

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
Product Name:	Rates - CAIC Individual PPO		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	ACA Public Rate Filing PDF
Comments:	
Attachment(s):	Ind_20-52_Initial_CAIC_PPO_PublicFiling01_Supporting_20200720.pdf Ind_20-52_Initial_CAIC_PPO_PublicFiling02_Supporting_20200720.pdf Ind_20-52_Initial_CAIC_PPO_PublicFiling03_Supporting_20200720.pdf
Item Status:	
Status Date:	



May 19, 2020

[REDACTED], Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 20-52
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear [REDACTED]:

By this filing Capital BlueCross, on behalf of its wholly owned subsidiary Capital Advantage Insurance Company, submits to the Department Individual Rates effective January 1, 2021.

The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2021
- Average Rate Change Requested: -16.8%
- Range of Requested Rate Change: -16.8% to -16.8%
- Total additional annual revenue generated from the proposed rate change: \$(38,372)
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 76/69
- 2021 Number of Plans: 1
- 2020 Number of Plans and Change: 1/No Plan Change
- Contract Form #: CAIC-Ind-PPO-C-v0121
- Form Filing SERFF #: CABC-132354855
- Binder SERFF #: CABC-PA21-125097755
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-1735063902116677642

Harrisburg, PA 17177 | capbluecross.com

In support of this filing, I have included an Actuarial Memorandum with supporting exhibits, URRT, Consumer Friendly Justification, Rates Table Template, and PA Plan Design Summary and Rate Tables.

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Associate General Counsel

Attachment I

Rate Change Summary

Capital Advantage Insurance Company (CAIC) – Individual Plans

Rate request filing ID # CABC-132354933 - 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:	-15.5% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-15.5% to -15.5%
Effective date:	1/1/2021
Mapped Members:	76
Available in:	Rating Areas 6, Rating Area 7, and Rating Area 9

Key information

Jan. 2019-Dec. 2019 financial experience

Premiums	\$155,485
Claims	\$119,537
Administrative expenses	\$146,380
Taxes & fees	\$5,896
Company made (after taxes)	\$(88,326)

How it plans to spend your premium

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

Claims:	77.40%
Administrative:	17.97%
Taxes & fees:	2.63%
Profit:	2.00%

The company expects its annual medical costs to increase **6.78%**.

Explanation of requested rate change

Favorable Experience Net Risk Adjustment: -11%
Changes in Induced Demand Calculation: -2%
Suspension of the Health Insurer Fee: -3%
Reinsurance Program: -6%
Future Cost and Utilization: 7%

¹ 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.



July 20, 2020

██████████, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

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Individual Rates
Filing No 20-52
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
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Filing Type: Rate**

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The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2021
- Average Rate Change Requested: -15.5%
- Range of Requested Rate Change: -15.5% to -15.5%
- Total additional annual revenue generated from the proposed rate change: \$(35,505)
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 77/69
- 2021 Number of Plans: 1
- 2020 Number of Plans and Change: 1/No Plan Change
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Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Associate General Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2021

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Individual
- Effective Date: 1/1/2021

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
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Company Contact Information

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

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available effective January 1, 2021. CAIC will only offer products off the PA state-based exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2017	CABC-130539588	39.0%
Individual	CAIC	1/1/2018	CABC-131022047	20.2%
Individual	CAIC	1/1/2019	CABC-131454888	-43.2%
Individual	CAIC	1/1/2020	CABC-131915046	-3.8%

Average Rate Change

CAIC is proposing an aggregate annual -15.5% rate change. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

The key drivers of the rate change, and approximate impact, are as follows:

Favorable Experience Net Risk Adjustment: -11%
Changes in Induced Demand Calculation: -2%
Suspension of the Health Insurer Fee: -3%
Reinsurance Program: -6%
Future Cost and Utilization: 7%

Regulatory Considerations

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

- Individual Mandate: 1.01
- Cost Sharing Reduction (CSR) Funding: Factor of 1.20 applied in the PA Rate Exhibits, Part III, column P to the on-exchange silver plan.
- User Exchange Fee of 3%
- Reinsurance Morbidity Adjustment of 0.999
- COVID-19 Adjustment of 1.0

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 23.

Benefit Changes 2020-2021

A summary of proposed 2021 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2021. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for CAIC in the individual market.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2019 and December 31, 2019.

Paid Through Date: Claims in the BEP are paid through February 29, 2020

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.

2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of “completion”.
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary’s chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to corporate 2019 budgeted amounts and will be updated once finalized transfer payments are available.

Loss Ratio in BEP: Loss ratio is 76.88%

Credibility of Data

CAIC individual data is not credible, so CBC subsidiary, Keystone Health Plan Central (KHPC) is used as the credibility manual. KHPC data is relevant to CAIC rate development because KHPC offers off-exchange Bronze and Catastrophic plans, similar to CAIC’s 2021 product offering.

KHPC’s data is developed in the same manner as described in Experience Period Premium and Claims above.

Trend Identification

Trend: 6.78%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model
 - i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
 - viii. Pipeline (new drugs)
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles and copays, to the paid trend.
4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.

5. **Underwriting Cycle:** The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CBC strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in URRT come directly from CBC's data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC's pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, "Morbidity Adjustment", and PA Rate Exhibits, Table 5. The changes to morbidity is equal to the Department's Individual Adjustment factor times the Reinsurance Morbidity factor discussed above.

Changes in Benefits:

Allowed Claims: The benefit change field is being used to estimate the difference between KHPC experience, which includes bronze and catastrophic plans, and the projected CAIC catastrophic experience. The calculation is shown on Exhibit F – URRT.

Incurred Claims: In addition to the Catastrophic adjustment applied to allowed claims, benefit cost-sharing adjustment are applied in the development of future incurred claims. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC's internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: The Demographic adjustment is show in Exhibit F – URRT. This is the difference in demographics between KHPC enrollment, which includes bronze and catastrophic plans, and the projected CAIC catastrophic enrollment.

Changes in Network: No network adjustment is applied.

Other Adjustments: An additional adjustment is applied to reflect pharmacy contracting savings in the projection period. Capital BlueCross (CBC) has contracted a new Pharmacy Benefit Manager (PBM) effective 1/1/2020, with calculated savings (combined price and Rx rebate savings) of 5% over CBC's current contract. The other adjustment factor is calculated as:

Other Adjustment

$$= ([Rx Savings Factor] - 1) \times [BEP Allowed Prescription Drug PMPM] \div [BEP Allowed Total PMPM] + 1$$

Benefits, Demographics, Network and Other adjustments are found in URRT Worksheet 1 and PA Rate Exhibits Table 5.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J as well as PA Rate Exhibits Table 5 for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months

2. Develop *BEP Paid and Incurred Claims*:

$$BEP\ Paid\ and\ Incurred\ Claims = \frac{BEP\ Paid\ Claims}{Completion\ Factor}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP\ Paid\ and\ Incurred\ Claim\ PMPM = \frac{BEP\ Paid\ and\ Incurred\ Claims}{BEP\ Member\ Months}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP\ Paid\ and\ Incurred\ Claim\ PMPM] \times (1 + [Trend\%])^{Trend\ Months/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

$$\begin{aligned} &= [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \\ &\times [Morbidity\ Adjustment] \times [Reinsurance\ Adjustment] \\ &\times [Other\ Adjustment] \end{aligned}$$

The *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above. The *Benefit Adjustment* is described in more detail in step 6 below. The *Reinsurance Adjustment* is discussed in Market Adjusted Index Rate section below.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services

that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.

- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\text{Benefit Level Adjustment} = \frac{\text{Average Manual Cost in Projection Period}}{\text{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\text{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\text{Benefit Relativity A} = \frac{\text{Manual Cost of Benefit A}}{\text{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
 - i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.

- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} &\text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ &\times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2019. The *Total Projected Claims PMPM* :

$$= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ + \text{Projected Claims PMPM Benefit B} \\ \times \text{Expected Member Dis of Benefit B} + \dots$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned} [\text{Market Adjusted Index Rate}] \\ = ([\text{Index Rate}] \times [\text{Paid to Allowed Ratio}] \\ - [\text{Projected Incurred Reinsurance Recoveries}] \\ - [\text{Projected Incurred Risk Adjustment PMPM}] \\ + [\text{Exchange Fees PMPM}]) \div [\text{Paid to Allowed Ratio}] \end{aligned}$$

Projected Incurred Risk Adjustments PMPM:

Relevant to 2021 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2021. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2018-2019 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

Please note that corporate budgeted amounts are used in the BEP. While CBC has done additional work to project 2020/2021 CRA expectations, those calculations will be finalized once 2019 CRA results are released, and a detailed calculation will be provided at that time. At the time of the initial filing, a placeholder is being used, reflecting best estimates to date.

Projected Incurred Reinsurance Recoveries:

In order to calculate the value of reinsurance, the following is provided:

1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
2. PA Rate Exhibits, tab II.b shows the projected Individual ACA claims using all CBC subsidiaries – CAAC, CAIC, and KHPC. The claims represent BEP claims trended at 7% to the projection period.
3. CBC is utilizing this approach in order apply a consistent reinsurance factor across all CBC Individual ACA plans regardless of issuing entity. This approach also provides credibility to the small CBC issuers (KHPC and CAIC).

Exchange Fee PMPM:

CAIC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

$$\begin{aligned} \text{Exchange Fee PMPM} \\ &= [\text{Avg 2021 On} - \text{Exchange Premium PMPM}] \times [\% \text{ Members On} \\ &\quad - \text{Exchange}] \end{aligned}$$

Where

$$\begin{aligned} [\text{Avg 2021 On} - \text{Exchange Premium PMPM}] \\ &= [\text{Avg 2020 On} - \text{Exchange Premium PMPM}] \times (1 \\ &\quad + [\text{Avg Proposed Rate Change}]) \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.19 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from CBC’s Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CBC individual products. Administrative expenses are included in

URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.

- a. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - i. Complete Health Risk Assessment questionnaire and receive a gift card.
 - ii. Participate in an online coaching program and receive a gift card reward.
 - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - iv. Fees are included in overall administrative expense fee discussed above.
 - v. Included in URRT Worksheet 2 “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on CBC’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. CBC pays commissions for new business and renewal enrollment received during open enrollment, both on and off exchange, and in all geographic areas. Commission is less on catastrophic plans due to the lower premium. CBC does not pay commission during Special Enrollment Periods (SEP). The 2020 broker commission schedule is yet to be finalized. Attached please find the 1/1/2019 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: “Ind_20-51_Initial_CAAC_PPO_WBEBrokerIndRedacted_Supporting_20200519.pdf”
 - b. Redacted Preferred Producer Master Agreement: “Ind_20-51_Initial_CAAC_PPO_PPMABrokerIndRedacted_Supporting_20200519.pdf”
4. Additional Quality Improvement: The Final Notice of Benefit and Payment Parameters (NBPP) for 2020 finalized the rule to allow issuers to apply a standard 0.8% of premium for quality improvement (QI) measures in the MLR calculation. Additional QI amounts applied in rating equal 0.4%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

Profit (or Contribution to Surplus) & Risk Margin:

5. Contingency: Contingency is included in URRT Worksheet 1, “Profit and Risk”, and PA Rate Exhibits Table 6.

Taxes and Fees:

1. Exchange Fee – All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. CAIC only offers off-exchanges products, therefore no exchange fee is applied.
2. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.

3. Premium Tax: CAIC is charged premium tax of 2%. Premium tax is included in URRT, Worksheet2, “Taxes and Fees” and PA Rate Exhibits, Table 6.

See Exhibit H as well as PA Rate Exhibits Table 6 for all retention values.

Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Please see Table 8. Induced Demand is calculated as:
$$[Pricing\ AV]^2 - [Pricing\ AV] + 1.24$$

Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.
3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
6. Adjustment for distribution and administrative costs: Described in Retention section above.
7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Calibrated Plan Adjusted Index Rates

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in CAIC. Age factors are applied in accordance with CMS’s Standard Age Curve. The age calibration factor is adjusted for contracts with greater

than three children under the age of 21. Please see file Ind_20-52_Initial_CAIC_PPO_List-Billed_Supporting_20200519 for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CAIC member-weighted average by region.

Geographic Factors: CBC performed regional analysis to quantify the cost difference between the three regions in our service area. The analysis gathered incurred claims net Rx rebates, projected risk adjustment, and premium for a 12-month period by region. The loss ratio of each region is then compared to the average loss ratio for the book of business. In theory, the change in regional rating factor is:

$$[Change\ in\ Regional\ Rating\ Factor\ Region\ A] = [Region\ A\ LR] \div [BOB\ LR]$$

But our preferred approach is to gradually change factors, so not to shock the market, while moving rates in the appropriate direction. In order to do this, the following approach is being proposed:

$$[Change\ in\ Regional\ Rating\ Factor\ Region\ A] = [Region\ A\ LR] \div [Target\ LR]$$

Where Target LR is in between Region A LR and BOB LR. With this gradual approach, annual rate change by region is shown on Exhibit Q, column G.

Tobacco Factor Calibration: Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

$$[Calibrated\ Plan\ Adjusted\ Index\ Rate] = [Plan\ Adjusted\ Index\ Rate] \div ([Age\ Curve\ Calibration] \times [Geographic\ Factor\ Calibration] \times [Tobacco\ Factor])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits Table 10.
The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [Member - Level\ Consumer\ Adjusted\ Premium\ Rate] \\ = [Calibrated\ Plan\ Adjusted\ Index\ Rate] \times [Age\ Factor] \\ \times [Geographic\ Factor] \times [Tobacco\ Factor] \end{aligned}$$

2. $[Family\ Consumer\ Adjusted\ Premium\ Rate] = \sum [Member - Level\ Consumer\ Adjusted\ Premium\ Rate]$

With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 were based on the federally issued AV Calculator.

See AV Screenshots included with the submission.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of URRT were developed by assuming moderate growth and similar distribution to current.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Exhibits Part I through Part V

Table 8

Exhibit A – Benefit Summary
Exhibit B – Benefit Change Summary
Exhibit C – Benefit Categories
Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URRT
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention

Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Regional Analysis

Broker Contracts
Actuarial Value Screenshots
List-Billed Data
Extended OEP and Covid-19 Estimates

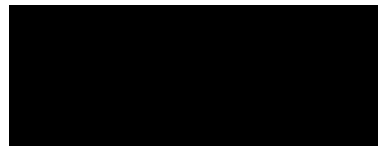
Actuarial Statement


I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.

3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
4. 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, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.
 - a. The analysis was
 - i. conducted by a member of the American Academy of Actuaries, and
 - ii. performed in accordance with generally accepted actuarial principles and methods.
5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.



 ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Capital Advantage Insurance Company
Product(s):	PPD
Market Segment:	Individual
Rate Effective Date:	1/1/2021
Base Period Start Date:	1/1/2019
End of Most Recent Membership:	12/31/2020

to

12/31/2021

to

12/31/2019

Table 1. Number of Members

	Member-months Experience Period	Members Current Period (as of 02-01-2020)	Member-months Projected Rating Period
	23.1	23.1	23.1
Average Age	23.1	23.1	23.1
Total	221	77	512
<18	125	32	145
18-24	172	16	130
25-29	136	49	100
30-34	85	0	0
35-39	0	0	0
40-44	0	0	0
45-49	0	0	0
50-54	0	0	0
55-59	0	0	0
60-63	0	0	0
64+	0	0	0

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member's %)	Allowed Claims (Non-Capitated)	Non-ERB portion of Allowed Claims	Total Prescription Drug Rebates*	Total ERB Capitation	Total Non-ERB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recovery
\$155,485.61	\$126,364.13	\$124,454.58	77.1	\$12,772.58	\$173,042.54	\$1.00	\$1,421.30	\$0.00	\$0.00	\$1,421.30	\$
Experience Period Total Allowed ERB Claims + ERB Capitation (PPM) less (prescription drug rebates)											\$
Loss Ratio											76.88%

*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%	0.75%	0.35%
Outpatient Hospital	0.00%	0.00%	0.00%	0.00%	0.31%
Professional	0.00%	0.00%	0.00%	0.45%	0.01%
Other Medical	0.00%	0.00%	0.00%	0.00%	0.00%
Capitation	0.00%	0.00%	0.00%	0.00%	0.00%
Prescription Drugs	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Trend	0.00%	0.00%	0.00%	0.00%	0.00%
Months of Trend	0.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Trend Projection Factor	1.00	1.00	1.00	1.00	1.00

