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											
Loss Ratio											0.00%

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	4.25%	3.98%	0.44%	8.88%	10.81%
Outpatient Hospital	4.25%	3.98%	0.44%	8.88%	59.66%
Professional	4.25%	3.98%	0.44%	8.88%	21.48%
Other Medical	4.25%	3.98%	0.44%	8.88%	0.81%
Capitation				-12.05%	0.07%
Prescription Drugs	7.10%	4.01%	0.44%	11.90%	7.18%
Total Annual Trend				9.09%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.190	

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

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-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!
Jan-19				#DIV/0!		#DIV/0!				#DIV/0!
Feb-19				#DIV/0!		#DIV/0!				#DIV/0!
Mar-19				#DIV/0!		#DIV/0!				#DIV/0!
Apr-19				#DIV/0!		#DIV/0!				#DIV/0!
May-19				#DIV/0!		#DIV/0!				#DIV/0!
Jun-19				#DIV/0!		#DIV/0!				#DIV/0!
Jul-19				#DIV/0!		#DIV/0!				#DIV/0!
Aug-19				#DIV/0!		#DIV/0!				#DIV/0!
Sep-19				#DIV/0!		#DIV/0!				#DIV/0!
Oct-19				#DIV/0!		#DIV/0!				#DIV/0!
Nov-19				#DIV/0!		#DIV/0!				#DIV/0!
Dec-19				#DIV/0!		#DIV/0!				#DIV/0!

\*Express Completion Factor as a percentage

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



# Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Experience Period Information

Carrier Name:	HHIC	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	60%
Rate Effective Date:	01/01/2021		
Incurred Dates:	1/1/2019 to 12/31/2019	Proj. Incurred Claim Impact:	-6.1%

Individual ACA Compliant Policies Only: Incurred Dates 1/1/2019 to 12/31/2019				
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims with Reinsurance
\$0	\$29,999			\$20,654,138
\$30,000	\$34,999			\$2,275,609
\$35,000	\$39,999			\$1,800,919
\$40,000	\$44,999			\$1,651,012
\$45,000	\$49,999			\$1,661,701
\$50,000	\$54,999			\$1,258,392
\$55,000	\$59,999			\$2,190,689
\$60,000	\$64,999			\$1,094,617
\$65,000	\$69,999			\$1,510,599
\$70,000	\$74,999			\$781,536
\$75,000	\$79,999			\$1,071,244
\$80,000	\$84,999			\$686,637
\$85,000	\$89,999			\$354,298
\$90,000	\$94,999			\$729,551
\$95,000	\$99,999			\$675,052
\$100,000	\$109,999			\$1,463,241
\$110,000	\$119,999			\$641,967
\$120,000	\$129,999			\$1,202,920
\$130,000	\$139,999			\$903,162
\$140,000	\$149,999			\$1,101,028
\$150,000	\$159,999			\$1,449,830
\$160,000	\$169,999			\$284,670
\$170,000	\$179,999			\$900,243
\$180,000	\$189,999			\$320,863
\$190,000	\$199,999			\$173,930
\$200,000	\$209,999			\$729,774
\$210,000	\$219,999			\$188,397
\$220,000	\$229,999			\$605,020
\$230,000	\$239,999			\$206,614
\$240,000	\$249,999			\$439,622
\$250,000	\$259,999			\$461,737
\$260,000	\$269,999			\$718,725
\$270,000	\$279,999			\$505,525
\$280,000	\$289,999			\$773,809
\$290,000	\$299,999			\$539,467
\$300,000	\$324,999			\$2,302,050
\$325,000	\$349,999			\$623,081
\$350,000	\$374,999			\$680,254
\$375,000	\$399,999			\$360,967
\$400,000	\$424,999			\$765,524
\$425,000	\$449,999			\$420,456
\$450,000	\$474,999			\$0
\$475,000	\$499,999			\$935,686
\$500,000	\$599,999			\$553,131
\$600,000	\$699,999			\$656,700
\$700,000	\$799,999			\$0
\$800,000	\$899,999			\$0
\$900,000	\$999,999			\$0
\$1,000,000+				\$0
Total		12,831	118,784	\$63,155,688
				\$59,304,387

# Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Projection Period Information

Carrier Name:	HHIC	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	60%
Rate Effective Date:	01/01/2021	Proj. Incurred Claim Impact:	-6.1%
		Proj. Morbidity Impact:	-0.1%

Reinsurance Program Impact Continuance Table Development - Plan Year 2021					
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims	Total Incurred Claims with Reinsurance
\$0	\$29,999				\$62,905,318
\$30,000	\$34,999				\$6,154,206
\$35,000	\$39,999				\$5,659,321
\$40,000	\$44,999				\$6,196,327
\$45,000	\$49,999				\$3,781,994
\$50,000	\$54,999				\$3,194,768
\$55,000	\$59,999				\$4,121,488
\$60,000	\$64,999				\$3,658,621
\$65,000	\$69,999				\$4,161,322
\$70,000	\$74,999				\$3,443,126
\$75,000	\$79,999				\$2,953,506
\$80,000	\$84,999				\$2,273,293
\$85,000	\$89,999				\$1,914,985
\$90,000	\$94,999				\$2,190,717
\$95,000	\$99,999				\$1,798,776
\$100,000	\$109,999				\$3,907,617
\$110,000	\$119,999				\$4,175,356
\$120,000	\$129,999				\$2,739,841
\$130,000	\$139,999				\$2,429,230
\$140,000	\$149,999				\$2,927,314
\$150,000	\$159,999				\$1,567,696
\$160,000	\$169,999				\$1,554,019
\$170,000	\$179,999				\$2,267,710
\$180,000	\$189,999				\$2,589,113
\$190,000	\$199,999				\$1,018,342
\$200,000	\$209,999				\$2,900,297
\$210,000	\$219,999				\$765,093
\$220,000	\$229,999				\$798,527
\$230,000	\$239,999				\$1,481,833
\$240,000	\$249,999				\$1,336,603
\$250,000	\$259,999				\$1,603,613
\$260,000	\$269,999				\$719,181
\$270,000	\$279,999				\$2,007,635
\$280,000	\$289,999				\$1,306,211
\$290,000	\$299,999				\$1,362,364
\$300,000	\$324,999				\$2,862,703
\$325,000	\$349,999				\$3,112,847
\$350,000	\$374,999				\$4,070,985
\$375,000	\$399,999				\$3,944,554
\$400,000	\$424,999				\$768,345
\$425,000	\$449,999				\$1,653,406
\$450,000	\$474,999				\$885,017
\$475,000	\$499,999				\$1,379,061
\$500,000	\$599,999				\$3,183,256
\$600,000	\$699,999				\$1,298,346
\$700,000	\$799,999				\$700,666
\$800,000	\$899,999				\$1,662,064
\$900,000	\$999,999				\$923,923
\$1,000,000+					\$3,063,626
Total		34,863	325,670	\$195,299,684	\$183,374,165

## PA Rate Template Part II

### Rate Development and Change

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

HHIC  
PPO  
Individual  
01/01/2021

**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	\$ 627.01	\$ 350.89	<- Actual Experience PMPM should be consistent with the Index Rate for Exper
Two year trend projection Factor	1.000	1.190	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 627.01	\$ 417.57	
<u>Single Risk Pool Adjustment Factors</u>			
Change in Morbidity - Impact of Reinsurance Program	0.999	0.999	
Change in Morbidity - All Other		1.035	<- See URRT Instructions
Total Non-Morbidity Changes	0.000	0.926	
Change in Demographics		0.927	<- See URRT Instructions
Change in Network		1.000	
Change in Benefits		1.000	<- See URRT Instructions
Change in Other		0.999	<- See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ -	\$ 399.80	
Credibility Factors		100%	<- See Instructions
Blended Projected EHB Claims PMPM		\$ 399.80	<- Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Projected Allowed EHB Claims PMPM	\$ 399.80		<- Index Rate for Projection Period on URRT
Projected Paid to Allowed Ratio	0.598		
Projected Incurred EHB Claims PMPM	\$ 239.16		
<u>Market-wide Adjustments</u>			
Projected Incurred Risk Adjustment PMPM	\$55.17		
Projected Incurred Exchange User Fees PMPM	\$0.00		
Projected Incurred Reinsurance Recoveries PMPM	\$14.59		
Market-Adjusted Projected Incurred EHB Claims PMPM	\$ 169.40		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 283.18		<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 169.40		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 283.18		

**Table 6. Retention**

Retention Items - Express in percentages	Percentages	PMPM Amounts
Administrative Expenses	17.00%	\$35.64
General and Claims	14.65%	\$30.73
Agent/Broker Fees and Commissions	1.14%	\$2.40
Quality Improvement Initiatives	1.20%	\$2.52
Taxes and Fees	2.23%	\$4.68
Risk Adjustment User Fee	0.12%	\$0.25
PCORI Fee	0.11%	\$0.23
PA Premium & Other Taxes (if applicable)	2.00%	\$4.19
Federal Income Tax	0.00%	\$0.00
Health Insurance Providers Fee (Prorated for Small Groups only)	0.00%	\$0.00
Profit/Contingency (after tax)	0.00%	\$0.00
Total Retention	19.23%	\$40.32
Projected Required Revenue PMPM	\$ 209.72	

**Table 8. Components of Rate Change**

Rate Components	2020	2021	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 257.98	\$ 217.85	\$ (40.13)	-15.6%
B. Base period allowed claims before normalization	\$ 155.71	\$ 350.89	\$ 195.19	75.7%
C. Normalization factor component of change	\$ 3.05	\$ 13.74	\$ 10.69	4.1%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 158.75	\$ 364.64	\$ 205.88	79.8%
D2. URRT Trend	\$ 24.56	\$ 69.29	\$ 44.73	17.3%
D3. URRT Morbidity	\$ 10.93	\$ 14.85	\$ 3.92	1.5%
D4. URRT Other	\$ 0.00	\$ (33.31)	\$ (33.32)	-12.9%
D5. Normalized URRT Risk Adjustment on an allowed basis	\$ 169.26	\$ (95.84)	\$ (265.10)	-102.8%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0.0%
D7. Normalized Reinsurance Recoveries on an allowed basis	\$ -	\$ 25.34	\$ 25.34	9.8%
D8. Subtotal - Sum(D1:D7)	\$ 363.51	\$ 344.95	\$ (18.55)	-7.2%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing AV	\$ (46.30)	\$ (138.60)	\$ (92.31)	-35.8%
E3. Benefit Richness	\$ -	\$ (0.07)	\$ (0.07)	0.0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Subtotal - Sum(E1:E4)	\$ (46.30)	\$ (138.68)	\$ (92.38)	-35.8%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 36.20	\$ 37.03	\$ 0.83	0.3%
F2. Taxes and Fees	\$ 12.57	\$ 4.86	\$ (7.71)	-3.0%
F3. Profit and/or Contingency	\$ -	\$ -	\$ -	0.0%
F4. Subtotal - Sum(F1:F3)	\$ 48.76	\$ 41.89	\$ (6.88)	-2.7%
G. Change in Miscellaneous Items	\$ (108.00)	\$ -	\$ 108.00	41.9%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 257.97	\$ 248.16	\$ (9.81)	-3.8%

Experience Period on URR

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 350.89	<- 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	01/01/2021	04/01/2021	07/01/2021	10/01/2021	Total Single Risk Pool
# of Member Months Renewing in Quarter					-
Adjusted Projected Allowed EHB Claims PMPM	\$ 399.80	\$ 399.80	\$ 399.80	\$ 399.80	\$ 399.80
Months of Trend		3	6	9	
Annual Trend	9.09%	9.09%	9.09%	9.09%	
Single Risk Pool Projected Allowed Claims	\$ 399.80	\$ 408.59	\$ 417.57	\$ 426.75	\$ -
Quarterly Trend Factor	1.000	1.022	1.044	1.067	0.000

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2020	2021
Average Age Factor	1.011	1.019
Average Geographic Factor	0.970	0.944
Average Tobacco Factor	1.001	1.001
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 356.53	\$ 283.18
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 363.51	\$ 294.27

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

	2020	2021	
Paid-to-Allowed	0.576	0.598	
URRT Trend (Total Applied Trend Factor)	1.155	1.190	<- URRT W1, S2
URRT Morbidity	1.060	1.034	<- URRT W1, S2
URRT "Other"	1.000	0.926	<- URRT W1, S2
Risk Adjustment	\$ 95.55	\$ (55.17)	<- URRT W1, S3
Exchange User Fee	\$ -	\$ -	<- URRT W1, S3
Reinsurance Recoveries	\$ -	\$ 14.59	<- URRT W1, S3
Capitation	\$ 0.25	\$ 0.20	<- URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.873	0.598	<- For 2020 in cell J81, please include a factor equal to the product of the average Pricing AV and the Non-Fund
Benefit Richness	1.000	1.000	
Catastrophic Eligibility	1.000	1.000	
Administrative Expenses	14.03%	17.00%	
Taxes and Fees	4.87%	2.23%	
Profit and/or Contingency	0.00%	0.00%	

## Table 10. Plan Rates

Date of Most Recent Membership:	02/01/2020	45 CFR Part 156.8 (d) (2) Allowable Factors
Market Adjusted Index Rate:	\$ 283.18	

[illegible]

Table 10. Plar

Calibration	
Carrier Name:	Age Calibration Factor 1.019
Product(s):	Geographic Calibration Factor 0.944
Market Segment:	Tobacco Calibration Factor 1.001
	Aggregate Calibration Factor 0.963

<b>Total Covered Lives @ 02-01-2020</b>	
	53

Rate Effective Date	
Base Period Start	
Date of Most Recent	
Market Adjusted	

		Taxes & Fees (not including Exchange fees)	Profit or Contingency
Plan Number	Admin Costs		

Total Covered Lives Mapped into 2021 Plans @ 02-01-2020	Total Projected Lives
---	-----------------------

2020 Calibrated Plan Adjusted Index Rate PMPM	2021 Calibrated Plan Adjusted Index 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%
<b>Total</b>	<b>10,000</b>	<b>100.0%</b>

	% of Total Covered Lives
Individuals with no coverage	0%
Individuals with private coverage	67%
Individuals with public coverage	33%

02-01-2020 Number of Covered Lives by Rating Area										2021 Continued/ Discontinued Plans Indicator
1	2	3	4	5	6	7	8	9	Total	

Totals - Current Measure	17.0%	2.2%	0.0%
Total - Projected Measure	17.0%	2.2%	0.0%

53	65
----	----

\$	257.98	\$	217.85
----	--------	----	--------

-15.6%

9	1	-	30	11	2	-	-	-	53
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Transitional Plans	N/A	N/A	N/A
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N/A	N/A
-----	-----

N/AN/A[illegible]

Plan 1	17.0%	2.2%	0.0%
Plan 2			
Plan 3			
Plan 4			
Plan 5			
Plan 6			
Plan 7			
Plan 8			
Plan 9			
Plan 10			
Plan 11			
Plan 12			
Plan 13			
Plan 14			
Plan 15			
Plan 16			
Plan 17			
Plan 18			
Plan 19			
Plan 20			
Plan 21			
Plan 22			
Plan 23			
Plan 24			
Plan 25			
Plan 26			
Plan 27			
Plan 28			
Plan 29			
Plan 30			
Plan 31			
Plan 32			
Plan 33			
Plan 34			
Plan 35			

[illegible][illegible][illegible][illegible][illegible]

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

HHIC  
PPO  
Individual  
01/01/2021

Totals	These cells auto-fill using the data entered in Table 10.
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2020 21-year-old, Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ 250.24	\$ 250.24	\$ -	\$ 250.24	\$ 250.24	\$ 268.30	\$ -	\$ -	\$ -	\$ 250.92

[illegible]

2021 21-year-old, Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ 204.78	\$ 204.78	\$ -	\$ 204.78	\$ 204.78	\$ 226.57	\$ -	\$ -	\$ -	\$ 205.61

Change in 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
-18.2%	-18.2%	0.0%	-18.2%	-18.2%	-15.6%	0.0%	0.0%	0.0%	-18.1%



## PA Rate Quarterly Template Part V Consumer Factors

Carrier Name:	HHIC
Product(s):	PPO
Market Segment:	Individual
Rate Effective Date:	01/01/2021

### 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			44	1.397	1.132
19	0.941			45	1.444	1.145
20	0.970			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	0.940
Rating Area 2	Elk, Cameron, Potter	0.970	0.940
Rating Area 3			
Rating Area 4	Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland	0.970	0.940
Rating Area 5	Bedford, Blair, Clearfield, Cambria, Huntingdon, Jefferson, Somerset	0.970	0.940
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, 2021**

Ending date of Rates:

**December 31, 2021**

HIOS Plan ID (On Exchange)=>	N/A		N/A		N/A		N/A		N/A	
HIOS Plan ID (Off Exchange)=>	70194PA0600001		70194PA0600001		70194PA0600001		70194PA0600001		70194PA0600001	
Plan Marketing Name =>	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits		my Blue Access Major Events PPO 8550 - 3 Free PCP Visits		my Blue Access Major Events PPO 8550 - 3 Free PCP Visits		my Blue Access Major Events PPO 8550 - 3 Free PCP Visits		my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	
Form # =>	BA/CAT/PPO/HHIC/DP		BA/CAT/PPO/HHIC/DP		BA/CAT/PPO/HHIC/DP		BA/CAT/PPO/HHIC/DP		BA/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 =>	\$8,550		\$8,550		\$8,550		\$8,550		\$8,550	
Coinsurance =>	100%		100%		100%		100%		100%	
Copays =>	N/A		N/A		N/A		N/A		N/A	
OOP Maximum =>	\$8,550		\$8,550		\$8,550		\$8,550		\$8,550	
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	\$156.66	\$156.66	\$156.66	\$156.66	\$156.66	\$156.66	\$156.66	\$156.66	\$173.33	\$173.33
15	\$170.58	\$170.58	\$170.58	\$170.58	\$170.58	\$170.58	\$170.58	\$170.58	\$188.73	\$188.73
16	\$175.91	\$175.91	\$175.91	\$175.91	\$175.91	\$175.91	\$175.91	\$175.91	\$194.62	\$194.62
17	\$181.23	\$181.23	\$181.23	\$181.23	\$181.23	\$181.23	\$181.23	\$181.23	\$200.51	\$200.51
18	\$186.96	\$186.96	\$186.96	\$186.96	\$186.96	\$186.96	\$186.96	\$186.96	\$206.86	\$206.86
19	\$192.70	\$192.70	\$192.70	\$192.70	\$192.70	\$192.70	\$192.70	\$192.70	\$213.20	\$213.20
20	\$198.64	\$198.64	\$198.64	\$198.64	\$198.64	\$198.64	\$198.64	\$198.64	\$219.77	\$219.77
21	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$226.57	\$232.23
22	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$226.57	\$232.23
23	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$226.57	\$232.23
24	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$204.78	\$209.90	\$226.57	\$232.23
25	\$205.60	\$210.74	\$205.60	\$210.74	\$205.60	\$210.74	\$205.60	\$210.74	\$227.48	\$233.17
26	\$209.69	\$214.93	\$209.69	\$214.93	\$209.69	\$214.93	\$209.69	\$214.93	\$232.01	\$237.81
27	\$214.61	\$219.98	\$214.61	\$219.98	\$214.61	\$219.98	\$214.61	\$219.98	\$237.45	\$243.39
28	\$222.60	\$228.17	\$222.60	\$228.17	\$222.60	\$228.17	\$222.60	\$228.17	\$246.28	\$252.44
29	\$229.15	\$234.88	\$229.15	\$234.88	\$229.15	\$234.88	\$229.15	\$234.88	\$253.53	\$259.87
30	\$232.43	\$238.24	\$232.43	\$238.24	\$232.43	\$238.24	\$232.43	\$238.24	\$257.16	\$263.59
31	\$237.34	\$243.27	\$237.34	\$243.27	\$237.34	\$243.27	\$237.34	\$243.27	\$262.59	\$269.15
32	\$242.25	\$248.31	\$242.25	\$248.31	\$242.25	\$248.31	\$242.25	\$248.31	\$268.03	\$274.73
33	\$245.33	\$251.46	\$245.33	\$251.46	\$245.33	\$251.46	\$245.33	\$251.46	\$271.43	\$278.22
34	\$248.60	\$254.82	\$248.60	\$254.82	\$248.60	\$254.82	\$248.60	\$254.82	\$275.06	\$281.94
35	\$250.24	\$256.50	\$250.24	\$256.50	\$250.24	\$256.50	\$250.24	\$256.50	\$276.87	\$283.79
36	\$251.88	\$258.18	\$251.88	\$258.18	\$251.88	\$258.18	\$251.88	\$258.18	\$278.68	\$285.65
37	\$253.52	\$259.86	\$253.52	\$259.86	\$253.52	\$259.86	\$253.52	\$259.86	\$280.49	\$287.50
38	\$255.16	\$261.54	\$255.16	\$261.54	\$255.16	\$261.54	\$255.16	\$261.54	\$282.31	\$289.37
39	\$258.43	\$264.89	\$258.43	\$264.89	\$258.43	\$264.89	\$258.43	\$264.89	\$285.93	\$293.08
40	\$261.71	\$267.88	\$261.71	\$267.88	\$261.71	\$267.88	\$261.71	\$267.88	\$289.56	\$297.19
41	\$266.62	\$271.33	\$266.62	\$271.33	\$266.62	\$271.33	\$266.62	\$271.33	\$294.99	\$302.62
42	\$271.33	\$276.87	\$271.33	\$276.87	\$271.33	\$276.87	\$271.33	\$276.87	\$300.21	\$307.84
43	\$277.89	\$283.41	\$277.89	\$283.41	\$277.89	\$283.41	\$277.89	\$283.41	\$307.46	\$315.09
44	\$286.08	\$292.60	\$286.08	\$292.60	\$286.08	\$292.60	\$286.08	\$292.60	\$316.52	\$324.15
45	\$295.70	\$302.22	\$295.70	\$302.22	\$295.70	\$302.22	\$295.70	\$302.22	\$327.17	\$335.20
46	\$307.17	\$313.79	\$307.17	\$313.79	\$307.17	\$313.79	\$307.17	\$313.79	\$339.86	\$347.99
47	\$320.07	\$326.69	\$320.07	\$326.69	\$320.07	\$326.69	\$320.07	\$326.69	\$354.13	\$362.36
48	\$334.82	\$340.84	\$334.82	\$340.84	\$334.82	\$340.84	\$334.82	\$340.84	\$370.44	\$378.67
49	\$349.35	\$355.37	\$349.35	\$355.37	\$349.35	\$355.37	\$349.35	\$355.37	\$386.53	\$394.76
50	\$365.74	\$371.76	\$365.74	\$371.76	\$365.74	\$371.76	\$365.74	\$371.76	\$404.65	\$412.88
51	\$381.91	\$387.93	\$381.91	\$387.93	\$381.91	\$387.93	\$381.91	\$387.93	\$422.55	\$430.78
52	\$399.73	\$405.75	\$399.73	\$405.75	\$399.73	\$405.75	\$399.73	\$405.75	\$442.26	\$450.49
53	\$417.75	\$423.77	\$417.75	\$423.77	\$417.75	\$423.77	\$417.75	\$423.77	\$462.20	\$470.43
54	\$437.21	\$443.23	\$437.21	\$443.23	\$437.21	\$443.23	\$437.21	\$443.23	\$483.73	\$491.96
55	\$456.66	\$462.68	\$456.66	\$462.68	\$456.66	\$462.68	\$456.66	\$462.68	\$505.25	\$513.48
56	\$477.75	\$483.77	\$477.75	\$483.77	\$477.75	\$483.77	\$477.75	\$483.77	\$528.59	\$536.82
57	\$499.05	\$505.07	\$499.05	\$505.07	\$499.05	\$505.07	\$499.05	\$505.07	\$552.15	\$560.38
58	\$521.78	\$527.80	\$521.78	\$527.80	\$521.78	\$527.80	\$521.78	\$527.80	\$577.30	\$585.53
59	\$533.04	\$539.06	\$533.04	\$539.06	\$533.04	\$539.06	\$533.04	\$539.06	\$589.76	\$597.99
60	\$555.77	\$561.79	\$555.77	\$561.79	\$555.77	\$561.79	\$555.77	\$561.79	\$614.91	\$623.14
61	\$575.43	\$581.45	\$575.43	\$581.45	\$575.43	\$581.45	\$575.43	\$581.45	\$636.66	\$644.89
62	\$588.33	\$594.35	\$588.33	\$594.35	\$588.33	\$594.35	\$588.33	\$594.35	\$650.94	\$659.17
63	\$604.51	\$610.53	\$604.51	\$610.53	\$604.51	\$610.53	\$604.51	\$610.53	\$668.83	\$677.06
64+	\$614.34	\$620.36	\$614.34	\$620.36	\$614.34	\$620.36	\$614.34	\$620.36	\$679.71	\$687.94