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

** Should equal 100% Trend

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factor*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member's %)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-12		\$120,220	1.0000	\$120,220	10	\$12,022		\$0.00	\$120,220	\$12,022
Feb-12		\$69,120	1.0000	\$69,120	10	\$6,912		\$0.00	\$69,120	\$6,912
Mar-12		\$60,000	1.0000	\$60,000	14	\$4,286		\$0.00	\$60,000	\$4,286
Apr-12		\$75,800	1.0000	\$75,800	14	\$5,414		\$0.00	\$75,800	\$5,414
May-12		\$112,000	1.0000	\$112,000	14	\$8,000		\$0.00	\$112,000	\$8,000
Jun-12		\$162,200	1.0000	\$162,200	14	\$11,586		\$0.00	\$162,200	\$11,586
Jul-12		\$60,000	0.9994	\$60,000	14	\$4,286		\$0.00	\$60,000	\$4,286
Aug-12		\$12,000	1.0000	\$12,000	12	\$1,000		\$0.00	\$12,000	\$1,000
Sep-12		\$10,000	1.0000	\$10,000	14	\$714		\$0.00	\$10,000	\$714
Oct-12		\$10,000	1.0000	\$10,000	14	\$714		\$0.00	\$10,000	\$714
Nov-12		\$10,000	1.0000	\$10,000	14	\$714		\$0.00	\$10,000	\$714
Dec-12		\$10,000	1.0000	\$10,000	14	\$714		\$0.00	\$10,000	\$714
Jan-13	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-13		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-14	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-14		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-15	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-15		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-16	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-16		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-17	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-17		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-18	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-18		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-19	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-19		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-20	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Apr-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
May-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jun-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jul-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Aug-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Sep-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Oct-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Nov-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Dec-20		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Jan-21	\$12,000.00	\$60,000.00	1.0000	\$60,000.00	14	\$4,286	\$1,000.00	\$0.00	\$59,000.00	\$4,286
Feb-21		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286
Mar-21		\$60,000.00	1.0000	\$60,000.00	14	\$4,286		\$0.00	\$60,000.00	\$4,286

Carrier Name: Capital Advantage Insurance Company
ProductID: PPD
Market Segment: Individual
Rate Effective Date: 1/1/2021

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member % Only)	Allowed Claims (Non-Capitated)	Non-ERB portion of Allowed Claims	Total Prescription Drug Rebates**	Total ERB Capitation	Total Non-ERB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoupings
\$9,047,787.33	\$5,454,575.30	\$5,884,424.33	15,113	0.00%	\$1,038,387.77	\$7,012,082.32	\$0,000,000.00	\$103,470.33	\$0.00	\$7,105,552.65	\$
Experience Period Total Allowed ERB Claims + ERB Capitation PMPM (out of prescription drug rebate)											\$
Exp Ratio											\$9.49%

*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	9.75%	0.00%	0.00%	9.75%	2.57%
Outpatient Hospital	0.00%	0.00%	0.00%	0.00%	18.18%
Physician	8.40%	0.00%	0.00%	8.40%	15.70%
Other Medical	9.00%	0.00%	0.00%	9.00%	2.02%
Prescription Drugs	10.00%	1.00%	0.00%	11.47%	17.73%
Total Annual Trend				8.78%	100.00%
Months of Trend				24	
Long Applied Trend Projection Factor				0.145	

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

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factor*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member % Only)	Prescription Drug Rebates**	Allowed Claims (Out of Prescription Drug Rebates)	Allowed PMPM
Jan-15	\$7,716,209.26	\$7,716,209.26	1.0000	\$7,716,209.26	13,434	\$574.67	\$20,985,879.68	\$0.00	\$0.00	\$574.67
Feb-15		\$5,499,662.93	1.0000	\$5,499,662.93	13,487	\$408.55		\$10,438.50	\$10,438.50	\$303.89
Mar-15		\$12,451,026.32	1.0000	\$12,451,026.32	16,773	\$745.77		\$10,438.50	\$10,438.50	\$443.75
Apr-15		\$11,756,113.27	1.0000	\$11,756,113.27	16,862	\$697.92		\$10,438.50	\$10,438.50	\$412.61
May-15		\$12,109,923.61	1.0000	\$12,109,923.61	16,233	\$746.10		\$10,438.50	\$10,438.50	\$459.37
Jun-15		\$13,024,122.62	1.0000	\$13,024,122.62	15,497	\$840.63		\$10,438.50	\$10,438.50	\$543.06
Jul-15		\$11,897,233.34	1.0000	\$11,897,233.34	14,567	\$816.34		\$10,438.50	\$10,438.50	\$560.25
Aug-15		\$10,891,405.54	1.0000	\$10,891,405.54	14,515	\$750.49		\$10,438.50	\$10,438.50	\$517.00
Sep-15		\$10,440,484.24	1.0000	\$10,440,484.24	13,549	\$770.71		\$10,438.50	\$10,438.50	\$569.55
Oct-15		\$11,500,914.67	1.0000	\$11,500,914.67	11,963	\$961.48		\$10,438.50	\$10,438.50	\$806.33
Nov-15		\$12,324,362.00	1.0000	\$12,324,362.00	12,188	\$1011.81		\$10,438.50	\$10,438.50	\$832.67
Dec-15		\$11,968,504.76	1.0000	\$11,968,504.76	10,473	\$1143.12		\$10,438.50	\$10,438.50	\$855.53
Jan-16	\$145,173,983.44	\$6,639,931.00	1.0000	\$6,639,931.00	2,511	\$2643.71		\$10,438.50	\$10,438.50	\$106.39
Feb-16		\$5,552,189.26	1.0000	\$5,552,189.26	2,524	\$2200.00		\$10,438.50	\$10,438.50	\$91.00
Mar-16		\$4,937,772.00	1.0000	\$4,937,772.00	2,507	\$1969.45		\$10,438.50	\$10,438.50	\$78.55
Apr-16		\$5,449,142.10	1.0000	\$5,449,142.10	2,436	\$2236.56		\$10,438.50	\$10,438.50	\$91.89
May-16		\$12,124,466.30	1.0000	\$12,124,466.30	2,493	\$4863.76		\$10,438.50	\$10,438.50	\$195.33
Jun-16		\$6,149,343.80	1.0000	\$6,149,343.80	2,315	\$2658.31		\$10,438.50	\$10,438.50	\$114.83
Jul-16		\$5,446,124.71	1.0000	\$5,446,124.71	2,176	\$2504.00		\$10,438.50	\$10,438.50	\$114.83
Aug-16		\$6,461,213.62	1.0000	\$6,461,213.62	2,467	\$2620.92		\$10,438.50	\$10,438.50	\$106.39
Sep-16		\$6,461,213.62	1.0000	\$6,461,213.62	2,467	\$2620.92		\$10,438.50	\$10,438.50	\$106.39
Oct-16		\$6,422,026.30	1.0000	\$6,422,026.30	2,535	\$2531.55		\$10,438.50	\$10,438.50	\$102.01
Nov-16		\$6,525,519.63	1.0000	\$6,525,519.63	2,567	\$2543.01		\$10,438.50	\$10,438.50	\$106.39
Dec-16		\$5,552,189.26	1.0000	\$5,552,189.26	2,524	\$2200.00		\$10,438.50	\$10,438.50	\$91.00
Jan-17	\$15,727,788.24	\$3,970,331.37	1.0000	\$3,970,331.37	2,227	\$1783.24	\$1,404,547.14	\$10,438.50	\$10,438.50	\$222.67
Feb-17		\$3,986,461.51	1.0000	\$3,986,461.51	2,093	\$1904.28		\$10,438.50	\$10,438.50	\$235.81
Mar-17		\$3,950,103.86	1.0000	\$3,950,103.86	2,065	\$1912.92		\$10,438.50	\$10,438.50	\$227.80
Apr-17		\$4,413,883.03	1.0000	\$4,413,883.03	1,963	\$2247.24		\$10,438.50	\$10,438.50	\$364.93
May-17		\$5,525,144.35	0.9999	\$5,525,144.35	1,937	\$2851.39		\$10,438.50	\$10,438.50	\$461.48
Jun-17		\$4,543,744.76	0.9999	\$4,543,744.76	1,864	\$2437.41		\$10,438.50	\$10,438.50	\$392.76
Jul-17		\$4,607,054.43	0.9994	\$4,607,054.43	1,832	\$2516.39		\$10,438.50	\$10,438.50	\$379.60
Aug-17		\$3,970,331.37	0.9999	\$3,970,331.37	1,713	\$2319.45		\$10,438.50	\$10,438.50	\$303.60
Sep-17		\$4,613,114.27	0.9996	\$4,613,114.27	1,738	\$2651.91		\$10,438.50	\$10,438.50	\$466.42
Oct-17		\$3,936,306.71	0.9998	\$3,936,306.71	1,491	\$2639.78		\$10,438.50	\$10,438.50	\$176.03
Nov-17		\$4,658,134.33	0.9993	\$4,658,134.33	1,431	\$3251.89		\$10,438.50	\$10,438.50	\$464.51
Dec-17		\$4,617,012.26	0.9999	\$4,617,012.26	1,438	\$3248.52		\$10,438.50	\$10,438.50	\$459.24
Jan-18	\$14,247,214.35	\$3,444,545.23	0.9991	\$3,444,545.23	1,315	\$2621.00	\$1,404,547.14	\$10,438.50	\$10,438.50	\$364.93
Feb-18		\$3,020,071.20	0.9988	\$3,020,071.20	1,188	\$2547.37		\$10,438.50	\$10,438.50	\$316.40
Mar-18		\$3,447,854.24	0.9989	\$3,447,854.24	1,103	\$3126.51		\$10,438.50	\$10,438.50	\$302.78
Apr-18		\$4,617,012.26	0.9993	\$4,617,012.26	1,103	\$4191.34		\$10,438.50	\$10,438.50	\$464.51
May-18		\$3,936,306.71	0.9994	\$3,936,306.71	1,173	\$3326.05		\$10,438.50	\$10,438.50	\$383.54
Jun-18		\$3,991,048.01	0.9944	\$3,991,048.01	1,124	\$3543.35		\$10,438.50	\$10,438.50	\$382.76
Jul-18		\$4,607,054.43	0.9996	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49
Aug-18		\$4,607,054.43	0.9990	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49
Sep-18		\$4,607,054.43	0.9990	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49
Oct-18		\$4,607,054.43	0.9990	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49
Nov-18		\$4,607,054.43	0.9990	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49
Dec-18		\$4,607,054.43	0.9990	\$4,607,054.43	1,208	\$3803.09		\$10,438.50	\$10,438.50	\$452.49