HM Health Insurance Company  
Individual  
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
70194PA0600001	my Blue Access Major Events PPO 8550 - 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

02-01-2020 Number of Covered Lives by Rating County					RATING AREA 1								RATING AREA 2		
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	1	0	3	0	2	2	0	1	1	0	0
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off	Crawford	Clarion	Erie	Forest	McKean	Mercer	Venango	Warren	Elk	Cameron	Potter
					\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78

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

02-01-2020 Number of Covered Lives by Rating County					RATING AREA 3													RATING AREA 4							
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Bradford	Carbon	Clinton	Lackawanna	Luzerne	Lycoming	Monroe	Pike	Sullivan	Susquehanna	Tioga	Wayne	Wyoming	14	1	2	1	3	1	0	0
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off														Allegheny	Armstrong	Beaver	Butler	Fayette	Greene	Indiana	Lawrence
																		\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78

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

02-01-2020 Number of Covered Lives by Rating County					2	6
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Washington	Westmoreland
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off	\$204.78	\$204.78

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

02-01-2020 Number of Covered Lives by Rating County				
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off

RATING AREA 5						
5	3	1	1	1	0	0
Bedford	Blair	Clearfield	Cambria	Huntingdon	Jefferson	Somerset
\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78	\$204.78

RATING AREA 6									
2	0	0	0	0	0	0	0	0	0
Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union
\$226.56									

RATING AREA 7		
0	0	0
Adams	Berks	Lancaster

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

02-01-2020 Number of Covered Lives by Rating County					0
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	York
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off	



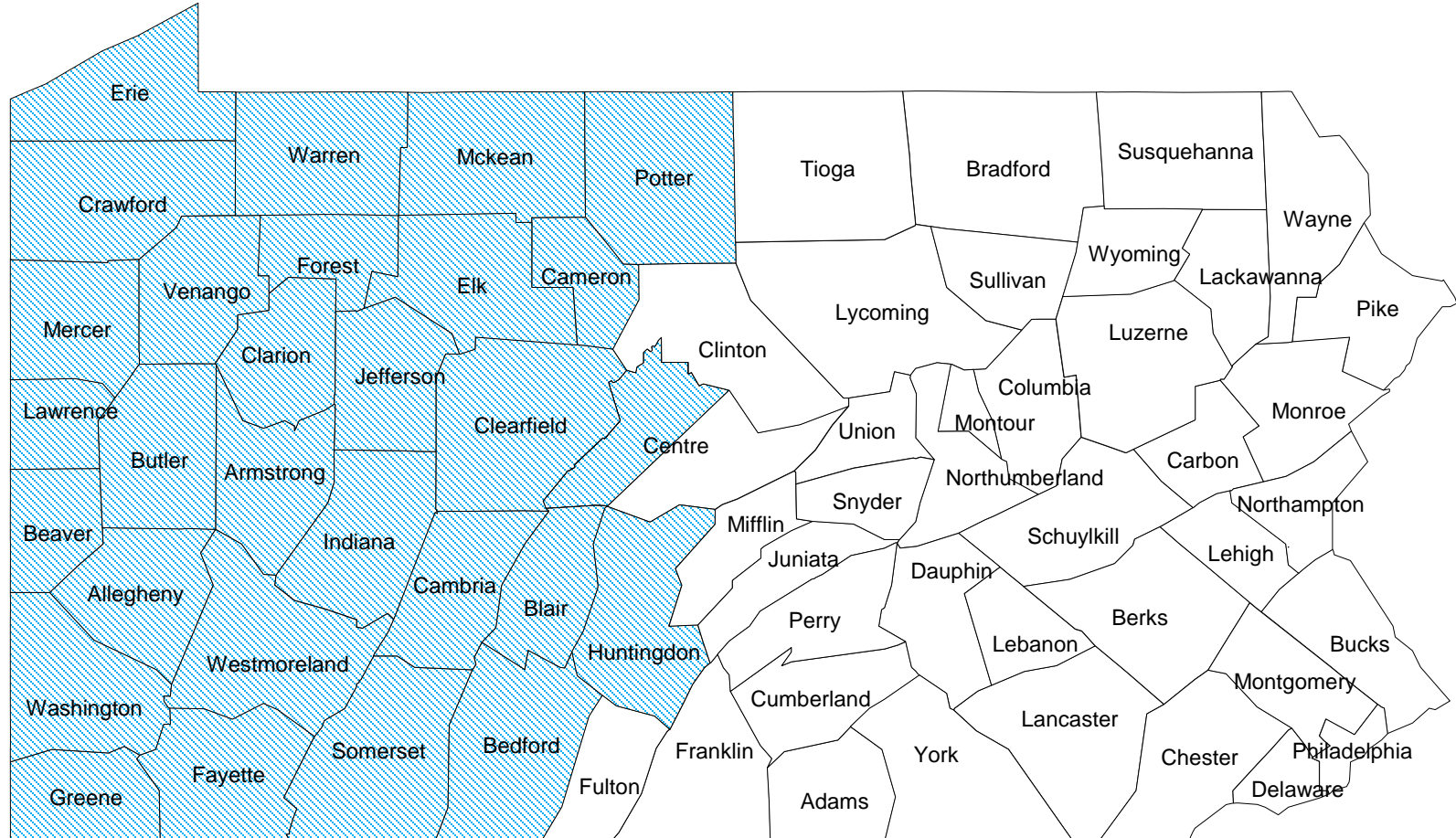
Company Name    HM Health Insurance Company  
Market            Individual  
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

02-01-2020 Number of Covered Lives by Rating County					RATING AREA 8					RATING AREA 9						
					0	0	0	0	0	0	0	0	0	0	0	0
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Bucks	Chester	Delaware	Montgomery	Philadelphia	Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
70194PA0600001	my Blue Access Major Events PPO 8550 - 3 Free PCP Visits	PPO	Catastrophic	Off												

# 2020 Service Area


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

**Market: Individual**



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

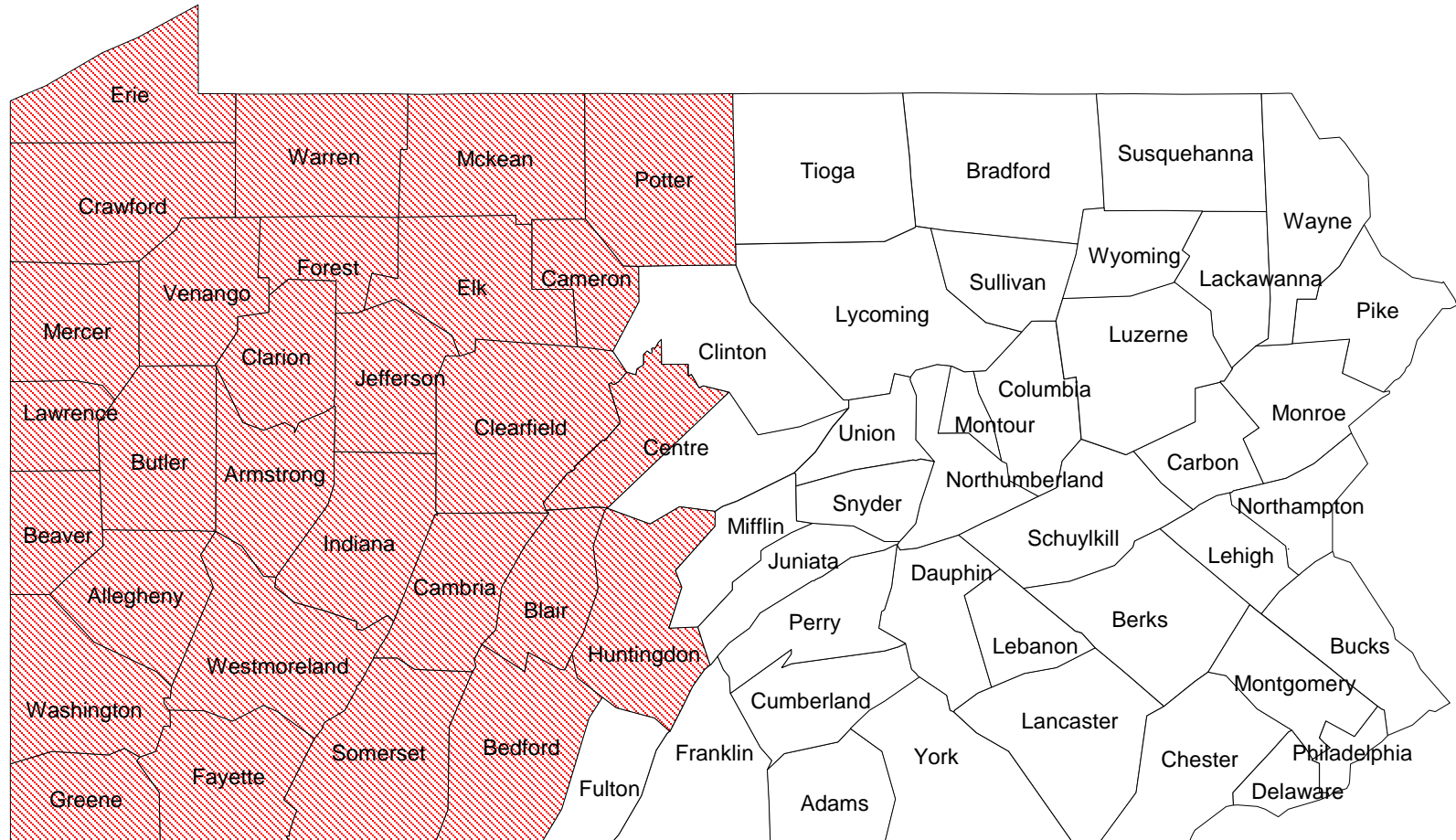
 : 2020 on-exchange service area

 : 2020 off-exchange only service area

# **2021 Service Area**


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

**Market: Individual**



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

 : 2021 on-exchange service area

 : 2021 off-exchange only service area



June 23, 2020

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 2021 ACA Rate Filing (Individual Market)  
Highmark Health Insurance Company Filing # 1A-DP-20-HHIC (SERFF Filing # HGHM-132324144)

Dear Mr. Lavery:

Enclosed are responses to your June 16, 2020 questions regarding SERFF Filing # HGHM-132324144. 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 in response to PID questions 3 and 4.

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]

[REDACTED]

[REDACTED]

Highmark Inc.

cc:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**1. The following questions pertain to the manual rate:**

- a. Section 1G of the PA Actuarial Memorandum states that a manual rate was developed from multiple data sources. Please provide an exhibit displaying the calendar year 2019 member months and allowed claims PMPM associated with each data source underlying the manual rate. In providing your response, please describe each data source and explain why the Company believes it is appropriate to use them as part of a manual rate.**
- b. According to tab I(b) of the PA Rate Template file, it appears the manual rate is based on the experience of only 780 member months. Please explain why the Company believes it is appropriate to assign 100% credibility to 780 member months of experience underlying the manual rate. In providing your response, please describe any analysis that was performed to confirm that the Company's determination related to the credibility of 780 member months is a reasonable one.**

**Response:**

- a. Please see the attached exhibit labeled Q1a Response for a summary of the calendar year 2019 member months and allowed claims PMPM associated with the data sources underlying the manual rate. The manual rate is derived using the 2/1/2020 enrollment profile which is categorized into the following sources:

Renewal

- This represents our 2019 ACA members that re-enrolled in HHIC and Highmark catastrophic plans. The normalized allowed PMPM was calculated by normalizing the allowed PMPM for demographic, network, and benefit richness factors.

Other Highmark

- This represents the 2019 members from other Highmark markets such as group markets that enrolled in HHIC and Highmark catastrophic plans. The normalized PMPM was calculated by reviewing its allowed claims, adjusted for benefit differential if needed and then normalized for demographic, network, and benefit richness factors.

Prior ACA

- This represents our 2018 ACA members that lapsed in 2019 and now reenrolled in HHIC and Highmark catastrophic plans. We reviewed its 2018 ACA claims, trended to 2019, and used this as starting point to approximate the 2019 allowed claims. The normalized allowed PMPM was then calculated by normalizing the allowed PMPM for demographic, network, and benefit richness factors.

New

- This represents the catch-all category of the remaining members that enrolled in HHIC and Highmark catastrophic plans. The normalized allowed PMPM was then calculated by normalizing the allowed PMPM for demographic, network, and benefit richness factors. The adjusted allowed claims PMPM for the Highmark "New" is set such that its normalized allowed PMPM was 5% higher than the "Renewal" segment.

Since the underlying claims only reflected the claims experience of the 2/1/2020 active enrollment, we added a death load adjustment in the adjusted allowed PMPMs to capture the incremental claims of terminated members due to death as developed from historical experience.

- b. The manual rate development was based on 2,871 member months as provided in the Q1a Response exhibit. We believe that this data is credible given its member months and that the manual rate is a reasonable proxy for the projected 780 member months.

**2. The following questions relate to the trend assumption:**

- a. Please provide additional detail related to the cohorts of ACA members who were included in the Company's regression analysis. Specifically, did the cohorts include all ACA members who were enrolled with the Company's various legal entities during the time period of 2018 to 2019 and were those cohorts limited to the Individual ACA market? If not, please clarify.
- b. Per the actuarial memorandum, the regression analysis which was completed produced a range of reasonable trend assumptions. Please provide the range of reasonable trend assumptions which was produced by that analysis. Additionally, please compare the medical trend assumption which was chosen to the range of reasonable options which were produced and describe how the proposed trend assumption was ultimately chosen (i.e., rather than one of the other trend assumptions which falls within the same range).
- c. Please provide additional detail related to the development of the pharmacy trend assumption. Please include the following in your response:
  - i. Was the regression analysis that was completed to determine the medical trend also used to develop the pharmacy trend? If so, how?
  - ii. What specific sources and/or other information were utilized to develop the pharmacy trend?
- d. Please provide a detailed quantitative exhibit displaying the development of the induced utilization assumption that is included in the trend assumptions and shown in Table 3 of the Pennsylvania Rate Template file.

**Response:**

- a. The cohort population included in the trend development was all PA members in the Individual ACA market that were enrolled in both 2018 and 2019.
- b. The Regression analysis produced a Medical/Rx combined trend of 7.4% before adjustment for Pharmacy and Induced Demand factors with an R-squared factor of 39.9%. A range of +/- 0.5% was considered. The 6.9% trend resulted in a lower R-squared compared to 7.4%. A higher R-squared resulted at 7.9%, but the trend of 7.4% was considered reasonable.

The regression was performed on the Medical/Rx combined data. More detail regarding the adjustments to calculate the proposed trends are included in the attached exhibit labeled Q2b Response.

- c. The regression analysis was applied to medical and pharmacy claims combined. Then a pharmacy step factor adjustment was applied to account for expected higher future pharmacy trends. Please see the attached exhibit labeled Q2c Response regarding the Pharmacy adjustments. An outside consultant's pipeline drug / new generics projection tool is considered in the Pharmacy development.
- d. The induced utilization assumption in Table 3b represents the annual rate of change on the change in induced demand factor of 1.0089. It was calculated as follows:  $\sqrt{1.0089} = 1.0044$  or 0.44%

**3. Please provide a detailed quantitative exhibit displaying the development of the "change in other" index rate adjustment that is shown in Table 5 of the PA Rate Template file.**

**Response:**

Please see the attached exhibit labeled Q3 Response for support of the "change in other" factor shown in Table 5 of the PA Rate Template file.

**4. Please provide a detailed quantitative exhibit displaying the development of the experience period calendar year 2019 demographic factor. In providing your response, please provide the distribution of member months by age (i.e., 0, 1, ..., 63, 64+) and tobacco use (i.e., tobacco user, non-tobacco user, and in total) underlying the experience period.**

Response:

Please see the attached exhibit labeled Q4 Response.

**5. Please provide an exhibit displaying the distribution of member months by rating region for the actual calendar year 2019 members underlying the experience period.**

Response:

Please see the attached exhibit labeled Q5 Response for the distribution of member months by rating region for the experience period.

**6. The following questions relate to the risk transfer assumption:**

- a. **Please provide a detailed quantitative exhibit displaying the development of the assumed statewide average PLRS for the catastrophic only populations underlying the assumed risk transfer assumption.**
- b. **Please provide a detailed quantitative exhibit displaying the development of the Company-specific PLRS, ARF, GCF, ID, and AV assumptions underlying projected 2021 risk transfer. In providing your response, please include the average PLRS, ARF, GCF, ID, and AV factors underlying the RATEE file that will be used by CMS to calculate risk transfers for 2019. Please provide justification to the extent the projected 2021 factors are different than the 2019 factors.**
- c. **Please provide a detailed quantitative exhibit displaying the anticipated receipt and assessment associated with the high cost risk pool component of the projected risk transfer results.**
- d. **Please confirm that the risk transfer PMPM shown in Table 5 of the PA Rate Template file is the correct risk transfer PMPM assumption and that the \$40.42 PMPM discussed in Section 2A is not correct.**

Response:

- a. Please see the attached exhibit labeled Q6a Response for the development of the assumed statewide average PLRS for the catastrophic populations.
- b. Please see the attached exhibit labeled Q6b Response for the development of the Company-specific assumptions underlying the projected 2021 risk transfer. The Company-specific PLRS, ARF, GCF, IDF, and AV assumptions shown in Attachment B and used to develop the projected 2021 risk transfer were developed for the population of members that comprised the manual rate development discussed in the response to Question 1 above.

The exhibit labeled Q6b Response also includes the relevant factors underlying the RATEE file that CMS will use to calculate risk transfers for 2019. Please note that the GCF value is listed as “unknown” because this factor cannot be derived without access to all of the other issuer RATEE files in the market. The 2021 factors are different from the 2019 factors because the 2021 population is anticipated to be significantly different than the 2019 population for several reasons. First, the size of the populations are much different. There were about 10,000 average members in 2019. We expect only close to 65 average members in 2021. Second, the product offerings have changed. In 2019, we offered at least one product in each of four metal levels (Gold, Silver,

Bronze, and Catastrophic). In 2021, we intend to offer one Catastrophic metal level plan. Third, the geographic footprint of the population has changed. In 2019, we offered plans in both western and central Pennsylvania counties. In 2021 (like 2020), only one plan is proposed to be offered in western Pennsylvania counties and a portion of Centre county through this entity.