*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:	Capital Advantage Insurance Company	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinurance Rate:	60%
Rate Effective Date:	1/1/2021		
Incurred Dates:	1/1/2019 to 12/31/2019	Proj. Incurred Claim Impact:	-20.1%

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	Total Incurred Claims with Reinsurance
\$0	\$29,999	96	713	\$15,384	\$15,384
\$30,000	\$34,999	0	0	\$0	\$0
\$35,000	\$39,999	0	0	\$0	\$0
\$40,000	\$44,999	0	0	\$0	\$0
\$45,000	\$49,999	0	0	\$0	\$0
\$50,000	\$54,999	0	0	\$0	\$0
\$55,000	\$59,999	0	0	\$0	\$0
\$60,000	\$64,999	0	0	\$0	\$0
\$65,000	\$69,999	0	0	\$0	\$0
\$70,000	\$74,999	0	0	\$0	\$0
\$75,000	\$79,999	0	0	\$0	\$0
\$80,000	\$84,999	0	0	\$0	\$0
\$85,000	\$89,999	0	0	\$0	\$0
\$90,000	\$94,999	0	0	\$0	\$0
\$95,000	\$99,999	1	8	\$104,152	\$80,152
\$100,000	\$109,999	0	0	\$0	\$0
\$110,000	\$119,999	0	0	\$0	\$0
\$120,000	\$129,999	0	0	\$0	\$0
\$130,000	\$139,999	0	0	\$0	\$0
\$140,000	\$149,999	0	0	\$0	\$0
\$150,000	\$159,999	0	0	\$0	\$0
\$160,000	\$169,999	0	0	\$0	\$0
\$170,000	\$179,999	0	0	\$0	\$0
\$180,000	\$189,999	0	0	\$0	\$0
\$190,000	\$199,999	0	0	\$0	\$0
\$200,000	\$209,999	0	0	\$0	\$0
\$210,000	\$219,999	0	0	\$0	\$0
\$220,000	\$229,999	0	0	\$0	\$0
\$230,000	\$239,999	0	0	\$0	\$0
\$240,000	\$249,999	0	0	\$0	\$0
\$250,000	\$259,999	0	0	\$0	\$0
\$260,000	\$269,999	0	0	\$0	\$0
\$270,000	\$279,999	0	0	\$0	\$0
\$280,000	\$289,999	0	0	\$0	\$0
\$290,000	\$299,999	0	0	\$0	\$0
\$300,000	\$324,999	0	0	\$0	\$0
\$325,000	\$349,999	0	0	\$0	\$0
\$350,000	\$374,999	0	0	\$0	\$0
\$375,000	\$399,999	0	0	\$0	\$0
\$400,000	\$424,999	0	0	\$0	\$0
\$425,000	\$449,999	0	0	\$0	\$0
\$450,000	\$474,999	0	0	\$0	\$0
\$475,000	\$499,999	0	0	\$0	\$0
\$500,000	\$599,999	0	0	\$0	\$0
\$600,000	\$699,999	0	0	\$0	\$0
\$700,000	\$799,999	0	0	\$0	\$0
\$800,000	\$899,999	0	0	\$0	\$0
\$900,000	\$999,999	0	0	\$0	\$0
\$1,000,000+		0	0	\$0	\$0
Total		97	721	\$119,537	\$95,537

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

Carrier Name:	Capital Advantage Insurance Company	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinurance Rate:	60%
Rate Effective Date:	1/1/2021	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	53,548	512,146	\$125,072,595	\$125,072,595
\$30,000	\$34,999	366	4,047	\$12,091,995	\$12,091,995
\$35,000	\$39,999	325	2,820	\$12,360,656	\$12,360,656
\$40,000	\$44,999	237	2,293	\$10,245,173	\$10,245,173
\$45,000	\$49,999	180	2,107	\$8,707,024	\$8,707,024
\$50,000	\$54,999	181	1,716	\$9,655,076	\$9,655,076
\$55,000	\$59,999	146	1,162	\$8,545,303	\$8,545,303
\$60,000	\$64,999	126	1,359	\$8,003,362	\$7,737,345
\$65,000	\$69,999	93	1,022	\$6,418,764	\$5,915,505
\$70,000	\$74,999	94	797	\$6,930,574	\$6,156,229
\$75,000	\$79,999	91	798	\$7,199,079	\$6,155,632
\$80,000	\$84,999	63	584	\$5,293,725	\$4,385,490
\$85,000	\$89,999	66	523	\$5,860,344	\$4,720,138
\$90,000	\$94,999	55	506	\$5,164,960	\$4,045,984
\$95,000	\$99,999	40	480	\$3,972,031	\$3,028,813
\$100,000	\$109,999	84	1,079	\$8,966,660	\$6,950,660
\$110,000	\$119,999	75	525	\$8,783,060	\$6,983,060
\$120,000	\$129,999	71	624	\$8,973,685	\$7,269,685
\$130,000	\$139,999	41	505	\$5,615,762	\$4,631,762
\$140,000	\$149,999	53	474	\$7,828,860	\$6,556,860
\$150,000	\$159,999	43	408	\$6,750,987	\$5,718,987
\$160,000	\$169,999	41	252	\$6,896,037	\$5,912,037
\$170,000	\$179,999	35	306	\$6,216,833	\$5,376,833
\$180,000	\$189,999	26	255	\$4,882,973	\$4,258,973
\$190,000	\$199,999	25	165	\$4,992,006	\$4,392,006
\$200,000	\$209,999	21	247	\$4,394,165	\$3,890,165
\$210,000	\$219,999	17	213	\$3,715,385	\$3,307,385
\$220,000	\$229,999	13	107	\$2,958,364	\$2,646,364
\$230,000	\$239,999	20	94	\$4,805,480	\$4,325,480
\$240,000	\$249,999	14	108	\$3,485,062	\$3,149,062
\$250,000	\$259,999	10	97	\$2,592,484	\$2,352,484
\$260,000	\$269,999	6	31	\$1,607,761	\$1,463,761
\$270,000	\$279,999	9	89	\$2,514,292	\$2,298,292
\$280,000	\$289,999	9	66	\$2,608,400	\$2,392,400
\$290,000	\$299,999	7	72	\$2,094,025	\$1,926,025
\$300,000	\$324,999	13	130	\$4,137,432	\$3,825,432
\$325,000	\$349,999	15	115	\$5,135,655	\$4,775,655
\$350,000	\$374,999	13	95	\$4,821,974	\$4,509,974
\$375,000	\$399,999	6	73	\$2,370,853	\$2,226,853
\$400,000	\$424,999	8	57	\$3,367,730	\$3,175,730
\$425,000	\$449,999	4	43	\$1,768,654	\$1,672,654
\$450,000	\$474,999	8	46	\$3,742,652	\$3,550,652
\$475,000	\$499,999	3	12	\$1,487,575	\$1,415,575
\$500,000	\$599,999	9	72	\$4,834,128	\$4,618,128
\$600,000	\$699,999	8	40	\$5,302,951	\$5,110,951
\$700,000	\$799,999	2	10	\$1,523,833	\$1,475,833
\$800,000	\$899,999	1	21	\$897,071	\$873,071
\$900,000	\$999,999	2	48	\$1,954,367	\$1,906,367
\$1,000,000+		13	91	\$19,252,581	\$18,940,581
Total		56,336	538,933	\$396,800,397	\$372,702,694