- c. Please see the attached exhibit labeled Q6c Response for the development of the high cost risk pool component of the projected risk transfer results. We relied upon estimates from an external actuarial consulting company's study to inform our selection of an appropriate percentage of premium charge for 2021. The external study was based upon data collected by issuers across the country and included over 125 million submitted member months. Given the extremely volatile and unpredictable nature of claims in excess of the \$1 million attachment point, as a simplifying assumption we assumed there would be no anticipated reimbursements in 2021. Instead, we selected a percentage of premium charge that was lower than what could have been reasonably supported by the external study. As a point of reference, we did not have any members reach the attachment point in 2019 in any of our Pennsylvania entities.
- d. We can confirm that the risk transfer PMPM of \$55.19 shown in Table 5 of the PA Rate Template file is the correct risk transfer PMPM assumption and that the \$40.42 PMPM discussed in Section 2A is not correct.

**7. Section 2A of the PA Actuarial Memorandum states that the reinsurance recovery underlying the market adjusted index rate was calculated based on the amount of incurred claims expected to be reimbursed by the program. The estimated incurred claims savings is based on Highmark's PA individual ACA population in total (i.e., the reinsurance program is estimated to reimburse 6.1% of incurred claims for all of Highmark's individual ACA entities). It appears there may be a disconnect in assuming that the incurred claims savings associated with the reinsurance program will be the same for all of Highmark's individual ACA entities when Highmark is assuming different risk transfer receipt/payment amounts for each entity (i.e., different morbidity levels underlying the membership for each entity). Please revise the rate development to calculate the reinsurance recovery amount based on the projected 2021 population (and their corresponding morbidity) specific to this entity or clarify why it is not reasonable to do so.**

Response:

For the reinsurance recovery percentage estimate, we reviewed a number of possible values for this projection (see the table below). The entity scenarios were not considered since a number of Highmark entities have changed substantially from 2019 (the underlying claims period) to 2021 (the projection period). In addition, the market size or percentage of market by entity as of 2020 has also changed materially with the addition of new members due to rate decreases in 2020.

Option	Unique Members	Member Months	Total Incurred Claims	Total Incurred Claims with Reins.*	Reins% Scenario
WPA				\$44,393,331	-6.7%
CPA				\$67,578,429	-6.3%
NEPA				\$71,402,406	-5.6%
Total - Sum				\$183,374,165	-6.1%
Rate Filing				<b>\$183,374,165</b>	-6.1%

\* Reinsurance parameters: Attachment point = \$60K, Reins. Cap = \$100K and Coins. Rate = 60%

As illustrated in the chart, the overall average of -6.1% is not significantly different from region specific percentages even though there was high variability in morbidity. That is, reinsurance recovery as a



percentage of claims does not vary significantly for a given set of reinsurance parameters and credible enrollment.

Thus, as a result of the above entity changes and continuing uncertainty in the ACA market (e.g., COVID-19 and initial year of the PA reinsurance program), we believe that the use of the overall Highmark PA ACA data to estimate the reinsurance recovery percentage results in a reasonable projection.

**8. Please provide a detailed quantitative exhibit displaying the development of the proposed 2021 area factors. In providing your response, please demonstrate that it is appropriate to change the area factors relative to the most recently approved filing and that the factors do not reflect differences due to the impact of morbidity.**

Response:

Please see the attached exhibit labeled Q8 Response for the development of the proposed 2021 area factors. The area factor study was developed by our internal actuarial valuation and modeling team. The study was based on a review of 2019 individual market ACA experience in the Western and Central Pennsylvania regions. In order to remove differences due to morbidity, the 2019 allowed charges from the study were normalized for several items. First, the allowed charges were normalized for the HHS induced demand factors. The goal of this step was to remove any underlying induced utilization resulting from a different mix of metal levels across the regions. Second, the 2019 experience was re-run through the HHS risk adjustment platinum model to assign risk scores, and these risk scores were then used to further normalize the allowed charges. We chose to normalize by one metal level's risk scores (i.e. platinum) in order to not introduce variation due to AV into the normalized allowed charges. We selected platinum as our basis because it is the closest metal to an allowed charge level. The normalized allowed PMPMs were then aggregated at the regional level (Western PA & Central PA), reviewed for reasonability, and compared against the existing area factors. Based on this comparison, we determined that a modest adjustment in the area factors was warranted and reasonable.

**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. Please provide an exhibit showing the financial gains and losses for calendar years 2014 – 2019 for the following categories: Member months, total administrative expenses, total incurred claims, total premium, total actual paid taxes and fees, profit, annual underwriting gain/loss and underwriting gain/loss pmpy.**

Response:

Please see the attached exhibit labeled PID Q2 Response for the historical reported financial results.

**3. Per the Department's published guidance, the Benefit Richness factors in Table 10 Column L should be developed based upon the following formula: (Plan Pricing AV in column K \* CSR**

**Defunding Adjustment in column P)<sup>2</sup> - (Plan Pricing AV in column K \* CSR Defunding Adjustment in column P) + 1.24. Further, the value developed by the quadratic formula must then be multiplied by a normalization constant such that the value in Cell L15 or L16 balances back to 1.000. Please modify the cells in Column L to explicitly show the quadratic formula and normalizing constant to demonstrate compliance with our guidance.**

Response:

We are submitting an updated version of the PAAM Exhibits file in conjunction with this response letter. This updated file includes the revision to these cells.

**4. Cells C16 and D16 of Table 5, labeled “Change in Morbidity - All Other”, require a formula input for individual filings. For example, the individual First Priority Health filing (HGFM-132324148) has a change in morbidity from the experience period to the rating period of 1.000 (i.e. no change). Then, Cells C16 and D16 should be filled out with an explicit formula as follows: “=(1.01)\*(1.000)”. Further note that this is explained in the guidance.**

Response:

We are submitting an updated version of the PAAM Exhibits file in conjunction with this response letter. This updated file includes the revision to these cells.

**5. The Department will contact the company shortly with information regarding the opportunity and parameters for the company to provide to support an updated Covid-19 impact assessment, if desired.**

Response:

We look forward to further discussions on the rate impact of Covid-19 and the opportunity to make the necessary adjustments to this rate filing.

## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - Question 1a

	Highmark				HHIC				Combined
	Renewal	Other Highmark	Prior ACA	New	Renewal	Other Highmark	Prior ACA	New	Total
2019 Member Months	613	121	53	1,568	464	0	0	53	2,871
2021 Member Months	164	47	16	429	109	0	0	16	780
2021 Member Months %	21.0%	6.0%	2.0%	55.0%	14.0%	0.0%	0.0%	2.0%	100.0%
Adjusted AC PMPMs	\$367.02	\$675.63	\$414.96	\$397.15	\$43.83	\$0.00	\$0.00	\$47.42	\$351.43
Demographic Factor	1.036	1.038	1.098	1.073	0.963	1.000	1.000	0.934	1.044
Network	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Benefit Richness Factor	1.004	0.920	1.000	1.000	0.997	1.000	1.000	1.000	0.995
Normalized AC PMPMs	\$352.61	\$707.32	\$377.89	\$370.24	\$45.61	\$0.00	\$0.00	\$50.80	\$335.08

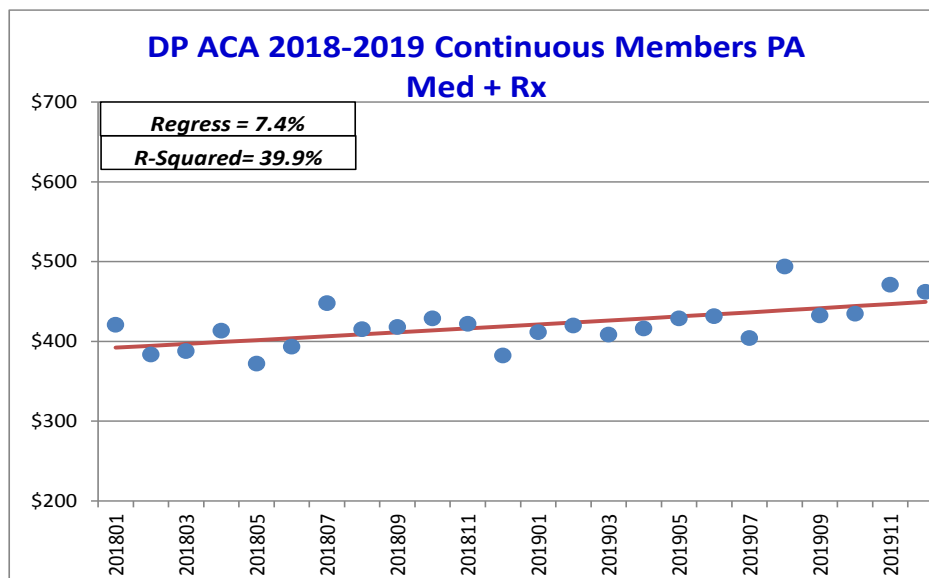
## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - Question 2b

## DP ACA 2018-2019 Continuous Members PA Med + Rx

Incmo	Enrollment	Allowed	1 Mo PMPM	AGI	Workdays	Seasonality	Steps	Norm PMPM
201801	13,806	\$7,438,734	\$538.80	1.334	1.036	0.9264	1.000	\$420.73
201802	13,808	\$6,387,524	\$462.60	1.337	0.937	0.9626	1.000	\$383.43
201803	13,805	\$7,378,389	\$534.47	1.341	1.031	0.9976	1.000	\$387.69
201804	13,807	\$7,545,733	\$546.52	1.344	0.992	0.9913	1.000	\$413.43
201805	13,805	\$7,045,163	\$510.33	1.347	1.029	0.9892	1.000	\$371.96
201806	13,805	\$6,813,602	\$493.56	1.351	0.989	0.9390	1.000	\$393.39
201807	13,807	\$8,491,738	\$615.03	1.355	1.003	1.0100	1.000	\$447.85
201808	13,807	\$7,646,864	\$553.84	1.359	1.061	0.9253	1.000	\$415.16
201809	13,805	\$7,273,668	\$526.89	1.362	0.924	1.0014	1.000	\$417.81
201810	13,805	\$9,114,128	\$660.20	1.366	1.069	1.0551	1.000	\$428.85
201811	13,805	\$8,357,912	\$605.43	1.369	0.965	1.0861	1.000	\$421.81
201812	13,805	\$7,858,206	\$569.23	1.372	0.970	1.1200	1.000	\$382.11
201901	13,806	\$7,484,934	\$542.15	1.374	1.035	0.9264	1.000	\$411.49
201902	13,808	\$7,202,446	\$521.61	1.377	0.937	0.9626	1.000	\$419.73
201903	13,805	\$7,754,797	\$561.74	1.381	0.998	0.9976	1.000	\$408.51
201904	13,808	\$8,098,065	\$586.48	1.385	1.026	0.9913	1.000	\$416.23
201905	13,805	\$8,331,692	\$603.53	1.389	1.025	0.9892	1.000	\$428.59
201906	13,806	\$7,468,294	\$540.95	1.393	0.959	0.9390	1.000	\$431.38
201907	13,806	\$8,153,133	\$590.55	1.396	1.036	1.0100	1.000	\$404.16
201908	13,806	\$9,098,434	\$659.02	1.399	1.031	0.9253	1.000	\$493.74
201909	13,809	\$8,033,274	\$581.74	1.403	0.958	1.0014	1.000	\$432.52
201910	13,805	\$9,480,291	\$686.73	1.406	1.065	1.0551	1.000	\$434.60
201911	13,805	\$9,309,268	\$674.34	1.409	0.935	1.0861	1.000	\$471.00
201912	13,805	\$10,114,718	\$732.69	1.413	1.002	1.1200	1.000	\$461.95



## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - Question 2c

Description	Medical	Rx	Total	Notes
Normalized Allowed Trend Cohort Members	N/A	N/A	7.4%	Please see supporting monthly PMPMs and trend regression graph on Regression tab
Allowed distribution of costs	72.8%	27.2%	100%	Medical/Rx split determined based on ACA Individual experience.
Pharmacy specific 2020/2021 annual trend growth	N/A	4.9%	1.3%	Based on modeling projections for group experience, reflects factors such as pipeline drugs, specialty, contracting, and drug mix.
Pharmacy specific specialty mix impact	N/A	1.5%	0.4%	Adjusts for significantly higher specialty drug spend in ACA Individual market compared to group market.
Rounding Adjustment	N/A	N/A	-0.02%	Round down to 9.25%
<b>Required Annual Trend</b>	<b>N/A</b>	<b>N/A</b>	<b>9.25%</b>	
2019 Core Trend Assumed Split Between Medical/Rx Before Pharmacy Adjustment	8.4%	4.6%	7.4%	Claims trend split for ACA Individual considered here. Due to lack of component trend credibility, Pharmacy trend expectation from 2019 also evaluated from Group experience. Medical trend determined from total trend removing Pharmacy trend component.
<b>Required Annual Trend Split Medical/Rx</b>	<b>8.4%</b>	<b>11.4%</b>		
Induced Demand Factor	0.44%	0.44%		Difference in average metal AV from current benefits to 2021 benefits.
<b>Required Annual Trend Split Medical/Rx w/Induced Demand*</b>	<b>8.88%</b>	<b>11.90%</b>		

\* Trends are then applied to the relevant mix for the entity and adjusted for Capitation to produce the resulting 9.09% as shown in Table 3b.

**Highmark Health Insurance Company****Individual Market****Response to Objection 1 - Question 3**

Description	Factor
Change in Rx Rebates	1.002
Change in Hospital/Physician Settlements	1.080
<b>Total "Change in Other"</b>	<b>1.083</b>

## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - Question 4

Age Band	Age Factor	Tobacco Factor	Membership Mix		
			Non-Tobacco	Tobacco	Total
0	0.765	1.000	0.4%	0.0%	0.4%
1	0.765	1.000	0.1%	0.0%	0.1%
2	0.765	1.000	0.9%	0.0%	0.9%
3	0.765	1.000	0.0%	0.0%	0.0%
4	0.765	1.000	0.0%	0.0%	0.0%
5	0.765	1.000	0.4%	0.0%	0.4%
6	0.765	1.000	0.1%	0.0%	0.1%
7	0.765	1.000	0.1%	0.0%	0.1%
8	0.765	1.000	1.6%	0.0%	1.6%
9	0.765	1.000	1.5%	0.0%	1.5%
10	0.765	1.000	0.8%	0.0%	0.8%
11	0.765	1.000	0.8%	0.0%	0.8%
12	0.765	1.000	0.0%	0.0%	0.0%
13	0.765	1.000	0.1%	0.0%	0.1%
14	0.765	1.000	0.8%	0.0%	0.8%
15	0.833	1.000	0.8%	0.0%	0.8%
16	0.859	1.000	0.0%	0.0%	0.0%
17	0.885	1.000	0.8%	0.0%	0.8%
18	0.913	1.000	0.1%	0.0%	0.1%
19	0.941	1.000	2.2%	0.8%	2.9%
20	0.970	1.000	0.4%	0.0%	0.4%
21	1.000	1.025	2.8%	0.1%	2.9%
22	1.000	1.025	4.2%	0.0%	4.2%
23	1.000	1.025	0.6%	0.1%	0.6%
24	1.000	1.025	2.3%	0.7%	2.9%
25	1.004	1.025	5.8%	0.1%	5.8%
26	1.024	1.025	18.1%	0.5%	18.6%
27	1.048	1.025	23.9%	1.3%	25.2%
28	1.087	1.025	7.9%	0.1%	7.9%
29	1.119	1.025	17.7%	1.8%	19.5%
30	1.135	1.025	0.0%	0.0%	0.0%
31	1.159	1.025	0.0%	0.0%	0.0%
32	1.183	1.025	0.0%	0.0%	0.0%
33	1.198	1.025	0.0%	0.0%	0.0%
34	1.214	1.025	0.0%	0.0%	0.0%
35	1.222	1.025	0.0%	0.0%	0.0%
36	1.230	1.025	0.0%	0.0%	0.0%
37	1.238	1.025	0.0%	0.0%	0.0%
38	1.246	1.025	0.0%	0.0%	0.0%
39	1.262	1.025	0.0%	0.0%	0.0%
40	1.278	1.100	0.0%	0.0%	0.0%
41	1.302	1.105	0.0%	0.0%	0.0%
42	1.325	1.112	0.0%	0.0%	0.0%
43	1.357	1.121	0.0%	0.0%	0.0%
44	1.397	1.132	0.0%	0.0%	0.0%
45	1.444	1.145	0.0%	0.0%	0.0%
46	1.500	1.160	0.0%	0.0%	0.0%
47	1.563	1.177	0.0%	0.0%	0.0%
48	1.635	1.196	0.0%	0.0%	0.0%
49	1.706	1.217	0.0%	0.0%	0.0%
50	1.786	1.225	0.0%	0.0%	0.0%
51	1.865	1.225	0.0%	0.0%	0.0%
52	1.952	1.225	0.0%	0.0%	0.0%
53	2.040	1.225	0.0%	0.0%	0.0%
54	2.135	1.225	0.0%	0.0%	0.0%
55	2.230	1.225	0.0%	0.0%	0.0%
56	2.333	1.225	0.0%	0.0%	0.0%
57	2.437	1.225	0.0%	0.0%	0.0%
58	2.548	1.225	0.0%	0.0%	0.0%
59	2.603	1.225	0.0%	0.0%	0.0%
60	2.714	1.225	0.0%	0.0%	0.0%
61	2.810	1.225	0.0%	0.0%	0.0%
62	2.873	1.225	0.0%	0.0%	0.0%
63	2.952	1.225	0.0%	0.0%	0.0%
64	3.000	1.225	0.0%	0.0%	0.0%
Total			94.8%	5.2%	100.0%

Factor	2019 Average
Age	1.026
Tobacco	1.001
Area	1.016
Total	1.044

**Highmark Health Insurance Company****Individual Market****Response to Objection 1 - Question 5**

<b>Rating Area</b>	<b>2019 % of Member Months</b>
1	0.6%
2	0.2%
3	0.0%
4	2.3%
5	0.3%
6	18.3%
7	45.4%
8	0.0%
9	32.8%
<b>Total</b>	<b>100.0%</b>



**Highmark Health Insurance Company****Individual Market****Response to Objection 1 - Question 6a**

<b>Description</b>	<b>Risk Adjustment Population</b>	
	<b>Catastrophic</b>	
2018 Actual Statewide PLRS		■
2019 Model Change		■
2019 Risk Pool Deterioration		■
2020 & 2021 Risk Pool Deterioration		■
<b>2021 Projected Statewide PLRS</b>		■

## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - Question 6b

	Highmark - Catastrophic				Highmark Health Insurance Company - Catastrophic				Combined
	Renewal	Other Highmark	Prior ACA	New	Renewal	Other Highmark	Prior ACA	New	Total
<b>2021 Member Months</b>	164	47	16	429	109	0	0	16	780
<b>2021 Member Months %</b>	21.0%	6.0%	2.0%	55.0%	14.0%	0.0%	0.0%	2.0%	100.0%
<b>2021 Company-specific Factors</b>									
PLRS	████	████	████	████	████	█	█	████	████
ARF	████	████	████	████	████	█	█	████	████
GCF	████	████	████	████	████	█	█	████	████
IDF	████	████	████	████	████	█	█	████	████
AV	████	████	████	████	████	█	█	████	████
<b>2019 RATEE Factors</b>									
PLRS									████
ARF									████
GCF									████
IDF									████
AV									████

**Highmark Health Insurance Company****Individual Market****Response to Objection 1 - Question 6c**

Description	Value
Assumed HCRP % of Premium Charge	0.25%
Projected Required Revenue PMPM	\$204.20
<b>Projected HCRP Charge PMPM</b>	<b>(\$0.51)</b>

**Highmark Health Insurance Company**

**Individual Market**

**Response to Objection 1 - Question 8**

<b>Rating Areas</b>	<b>Region</b>	<b>Average Members</b>	<b>% of Total Members</b>	<b>Normalized Allowed PMPM</b>	<b>PMPM Relativity</b>	<b>Proposed Area Factor</b>
1,2,4,5	Western PA	6,355	39.7%	\$273.63	93.5%	0.94
6,7,9	Central PA	9,654	60.3%	\$305.13	104.3%	1.04
Total		16,009	100.0%	\$292.62	100.0%	

## Highmark Health Insurance Company

## Individual Market

## Response to Objection 1 - PID Question 2

Description	Financial Reporting Year					
	2014	2015	2016	2017	2018	2019
Member Months	345,835	329,117	322,368	308,092	193,360	119,077
Premium	\$195,042,889	\$179,188,445	\$199,146,816	\$254,826,202	\$156,059,777	\$93,522,506
Incurred Claims	\$192,849,552	\$234,924,973	\$210,947,852	\$171,325,346	\$89,803,938	\$55,097,904
Administrative Expenses	\$19,400,676	\$14,908,264	\$15,736,212	\$16,444,839	\$12,516,529	\$7,828,944
Taxes and Fees	\$4,737,884	\$9,233,601	\$11,718,810	\$11,052,160	\$12,332,377	\$4,075,725
Gain/(Loss)	(\$21,945,223)	(\$79,878,392)	(\$39,256,058)	\$56,003,857	\$41,406,933	\$26,519,933
Gain/(Loss) PMPY	(\$761)	(\$2,912)	(\$1,461)	\$2,181	\$2,570	\$2,673

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Unified Rate Review v5.2

Company Legal Name:

HM Health Insurance Company

HIOS Issuer ID:

70194

Effective Date of Rate Change(s):

01/01/2021

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:

01/01/2019

 to 

12/31/2019

Total

PMPM

Allowed Claims	\$73,138,783.82	\$615.73
Reinsurance	\$0.00	\$0.00
Incurred Claims in Experience Period	\$59,417,161.12	\$500.21
Risk Adjustment	\$192,315.59	-\$1.62
Experience Period Premium	\$93,757,713.88	\$789.31
Experience Period Member Months	118,784	

Section II: Projections

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	\$144.43	1.043	1.040	1.043	1.040	\$169.94
Outpatient Hospital	\$164.14	1.043	1.040	1.043	1.040	\$193.13
Professional	\$147.06	1.043	1.040	1.043	1.040	\$173.03
Other Medical	\$17.60	1.043	1.040	1.043	1.040	\$20.71
Capitation	\$0.25	0.967	1.000	0.800	1.000	\$0.19
Prescription Drug	\$142.25	1.071	1.040	1.071	1.040	\$176.48
Total	\$615.73					\$733.49

Morbidity Adjustment	1.034
Demographic Shift	0.927
Plan Design Changes	1.000
Other	1.008
Adjusted Trended EHB Allowed Claims PMPM for 01/01/2021	\$708.68
Manual EHB Allowed Claims PMPM	\$399.80
Applied Credibility %	0.00%

Projected Period Totals

Projected Index Rate for 01/01/2021	\$399.80	\$311,844.00
Reinsurance	\$24.39	\$19,024.20
Risk Adjustment Payment/Charge	\$92.23	\$71,939.40
Exchange User Fees	0.00%	\$0.00
Market Adjusted Index Rate	\$283.18	\$220,880.40

Projected Member Months	780
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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 4

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 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**.

To remove a product, navigate to the corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.

## Section I: General Product and Plan Information

[illegible]

Worksheet 1 Totals		Section II: Standard Component and Current Plan Level Information																		
2.1 Plan ID (Insurance Component ID)		Total	70194PA0260001	70194PA0300001	70194PA0530001	70194PA0530002	70194PA0530007	70194PA0530008	70194PA0530009	70194PA0530010	70194PA0540001	70194PA0540002	70194PA0540007	70194PA0540008	70194PA0540009	70194PA0540010	70194PA0550001	70194PA0570001	70194PA0580001	70194PA0600001
\$73,138,784	2.1 Allowed Claims	\$74,748,258	\$1,881,652	\$4,594,799	\$3,489,199	\$12,284,236	\$11,288,731	\$6,733,461	\$893,748	\$1,699,665	\$3,987,348	\$2,430,190	\$2,405,187	\$960,246	\$222,982	\$942,774	\$2,283	\$133,211	\$6,134,855	\$1,036,753
	2.1 Reinsurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	2.2 Member Cost Sharing	\$15,065,096	\$3,189,567	\$1,042,111	\$2,256,146	\$1,520,653	\$3,620,724	\$1,746,806	\$471,743	\$564,239	\$287,856	\$906,581	\$46,557	\$166,542	\$17,436	\$98,983	\$73,852	\$132,156	\$0	
	2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
\$59,413,651	2.6 Incurred Claims	\$59,413,651	\$2,678,681	\$3,552,648	\$1,212,919	\$6,767,957	\$5,203,664	\$7,916,942	\$1,227,923	\$3,423,160	\$2,142,312	\$1,698,646	\$640,229	\$1,766,721	\$4,847	\$52,229	\$5,561,921	\$808,597	\$68,597	
\$192,116	2.7 Risk Adjudication Transfer Amount	\$192,116	\$3,944,083	\$2,086,182	\$2,429,617	\$1,238,473	\$4,762,781	\$930,802	\$131,387	\$275,675	\$1,434,486	\$497,003	\$1,759,783	\$155,320	\$130,707	\$113,616	\$740,493	\$160,679	\$68,610	
\$93,757,714	2.8 Premium	\$93,757,714	\$2,756,799	\$4,465,161	\$1,874,243	\$19,341,362	\$19,753,677	\$6,323,270	\$1,204,068	\$2,351,280	\$3,262,351	\$3,817,803	\$5,346,846	\$1,492,696	\$346,568	\$1,035,093	\$109,344	\$262,931	\$7,711,899	
118,784	2.9 Experience Period Member Months	118,784	4,066	6,259	13,405	20,943	28,665	10,787	1,450	3,034	3,386	4,144	7,582	2,411	468	1,209	363	897	8,367	
	2.10 Loan Enrollment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	2.11 Current Premium PMPM	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$288.42	
	2.12 Loss Ratio	63.50%	82.36%	85.01%	79.93%	52.30%	51.15%	71.73%	47.31%	59.16%	68.37%	49.65%	47.35%	54.39%	53.48%	67.57%	12.46%	51.08%	75.71%	
	Per Member Per Month																			
	2.13 Allowed Claims	\$627.01	\$938.52	\$734.11	\$1,080.88	\$586.56	\$993.83	\$624.22	\$615.00	\$560.21	\$1,177.60	\$586.44	\$348.60	\$402.03	\$476.46	\$779.80	\$61.39	\$148.51	\$757.13	
	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	
	2.15 Member Cost Sharing	\$126.79	\$280.27	\$166.50	\$168.31	\$72.61	\$126.31	\$141.87	\$120.56	\$155.49	\$166.64	\$69.46	\$119.57	\$136.47	\$99.48	\$137.75	\$48.03	\$90.28	\$92.45	
	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	
	2.17 Incurred Claims	\$589.31	\$658.65	\$576.61	\$917.57	\$513.95	\$267.50	\$484.72	\$484.72	\$1,010.93	\$516.67	\$224.03	\$265.54	\$376.98	\$642.04	\$113.35	\$58.23	\$664.67	\$66.65	
	2.18 Risk Adjudication Transfer Amount	\$12.71	\$182.72	\$188.72	\$121.74	\$188.72	\$166.14	\$218.75	\$166.14	\$98.15	\$218.75	\$121.74	\$98.15	\$194.78	\$144.78	\$113.79	\$44.78	\$183.79	\$44.78	

[illegible][illegible]

Rating Area Data Collection

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

Rating Area	Rating Factor
Rating Area 1	0.9400
Rating Area 2	0.9400
Rating Area 4	0.9400
Rating Area 5	0.9400
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 2021. HHIC is discontinuing its one current 2020 plan and will map enrollees into the 2021 plan. HHIC is subjecting this new plan to the federal rate review process by marking it as renewing in the URRT. The resulting proposed average rate change is -15.6%. The product submitted with this filing will have effective dates from January 1, 2021 to December 31, 2021. This is projected to affect 53 members who will be mapped into the plan.

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

HHIC incurred an underwriting gain in its Individual ACA programs in 2019.

#### **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, 2021**

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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, 2021. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

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

This information is intended for use by the Pennsylvania Insurance Department, the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of 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, 2021

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

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

## **II. Proposed Rate Changes**

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

The proposed average rate decrease is being driven by unanticipated improvement in the base claims experience and the implementation of the Pennsylvania Health Insurance Individual market Stabilization Reinsurance Program ("Reinsurance Program").

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing included an assumption within the acceptable range of factors for COVID-19 impact.

This rate filing also accounts for the Reinsurance Program operating in the Individual Market in 2021 pursuant to a waiver of certain provisions of the Affordable Care Act for the State of Pennsylvania, as authorized by section 1332 of that Act and expected to be approved by the Centers for Medicare and Medicaid Services and the United States Department of Treasury.

Other assumptions in the filing account for the elimination of the Individual Mandate penalty and the lack of CSR funding in 2021 by using the factors prescribed in the Department's guidance. Additional assumptions include that advance payment of premium tax credits (APTCs) will continue until the end of 2021, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and that there are no significant changes in the participation of QHP issuers that would materially change risk adjustment transfer amounts. Finally, modifications to the rate development may be necessary if significant unforeseen events occur. Examples include, but are not limited to, repeal or invalidation of the ACA or material developments in the course of the COVID-19 pandemic. As a result, HHIC reserves the right to submit a revised filing.

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

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

Experience Period claims were based on incurred calendar year 2019, paid through February 2020. This includes 2019 experience in Affordable Care Act compliant plans. HHIC did not offer any transitional plans in 2019.

### **III.2 Current Date:**

The current date shown represents a snapshot of February 1, 2020.

### **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, 2019 through December 31, 2019, with claims paid through February 2020 as the basis for the 2021 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 2019 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 2019 plan designs chosen by each member
- **Incurred but Not Paid (IBNR) Claims Estimate:** HHIC is using a completion factor of 0.9634 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. Manual Rate Development**

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

A manual rate was developed by blending 2019 experience from multiple sources, primarily ACA claims experience and group claims for the February 1, 2020 snapshot membership as assumptions for any new members found in the snapshot, to approximate the anticipated 2021 HHIC population. This experience includes members from the current HHIC population as well as Highmark Inc., Catastrophic plans, adjusted for the expected 2021 HHIC population. This experience was chosen because it is large and reasonably represents the anticipated 2021 HHIC population.

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

Given that the expected 2021 population is used to develop the manual cost, no change in morbidity is required aside from the adjustment pertaining to the elimination of the health insurance coverage mandate described below. A morbidity adjustment was also made to account for the reinsurance program which is described further in the Projected Reinsurance Section. In accordance with the Department's guidance, a morbidity adjustment of 0.999 was also applied to reflect the impact of morbidity improvement due to the Reinsurance program. Similarly, the change in demographics adjustment is very small.

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

In accordance with the Department's guidance, the morbidity was increased by 1.0% to reflect the market uncertainty from the elimination of the health insurance coverage mandate.

#### **Covid-19 Impact**

For the Covid-19 adjustment, Highmark applied a 2.5% load for Covid-19 impact which is within the acceptable range of factors specified by the Department in its COVID-19 guidance.

The elimination of the health insurance coverage mandate and the Covid-19 impact are reflected in the Manual EHB Allowed Claims PMPM found on worksheet 1 of the URRT.

The underlying manual data was further adjusted to account for changes in network, pharmacy rebates, and hospital/physician settlements.

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

This development of the CY2021 rates reflects an annual trend rate of 8.4% (4.3% cost, 4.0% utilization) for medical and 11.4% (7.1% cost, 4.0% utilization) for pharmacy. These trends reflect Highmark's expectations regarding increases in in-network contractual reimbursement and out-of-network costs.

The medical trend represents a blended average for all medical types of services and is applied to the aggregate medical experience for pricing. Component data was not used in the development of the trend except pharmacy-specific projections were used to adjust the Pharmacy trend. The Pharmacy trend takes into account factors such as projected specialty drug use, pipeline drugs coming to market, and provider contracting. 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**

The federal government is expected to approve the State of Pennsylvania's Section 1332 State Innovation Waiver in order to implement a state-based reinsurance program. As outlined in the waiver application, the State is anticipating the Reinsurance Program will have the following parameters for 2021: an attachment point of \$60,000, a coinsurance rate of 60%, and a cap of \$100,000. HHIC estimated the impact of the reinsurance program under these tentative parameters by trending Highmark PA Individual ACA CY2019 incurred claims by member to the CY2021 rating period, applying the parameters, and calculating the amount of incurred claims expected to be reimbursed by the program. The modeling produced an estimated incurred claims savings of 6.1%. This percentage was converted to a PMPM and adjusted to an equivalent allowed claims basis by dividing the PMPM by the paid-to-allowed factor and the composite effect of catastrophic eligibility. This amount is reflected in worksheet 1 of the URRT.

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

The estimated average risk score for HHIC's projected 2021 population was developed by using 2019 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 2021 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 2021.