PA Rate Template Part II
Rate Development and Change

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

Critical Advantages Insurance Company
PSP
Initial Date:
1/1/2021

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

Development of the Projected Index Rate	Actual Experience 2020	Manual Rate
Total Allowed EDB Claims + EDB Cession (PMPM) (not of uncession due reduced) PMPM	\$ 238.08	\$ 452.62
Two year trend escalation factor	1.185	1.340
Unadjusted Projected Allowed EDB Claims PMPM	\$ 281.25	\$ 606.67
Single Risk Pool Adjustment Factors		
Process in Mortality: Increase of Mortality Reserve	0.000	0.000
Change in Mortality: All Other	1.000	1.000
Total Non-Mortality Changes	1.000	0.000
Change in Catastrophics	1.000	0.000
Change in Network	1.000	0.000
Change in Benefits	1.000	0.000
Change in Other	1.000	0.000
Total Adjusted Projected Allowed EDB Claims PMPM	\$ 288.25	\$ 606.67
Credibility Factors	0.96	0.995
Blended Projected EDB Claims PMPM	\$ 276.72	\$ 602.66
Development of the Market Adjusted Index Rate and Total Allowed Claims		
Adjusted Projected Allowed EDB Claims PMPM	\$ 274.35	
Projected Total Allowed Claims	\$ 688	
Projected Incurred EDB Claims PMPM	\$ 349.88	
Market-wide Adjustments		
Reversion to prior Risk Adjustment Manual	\$ 419.96	
Projected Incurred Exchange User Fees PMPM	\$ 60.00	
Projected Incurred Reinsurance Reserve PMPM	\$ 154.98	
Market-Adjusted Projected Incurred EDB Claims PMPM	\$ 276.86	
Market-Adjusted Projected Allowed EDB Claims PMPM	\$ 276.86	
Projected Allowed Non-EDB Claims PMPM	\$ 30.00	
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 336.86	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 276.86	

Table 6. Retention

Retention Items - Express in percentages	Percentage	PMPM Amount
Retention Expenses	12.00%	\$ 33.84
General and Claims	11.00%	\$ 30.46
Agency/Underwriter Fees and Commissions	6.00%	\$ 17.81
Quality Improvement Initiatives	0.00%	\$ 0.00
Info and Fees	0.17%	\$ 0.27
Risk Adjustment User Fee	0.00%	\$ 0.00
PCRB Fee	2.00%	\$ 5.73
PA Premium & Other Taxes (if available)	0.00%	\$ 0.00
Federal Income Tax	0.00%	\$ 0.00
Health Insurance Provider Fee (Projected for Small Groups only)	0.00%	\$ 0.00
Profit/Contingency (after tax)	2.00%	\$ 5.73
Total Retention	22.00%	\$ 63.11
Projected Residual Revenue PMPM		\$ 212.35

Table 8. Components of Rate Change

Rate Components	2020	2021	Difference	Percent Change
A. Unadjusted Rate Adjustment Rate (PMPM)	\$ 238.08	\$ 452.62	\$ 214.54	+90.1%
B. Base period allowed claims after normalization	\$ 281.25	\$ 606.67	\$ 325.42	+116.0%
C. Normalization factor component of change	\$ 16.18	\$ 21.80	\$ 5.62	+34.8%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 349.88	\$ 619.10	\$ 269.22	+77.0%
D2. UCR Trend	\$ 17.34	\$ 40.46	\$ 23.12	+133.4%
D3. UCR Mortality	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
D4. UCR Other	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
D5. Normalized UCR Risk Adjustment on an allowed basis	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
D6. Normalized Exchange User Fee on an allowed basis	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
D7. Normalized Reinsurance Reserve on an allowed basis	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
D8. Subtotal - Sum(D2-D7)	\$ 246.18	\$ 659.56	\$ 413.38	+167.9%
E. Change in Allowable Non-Adjusted Level Components				
E1. Network	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
E2. Pricing AV	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
E3. Catastrophic Eligibility	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
E4. Catastrophic Eligibility	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
E5. Subtotal - Sum(E1-E4)	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 40.00	\$ 36.36	\$ -3.64	-9.1%
F2. Taxes and Fees	\$ 12.12	\$ 12.12	\$ 0.00	0.0%
F3. Profit and/or Contingency	\$ 6.00	\$ 6.00	\$ 0.00	0.0%
F4. Subtotal - Sum(F1-F3)	\$ 58.12	\$ 54.48	\$ -3.64	-6.3%
G. Process in Microinsurance Plans	\$ 0.00	\$ 0.00	\$ 0.00	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 238.08	\$ 238.08	\$ 0.00	0.0%

For Informational Purposes only - No input required.

Blended Non-Residual Reversion/Term Before Normalization	\$ 889.95
Blended Earned Premium	\$ 8,047,767.51
Blended Loss Ratio	89.85%

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

Effective Date	1/1/2021	3/1/2021	5/1/2021	7/1/2021	9/1/2021	11/1/2021
Full Member Monthly Revenue in Quarter	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95
Adjusted Projected Allowed EDB Claims PMPM						
Months of Forecast	6.78%	6.78%	6.78%	6.78%	6.78%	6.78%
Annual Trend						
Small Risk Pool Projected Allowed Claims	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95
Small Risk Pool Projected Allowed Claims	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95	\$ 214.95

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2020	2021
Average Age Factor	0.97%	0.98%
Average Geographic Factor	1.00%	1.00%
Average Catastrophic Factor	1.00%	1.00%
Average Benefit Factor (Reduced demand)	1.00%	1.00%
Average Network Factor	1.00%	1.00%
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 276.86	\$ 276.86
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 276.86	\$ 276.86

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

	2020	2021
Pre- to Allowed		
UBR Trend (Total Allowed Trend Factor)	1.185	1.340
UBR Mortality	0.00%	0.00%
UBR Other	0.00%	0.00%
Risk Adjustment	0.00%	0.00%
Exchange User Fee	0.00%	0.00%
Reinsurance Reserve	0.00%	0.00%
Catastrophic Eligibility	0.00%	0.00%
Network	0.00%	0.00%
Pricing AV	0.00%	0.00%
Catastrophic Eligibility	0.00%	0.00%
Administrative Expenses	17.97%	17.97%
Taxes and Fees	2.00%	2.00%
Profit and/or Contingency	2.00%	2.00%