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

The analysis resulted in HHIC receiving from the risk adjustment pool. The \$92.93 PMPM value shown in worksheet 1 of the URRT is developed by taking the expected risk transfer amount plus the projected High Cost Risk Pool charge and adjusting it to an equivalent allowed claims basis by dividing it by the paid-to-allowed factor and the composite effect of catastrophic eligibility and benefits in addition to EHB.

For the purposes of this rate filing, HHIC has 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 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:

- \$0.25 PMPM for Risk Transfer User Fee
- \$0.23 PMPM for Patient Centered Outcomes Research Institute (PCORI) Fee
- 0.0% 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 1.019. This factor is calculated by dividing the all members age factor of 1.019 by the ratio of billable members to total members 1.0. The age curve calibration factor is  $1/1.019 = 0.9818$ .

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

The projected weighted average geographic factor is 0.944. Each Plan Adjusted Index Rate represents the rate for an average member with a geographic factor of 0.944. The geographic calibration factor is  $1/0.944 = 1.0596$ .

### **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  $1/1.001 = 0.9986$ .

#### **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 2021 using the federally-prescribed MLR methodology is 83.1%.

### **XIII. AV Metal Values**

HHIC is only offering a Catastrophic plan in 2021 so the HHS AV screen shot is not applicable.

### **XIV. Membership Projections**

Membership projections reflect HHIC's expectations for 2021. 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 2019 experience period that will no longer be available in 2021 can be found in Exhibit I.

HHIC also has some plans that were offered only in 2020 (not offered in the experience period or in the projection period). 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 I 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: [REDACTED]

Title: [REDACTED]

Date: July 16, 2020

**XVIII.****Exhibit I****Terminated Experience Period Plans**

<b>HIOS ID</b>	<b>Metal</b>	<b>Plan Name</b>	<b>2021 Mapping</b>
70194PA0260001	Bronze	Shared Cost Blue PPO Bronze 7500	N/A
70194PA0300001	Bronze	Shared Cost Blue PPO Bronze 7500	N/A
70194PA0530001	Gold	my Direct Blue EPO Gold 1000 - 2 Free PCP Visits	N/A
70194PA0530002	Silver	my Direct Blue EPO Silver 2400 - 2 Free PCP Visits	N/A
70194PA0530007	Bronze	my Direct Blue EPO Bronze 4000	N/A
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
70194PA0540001	Gold	my Direct Blue Lehigh Valley EPO Gold 1000 - 2 Free PCP Visits	N/A
70194PA0540002	Silver	my Direct Blue Lehigh Valley EPO Silver 2400 - 2 Free PCP Visits	N/A
70194PA0540007	Bronze	my Direct Blue Lehigh Valley EPO Bronze 4000	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
70194PA0550001	Catastrophic	my Direct Blue Lehigh Valley Major Events EPO 7900	N/A
70194PA0560001	Catastrophic	my Direct Blue Major Events EPO 7900	N/A
70194PA0570001	Silver	my Direct Blue EPO Silver 4450 HSA	N/A
70194PA0580001	Silver	my Direct Blue Lehigh Valley EPO Silver 4450 HSA	N/A

**Terminated Plans Offered in 2020 Only**

<b>HIOS ID</b>	<b>Metal</b>	<b>Plan Name</b>	<b>2021 Mapping</b>
70194PA0590001	Catastrophic	Major Events Blue PPO, a Community Blue Plan 8150 - 3 Free PCP <sup>1</sup>	N/A

2021 Rates Table Template v10.0		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				
	Rate Effective Date*	01/01/2021			
	Rate Expiration Date*	12/31/2021			
	Rating Method*	Age-Based Rates			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	156.66	156.66
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	15	170.58	170.58
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	16	175.91	175.91
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	17	181.23	181.23
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	18	186.96	186.96
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	19	192.70	192.70
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	20	198.64	198.64
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	21	204.78	209.90
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	22	204.78	209.90
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	23	204.78	209.90
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	24	204.78	209.90
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	25	205.60	210.74
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	26	209.69	214.93
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	27	214.61	219.98
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	28	222.60	228.17
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	29	229.15	234.88
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	30	232.43	238.24
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	31	237.34	243.27
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	32	242.25	248.31
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	33	245.33	251.46
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	34	248.60	254.82
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	35	250.24	256.50
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	36	251.88	258.18
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	37	253.52	259.86
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	38	255.16	261.54
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	39	258.43	264.89
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	40	261.71	287.88
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	41	266.62	294.62
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	42	271.33	301.72
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	43	277.89	311.51
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	44	286.08	323.84
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	45	295.70	338.58
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	46	307.17	356.32
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	47	320.07	376.72
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	48	334.82	400.44
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	49	349.35	425.16
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	50	365.74	448.03
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	51	381.91	467.84
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	52	399.73	489.67
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	53	417.75	511.74
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	54	437.21	535.58
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	55	456.66	559.41
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	56	477.75	585.24
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	57	499.05	611.34
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	58	521.78	639.18
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	59	533.04	652.97
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	60	555.77	680.82
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	61	575.43	704.90
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	62	588.33	720.70
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	63	604.51	740.52
70194PA0600001	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	614.34	752.57
70194PA0600001	Rating Area 2	Tobacco User/Non-Tobacco User	0-14	156.66	156.66
70194PA0600001	Rating Area 2	Tobacco User/Non-Tobacco User	15	170.58	170.58
70194PA0600001	Rating Area 2	Tobacco User/Non-Tobacco User	16	175.91	175.91
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	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	41	266.62	294.62
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	42	271.33	301.72
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	43	277.89	311.51
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	44	286.08	323.84
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	45	295.70	338.58
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	46	307.17	356.32
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	47	320.07	376.72
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	48	334.82	400.44
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	49	349.35	425.16
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	50	365.74	448.03
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	51	381.91	467.84
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	52	399.73	489.67
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	53	417.75	511.74
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	54	437.21	535.58
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	55	456.66	559.41
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	56	477.75	585.24
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	57	499.05	611.34
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	58	521.78	639.18
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	59	533.04	652.97
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	60	555.77	680.82
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	61	575.43	704.90
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	62	588.33	720.70
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	63	604.51	740.52
	70194PA0600001	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	614.34	752.57
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	0-14	156.66	156.66
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	15	170.58	170.58
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	16	175.91	175.91
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	17	181.23	181.23
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	18	186.96	186.96
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	19	192.70	192.70
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	20	198.64	198.64
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	21	204.78	209.90
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	22	204.78	209.90
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	23	204.78	209.90
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	24	204.78	209.90
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	25	205.60	210.74
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	26	209.69	214.93
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	27	214.61	219.98
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	28	222.60	228.17
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	29	229.15	234.88
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	30	232.43	238.24
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	31	237.34	243.27
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	32	242.25	248.31
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	33	245.33	251.46
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	34	248.60	254.82
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	35	250.24	256.50
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	36	251.88	258.18
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	37	253.52	259.86
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	38	255.16	261.54
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	39	258.43	264.89
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	40	261.71	267.88
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	41	266.62	294.62
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	42	271.33	301.72
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	43	277.89	311.51
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	44	286.08	323.84
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	45	295.70	338.58
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	46	307.17	356.32
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	47	320.07	376.72
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	48	334.82	400.44
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	49	349.35	425.16
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	50	365.74	448.03
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	51	381.91	467.84
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	52	399.73	489.67
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	53	417.75	511.74
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	54	437.21	535.58
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	55	456.66	559.41
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	56	477.75	585.24
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	57	499.05	611.34
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	58	521.78	639.18
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	59	533.04	652.97
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	60	555.77	680.82
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	61	575.43	704.90
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	62	588.33	720.70
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	63	604.51	740.52
	70194PA0600001	Rating Area 5	Tobacco User/Non-Tobacco User	64 and over	614.34	752.57
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	0-14	173.33	173.33
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	15	188.73	188.73
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	16	194.62	194.62
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	17	200.51	200.51
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	18	206.86	206.86
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	19	213.20	213.20
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	20	219.77	219.77
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	21	226.57	232.23
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	22	226.57	232.23
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	23	226.57	232.23
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	24	226.57	232.23
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	25	227.48	233.17
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	26	232.01	237.81
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	27	237.45	243.39
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	28	246.28	252.44
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	29	253.53	259.87
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	30	257.16	263.59
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	31	262.59	269.15
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	32	268.03	274.73
	70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	33	271.43	278.22

70194PA0600001	Rating Area 6	Tobacco User/Non-Tobacco User	34	275.06	281.94
	Rating Area 6	Tobacco User/Non-Tobacco User	35	276.87	283.79
	Rating Area 6	Tobacco User/Non-Tobacco User	36	278.68	285.65
	Rating Area 6	Tobacco User/Non-Tobacco User	37	280.49	287.50
	Rating Area 6	Tobacco User/Non-Tobacco User	38	282.31	289.37
	Rating Area 6	Tobacco User/Non-Tobacco User	39	285.93	293.08
	Rating Area 6	Tobacco User/Non-Tobacco User	40	289.56	318.52
	Rating Area 6	Tobacco User/Non-Tobacco User	41	294.99	325.96
	Rating Area 6	Tobacco User/Non-Tobacco User	42	300.21	333.83
	Rating Area 6	Tobacco User/Non-Tobacco User	43	307.46	344.66
	Rating Area 6	Tobacco User/Non-Tobacco User	44	316.52	358.30
	Rating Area 6	Tobacco User/Non-Tobacco User	45	327.17	374.61
	Rating Area 6	Tobacco User/Non-Tobacco User	46	339.86	394.24
	Rating Area 6	Tobacco User/Non-Tobacco User	47	354.13	416.81
	Rating Area 6	Tobacco User/Non-Tobacco User	48	370.44	443.05
	Rating Area 6	Tobacco User/Non-Tobacco User	49	386.53	470.41
	Rating Area 6	Tobacco User/Non-Tobacco User	50	404.65	495.70
	Rating Area 6	Tobacco User/Non-Tobacco User	51	422.55	517.62
	Rating Area 6	Tobacco User/Non-Tobacco User	52	442.26	541.77
	Rating Area 6	Tobacco User/Non-Tobacco User	53	462.20	566.20
	Rating Area 6	Tobacco User/Non-Tobacco User	54	483.73	592.57
	Rating Area 6	Tobacco User/Non-Tobacco User	55	505.25	618.93
	Rating Area 6	Tobacco User/Non-Tobacco User	56	528.59	647.52
	Rating Area 6	Tobacco User/Non-Tobacco User	57	552.15	676.38
	Rating Area 6	Tobacco User/Non-Tobacco User	58	577.30	707.19
	Rating Area 6	Tobacco User/Non-Tobacco User	59	589.76	722.46
	Rating Area 6	Tobacco User/Non-Tobacco User	60	614.91	753.26
	Rating Area 6	Tobacco User/Non-Tobacco User	61	636.66	779.91
	Rating Area 6	Tobacco User/Non-Tobacco User	62	650.94	797.40
	Rating Area 6	Tobacco User/Non-Tobacco User	63	668.83	819.32
	Rating Area 6	Tobacco User/Non-Tobacco User	64 and over	679.71	832.64