Carrier Name:	Capital Advantage Insurance Company
Product(s):	PPO
Market Segment:	Individual
Rate Effective Date:	1/1/2021
Base Period Start Date	1/1/2019
Date of Most Recent Membership:	1/1/2020

03-01-0030 Number of Covered Users by Rating Area

2023-2024		2022-2023		2021-2022		2020-2021		2019-2020		2018-2019		2017-2018		2016-2017		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012		2010-2011		2009-2010		2008-2009		2007-2008		2006-2007		2005-2006		2004-2005		2003-2004		2002-2003		2001-2002		2000-2001		1999-2000		1998-1999		1997-1998		1996-1997		1995-1996		1994-1995		1993-1994		1992-1993		1991-1992		1990-1991		1989-1990		1988-1989		1987-1988		1986-1987		1985-1986		1984-1985		1983-1984		1982-1983		1981-1982		1980-1981		1979-1980		1978-1979		1977-1978		1976-1977		1975-1976		1974-1975		1973-1974		1972-1973		1971-1972		1970-1971		1969-1970		1968-1969		1967-1968		1966-1967		1965-1966		1964-1965		1963-1964		1962-1963		1961-1962		1960-1961		1959-1960		1958-1959		1957-1958		1956-1957		1955-1956		1954-1955		1953-1954		1952-1953		1951-1952		1950-1951		1949-1950		1948-1949		1947-1948		1946-1947		1945-1946		1944-1945		1943-1944		1942-1943		1941-1942		1940-1941		1939-1940		1938-1939		1937-1938		1936-1937		1935-1936		1934-1935		1933-1934		1932-1933		1931-1932		1930-1931		1929-1930		1928-1929		1927-1928		1926-1927		1925-1926		1924-1925		1923-1924		1922-1923		1921-1922		1920-1921		1919-1920		1918-1919		1917-1918		1916-1917		1915-1916		1914-1915		1913-1914		1912-1913		1911-1912		1910-1911		1909-1910		1908-1909		1907-1908		1906-1907		1905-1906		1904-1905		1903-1904		1902-1903		1901-1902		1900-1901		1899-1900		1898-1899		1897-1898		1896-1897		1895-1896		1894-1895		1893-1894		1892-1893		1891-1892		1890-1891		1889-1890		1888-1889		1887-1888		1886-1887		1885-1886		1884-1885		1883-1884		1882-1883		1881-1882		1880-1881		1879-1880		1878-1879		1877-1878		1876-1877		1875-1876		1874-1875		1873-1874		1872-1873		1871-1872		1870-1871		1869-1870		1868-1869		1867-1868		1866-1867		1865-1866		1864-1865		1863-1864		1862-1863		1861-1862		1860-1861		1859-1860		1858-1859		1857-1858		1856-1857		1855-1856		1854-1855		1853-1854		1852-1853		1851-1852		1850-1851		1849-1850		1848-1849		1847-1848		1846-1847		1845-1846		1844-1845		1843-1844		1842-1843		1841-1842		1840-1841		1839-1840		1838-1839		1837-1838		1836-1837		1835-1836		1834-1835		1833-1834		1832-1833		1831-1832		1830-1831		1829-1830		1828-1829		1827-1828		1826-1827		1825-1826		1824-1825		1823-1824		1822-1823		1821-1822		1820-1821		1819-1820		1818-1819		1817-1818		1816-1817		1815-1816		1814-1815		1813-1814		1812-1813		1811-1812		1810-1811		1809-1810		1808-1809		1807-1808		1806-1807		1805-1806		1804-1805		1803-1804		1802-1803		1801-1802		1800-1801		1799-1800		1798-1799		1797-1798	
Year	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989	1987-1988	1986-1987	1985-1986	1984-1985	1983-1984	1982-1983	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978	1976-1977	1975-1976	1974-1975	1973-1974	1972-1973	1971-1972	1970-1971	1969-1970	1968-1969	1967-1968	1966-1967	1965-1966	1964-1965	1963-1964	1962-1963	1961-1962	1960-1961	1959-1960	1958-1959	1957-1958	1956-1957	1955-1956	1954-1955	1953-1954	1952-1953	1951-1952	1950-1951	1949-1950	1948-1949	1947-1948	1946-1947	1945-1946	1944-1945	1943-1944	1942-1943	1941-1942	1940-1941	1939-1940	1938-1939	1937-1938	1936-1937	1935-1936	1934-1935	1933-1934	1932-1933	1931-1932	1930-1931	1929-1930	1928-1929	1927-1928	1926-1927	1925-1926	1924-1925	1923-1924	1922-1923	1921-1922	1920-1921	1919-1920	1918-1919	1917-1918	1916-1917	1915-1916	1914-1915	1913-1914	1912-1913	1911-1912	1910-1911	1909-1910	1908-1909	1907-1908	1906-1907	1905-1906	1904-1905	1903-1904	1902-1903	1901-1902	1900-1901	1899-1900	1898-1899	1897-1898	1896-1897	1895-1896	1894-1895	1893-1894	1892-1893	1891-1892	1890-1891	1889-1890	1888-1889	1887-1888	1886-1887	1885-1886	1884-1885	1883-1884	1882-1883	1881-1882	1880-1881	1879-1880	1878-1879	1877-1878	1876-1877	1875-1876	1874-1875	1873-1874	1872-1873	1871-1872	1870-1871	1869-1870	1868-1869	1867-1868	1866-1867	1865-1866	1864-1865	1863-1864	1862-1863	1861-1862	1860-1861	1859-1860	1858-1859	1857-1858	1856-1857	1855-1856	1854-1855	1853-1854	1852-1853	1851-1852	1850-1851	1849-1850	1848-1849	1847-1848	1846-1847	1845-1846	1844-1845	1843-1844	1842-1843	1841-1842	1840-1841	1839-1840	1838-1839	1837-1838	1836-1837	1835-1836	1834-1835	1833-1834	1832-1833	1831-1832	1830-1831	1829-1830	1828-1829	1827-1828	1826-1827	1825-1826	1824-1825	1823-1824	1822-1823	1821-1822	1820-1821	1819-1820	1818-1819	1817-1818	1816-1817	1815-1816	1814-1815	1813-1814	1812-1813	1811-1812	1810-1811	1809-1810	1808-1809	1807-1808	1806-1807	1805-1806	1804-1805	1803-1804	1802-1803	1801-1802	1800-1801	1799-1800	1798-1799	1797-1798																																																																																																																																																																																																																																		
Year	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989	1987-1988	1986-1987	1985-1986	1984-1985	1983-1984	1982-1983	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978	1976-1977	1975-1976	1974-1975	1973-1974	1972-1973	1971-1972	1970-1971	1969-1970	1968-1969	1967-1968	1966-1967	1965-1966	1964-1965	1963-1964	1962-1963	1961-1962	1960-1961	1959-1960	1958-1959	1957-1958	1956-1957	1955-1956	1954-1955	1953-1954	1952-1953	1951-1952	1950-1951	1949-1950	1948-1949	1947-1948	1946-1947	1945-1946	1944-1945	1943-1944	1942-1943	1941-1942	1940-1941	1939-1940	1938-1939	1937-1938	1936-1937	1935-1936	1934-1935	1933-1934	1932-1933	1931-1932	1930-1931	1929-1930	1928-1929	1927-1928	1926-1927	1925-1926	1924-1925	1923-1924	1922-1923	1921-1922	1920-1921	1919-1920	1918-1919	1917-1918	1916-1917	1915-1916	1914-1915	1913-1914	1912-1913	1911-1912	1910-1911	1909-1910	1908-1909	1907-1908	1906-1907	1905-1906	1904-1905	1903-1904	1902-1903	1901-1902	1900-1901	1899-1900	1898-1899	1897-1898	1896-1897	1895-1896	1894-1895	1893-1894	1892-1893	1891-1892	1890-1891	1889-1890	1888-1889	1887-1888	1886-1887	1885-1886	1884-1885	1883-1884	1882-1883	1881-1882	1880-1881	1879-1880	1878-1879	1877-1878	1876-1877	1875-1876	1874-1875	1873-1874	1872-1873	1871-1872	1870-1871	1869-1870	1868-1869	1867-1868	1866-1867	1865-1866	1864-1865	1863-1864	1862-1863	1861-1862	1860-1861	1859-1860	1858-1859	1857-1858	1856-1857	1855-1856	1854-1855	1853-1854	1852-1853	1851-1852	1850-1851	1849-1850	1848-1849	1847-1848	1846-1847	1845-1846	1844-1845	1843-1844	1842-1843	1841-1842	1840-1841	1839-1840	1838-1839	1837-1838	1836-1837	1835-1836	1834-1835	1833-1834	1832-1833	1831-1832	1830-1831	1829-1830	1828-1829	1827-1828	1826-1827	1825-1826	1824-1825	1823-1824	1822-1823	1821-1822	1820-1821	1819-1820	1818-1819	1817-1818	1816-1817	1815-1816	1814-1815	1813-1814	1812-1813	1811-1812	1810-1811	1809-1810	1808-1809	1807-1808	1806-1807	1805-1806	1804-1805	1803-1804	1802-1803	1801-1802	1800-1801	1799-1800	1798-1799	1797-1798																																																																																																																																																																																																																																		
Year	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989	1987-1988	1986-1987	1985-1986	1984-1985	1983-1984	1982-1983	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978	1976-1977	1975-1976	1974-1975	1973-1974	1972-1973	1971-1972	1970-1971	1969-1970	1968-1969	1967-1968	1966-1967	1965-1966	1964-1965	1963-1964	1962-1963	1961-1962	1960-1961	1959-1960	1958-1959	1957-1958	1956-1957	1955-1956	1954-1955	1953-1954	1952-1953	1951-1952	1950-1951	1949-1950	1948-1949	1947-1948	1946-1947	1945-1946	1944-1945	1943-1944	1942-1943	1941-1942	1940-1941	1939-1940	1938-1939	1937-1938	1936-1937	1935-1936	1934-1935	1933-1934	1932-1933	1931-1932	1930-1931	1929-1930	1928-1929	1927-1928	1926-1927	1925-1926	1924-1925	1923-1924	1922-1923	1921-1922	1920-1921	1919-1920	1918-1919	1917-1918	1916-1917	1915-1916	1914-1915	1913-1914	1912-1913	1911-1912	1910-1911	1909-1910	1908-1909	1907-1908	1906-1907	1905-1906	1904-1905	1903-1904	1902-1903	1901-1902	1900-1901	1899-1900	1898-1899	1897-1898	1896-1897	1895-1896	1894-1895	1893-1894	1892-1893	1891-1892	1890-1891	1889-1890	1888-1889	1887-1888	1886-1887	1885-1886	1884-1885	1883-1884	1882-1883	1881-1882	1880-1881	1879-1880	1878-1879	1877-1878	1876-1877	1875-1876	1874-1875	1873-1874	1872-1873	1871-																																																																																																																																																																																																																																																																																																												

Carrier Name:	Capital Advantage Insurance Company
Product(s):	PFO
Market Segment:	Individual
Rate Effective Date:	1/1/2021

Table 12. Age and Tobacco Factors

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1			
Rating Area 2			
Rating Area 3			
Rating Area 4			
Rating Area 5			
Rating Area 6	Centre, Columbia, Lehigh, Mifflin, Montour, Northampton, Northumberland, Schuylkill, Snyder, Union	1.000	1.000
Rating Area 7	Adams, Berks, Lancaster, York	1.070	1.140
Rating Area 8			
Rating Area 9	Cumberland, Dauphin, Franklin, Fulton, Juniata, Lebanon, Perry	1.010	0.980

[illegible]

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Table B

<u>Plan ID</u>	<u>Plan Name</u>	<u>Metal Level</u>	<u>Projected Membership</u>	<u>Projected Allowed Claims</u>	<u>Projected Paid Claims</u>	<u>Paid to Allowed Factor</u>	<u>Average Tobacco Factor</u>	<u>AV and Cost Sharing Factor</u>	<u>(8)/(6*7) Induced Utilization</u>	<u>Induced Demand Table 10</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
82795PA0140001	Catastrophic PPO 8550/0/75	Catastrophic	912	\$ 215,290	149,900	0.70	1.000	0.70	1.00	1.00
Total			912	215,290	149,900	0.70	1.00	0.70	1.00	1.00
PMPM				236.06	164.36					
Rate Dev II				236.06	164.36					

Company Name:		Capital Advantage Insurance			
Market:		Company (CAIC)			
Product:		Individual			
Effective Date of Rates:		PPO			
		January 1, 2021		Ending date of Rates:	
				December 31, 2021	
HIOS Plan ID (On Exchange)=>					
HIOS Plan ID (Off Exchange)=>		82795PA0140001		82795PA0140001	
Plan Marketing Name =>		c PPO 8550/0/75 (CAIC) Combic		PPO 8550/0/75 (CAIC) Combic	
Form # =>		CAIC-Ind-PPO-C-v0121		CAIC-Ind-PPO-C-v0121	
Rating Area =>		6		7	
Network =>		PPO		PPO	
Metal =>		Bronze		Bronze	
Deductible =>		\$8550 Med/Rx Combined		\$8550 Med/Rx Combined	
Coinsurance =>		0%		0%	
Copays =>		\$75/\$0/\$0 PCP/SPC/ER		\$75/\$0/\$0 PCP/SPC/ER	
OOP Maximum =>		\$8550 Med/Rx Combined		\$8550 Med/Rx Combined	
Pediatric Dental (Yes/No) =>		Yes		Yes	
Age Band		Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14		\$154.81	\$154.81	\$176.48	\$176.48
15		\$168.57	\$168.57	\$192.17	\$192.17
16		\$173.83	\$173.83	\$198.16	\$198.16
17		\$179.09	\$179.09	\$204.16	\$204.16
18		\$184.75	\$184.75	\$210.62	\$210.62
19		\$190.42	\$190.42	\$217.08	\$217.08
20		\$196.29	\$196.29	\$223.77	\$223.77
21		\$202.36	\$202.36	\$230.69	\$230.69
22		\$202.36	\$202.36	\$236.46	\$236.46
23		\$202.36	\$202.36	\$236.46	\$236.46
24		\$202.36	\$202.36	\$236.46	\$236.46
25		\$203.17	\$208.25	\$231.61	\$237.40
26		\$207.22	\$212.40	\$236.23	\$242.13
27		\$212.07	\$217.38	\$241.76	\$247.81
28		\$219.97	\$225.46	\$250.76	\$257.03
29		\$226.44	\$232.10	\$258.14	\$264.60
30		\$229.68	\$235.42	\$261.83	\$268.38
31		\$234.54	\$240.40	\$267.37	\$274.05
32		\$239.39	\$245.38	\$272.91	\$279.73
33		\$242.43	\$248.49	\$276.37	\$283.28
34		\$245.67	\$251.81	\$280.06	\$287.06
35		\$247.28	\$253.47	\$281.90	\$288.95
36		\$248.90	\$255.13	\$283.75	\$290.84
37		\$250.52	\$256.78	\$285.59	\$292.73
38		\$252.14	\$258.44	\$287.44	\$294.63
39		\$255.38	\$261.76	\$291.13	\$298.41
40		\$258.62	\$278.01	\$294.82	\$316.93
41		\$263.47	\$283.23	\$300.36	\$322.89
42		\$268.13	\$288.24	\$305.66	\$328.59
43		\$274.60	\$295.20	\$313.05	\$336.53
44		\$282.70	\$303.90	\$322.27	\$346.45
45		\$292.21	\$321.43	\$333.12	\$366.43
46		\$303.54	\$333.89	\$346.04	\$380.64
47		\$316.29	\$347.92	\$360.57	\$396.63
48		\$330.86	\$363.94	\$377.18	\$414.90
49		\$345.23	\$379.75	\$393.56	\$432.91
50		\$361.41	\$415.63	\$412.01	\$473.82
51		\$377.40	\$434.01	\$430.24	\$494.77
52		\$395.01	\$454.26	\$450.31	\$517.85
53		\$412.81	\$474.74	\$470.61	\$541.20
54		\$432.04	\$496.84	\$492.52	\$566.40
55		\$451.26	\$541.52	\$514.44	\$617.33
56		\$472.11	\$566.53	\$538.20	\$645.84
57		\$493.15	\$591.78	\$562.19	\$674.63
58		\$515.61	\$618.74	\$587.80	\$705.36
59		\$526.74	\$632.09	\$600.49	\$720.58
60		\$549.21	\$686.51	\$626.09	\$782.62
61		\$568.63	\$710.79	\$648.24	\$810.30
62		\$581.38	\$726.73	\$662.77	\$828.47
63		\$597.37	\$746.71	\$681.00	\$851.25
64+		\$607.07	\$758.85	\$692.06	\$865.09

Capital Advantage Insurance Company (CAIC)
Individual
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
82795PA0140001	Catastrophic PPO 8550/0/75	PPO	Catastrophic	Off	PPO	6,7,9	All

Company Name Capital Advantage Insurance Company (CAIC)
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
82795PA0140001	Catastrophic PPO 8550/0/75	PPO	Catastrophic	Off

RATING AREA 6

0	2	16	1	1	9	1	1	4	1
Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union
\$202.36	\$202.36	\$202.36	\$202.36	\$202.36	\$202.36	\$202.36	\$202.36	\$202.36	\$202.36

RATING AREA 7

3	6	11	8
Adams	Berks	Lancaster	York
\$230.69	\$230.69	\$230.69	\$230.69

RATING AREA 9

5	4	3	0	0	0	1
Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
\$198.31	\$198.31	\$198.31	\$198.31	\$198.31	\$198.31	\$198.31

12/1/2019

to

12/31/2019

Total

PMPM

Allowed Claims	\$172,309.18	\$238.99
Reinsurance	\$0.00	\$0.00
Incurred Claims in Experience Period	\$119,536.62	\$165.79
Risk Adjustment	-\$28,002.00	-\$38.84
Experience Period Premium	\$183,486.63	\$254.49
Experience Period Member Months	721	

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	\$19.99	1.056	1.000	1.059	1.000	\$22.35
Outpatient Hospital	\$37.54	1.059	1.000	1.061	1.000	\$42.18
Professional	\$50.22	1.055	1.000	1.054	1.000	\$55.84
Other Medical	\$1.59	1.059	1.000	1.061	1.000	\$1.79
Capitation	\$0.00	1.030	1.000	1.030	1.000	\$0.00
Prescription Drug	\$129.64	1.098	1.010	1.106	1.013	\$161.07
Total	\$238.98					\$283.24

Morbidity Adjustment	1.009
Demographic Shift	1.000
Plan Design Changes	1.000
Other	1.001
Adjusted Trended EHB Allowed Claims PMPM for 1/1/2021	\$286.07
Manual EHB Allowed Claims PMPM	\$214.95
Applied Credibility %	0.00%

Projected Period Totals

Projected Index Rate for 1/1/2021	\$214.95	\$196,034.40
Reinsurance	\$13.05	\$11,901.60
Risk Adjustment Payment/Charge	-\$34.17	-\$31,163.04
Exchange User Fees	0.00%	\$0.00
Market Adjusted Index Rate	\$236.07	\$215,295.84

Projected Member Months	912
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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.

Product-Plan Data Collection

Company Legal Name: Capital Advantage Insurance Company
HIOS Issuer ID: 82795
Effective Date of Rate Change(s): 1/1/2021

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

Product/Plan Level Calculations

Field # Section I: General Product and Plan Information			
1.1	Product Name		PPO
1.2	Product ID		82795PAD14
1.3	Plan Name		8550/0/75 (CAIC)
1.4	Plan ID (Standard Component ID)		82795PA0140001
1.5	Metal		Catastrophic
1.6	AV Metal Value		0.613
1.7	Plan Category		Renewing
1.8	Plan Type		PPO
1.9	Exchange Plan?		NO
1.10	Effective Date of Proposed Rates		1/1/2021
1.11	Cumulative Rate Change % (over 12 mos prior)		-15.50%
1.12	Product Rate Increase %		-15.50%
1.13	Submission Level Rate Increase %		-15.50%

Worksheet 1 Totals Section II: Experience Period and Current Plan Level Information			
2.1	Plan ID (Standard Component ID)	Total	82795PA0140001
\$172,309	2.2 Allowed Claims	\$172,309	\$172,309
\$0	2.3 Reinsurance	\$0	\$0
	2.4 Member Cost Sharing	\$52,773	\$52,773
	2.5 Cost Sharing Reduction	\$0	\$0
\$119,537	2.6 Incurred Claims	\$119,537	\$119,537
-\$28,002	2.7 Risk Adjustment Transfer Amount	-\$28,002	-\$28,002
\$183,487	2.8 Premium	\$183,487	\$183,487
721	2.9 Experience Period Member Months	721	721
	2.10 Current Enrollment	77	77
	2.11 Current Premium PMPM	\$242.00	\$242.00
	2.12 Loss Ratio	76.88%	76.88%
Per Member Per Month			
2.13 Allowed Claims	\$248.98	\$248.98	
2.14 Reinsurance	\$0.00	\$0.00	
2.15 Member Cost Sharing	\$73.19	\$73.19	
2.16 Cost Sharing Reduction	\$0.00	\$0.00	
2.17 Incurred Claims	\$165.79	\$165.79	
2.18 Risk Adjustment Transfer Amount	-\$38.84	-\$38.84	
2.19 Premium	\$254.49	\$254.49	

Section III: Plan Adjustment Factors			
3.1	Plan ID (Standard Component ID)		82795PA0140001
3.2	Market Adjusted Index Rate		\$236.07
3.3	AV and Cost Sharing Design of Plan		0.6963
3.4	Provider Network Adjustment		1.0000
3.5	Benefits in Addition to EHB		1.0000
Administrative Costs			
3.6	Administrative Expense		17.97%
3.7	Taxes and Fees		2.63%
3.8	Profit & Risk Load		2.00%
3.9	Catastrophic Adjustment		1.0000
3.10	Plan Adjusted Index Rate		\$212.37

3.11	Age Calibration Factor	1.0006	1.0006
3.12	Geographic Calibration Factor	0.9547	0.9547
3.13	Tobacco Calibration Factor	0.9976	0.9976
3.14	Calibrated Plan Adjusted Index Rate		\$202.39

Section IV: Projected Plan Level Information			
4.1	Plan ID (Standard Component ID)	Total	82795PA0140001
4.2	Allowed Claims	\$196,034	\$196,034
4.3	Reinsurance	\$8,289	\$8,289
4.4	Member Cost Sharing	\$59,543	\$59,543
4.5	Cost Sharing Reduction	\$0	\$0
4.6	Incurred Claims	\$128,204	\$128,204
4.7	Risk Adjustment Transfer Amount	-\$21,696	-\$21,696
4.8	Premium	\$193,668	\$193,668
4.9	Projected Member Months	912	912
4.10	Loss Ratio	74.55%	74.55%
Per Member Per Month			
4.11 Allowed Claims	\$214.95	\$214.95	
4.12 Reinsurance	\$9.09	\$9.09	
4.13 Member Cost Sharing	\$65.29	\$65.29	
4.14 Cost Sharing Reduction	\$0.00	\$0.00	
4.15 Incurred Claims	\$140.57	\$140.57	
4.16 Risk Adjustment Transfer Amount	-\$23.79	-\$23.79	
4.17 Premium	\$212.36	\$212.36	

Rating Area Data Collection

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

Rating Area	Rating Factor
Rating Area 6	1.0000
Rating Area 7	1.1400
Rating Area 9	0.9800

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2021

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Individual
- Effective Date: 1/1/2021

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2021
- Average Rate Change Requested: -15.5%
- Range of Requested Rate Change: -15.5% to -15.5%
- Total additional annual revenue generated from the proposed rate change: \$(35,505)
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 77/69
- 2021 Number of Plans: 1
- 2020 Number of Plans and Change: 1/No Plan Change
- Contract Form #: CAIC-Ind-PPO-C-v0121
- Form Filing SERFF #: CABC-132354855
- Binder SERFF #: CABC-PA21-125097755
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-1735063902116677642

Company Contact Information

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

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available effective January 1, 2021. CAIC will only offer products off the PA state-based exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2017	CABC-130539588	39.0%
Individual	CAIC	1/1/2018	CABC-131022047	20.2%
Individual	CAIC	1/1/2019	CABC-131454888	-43.2%
Individual	CAIC	1/1/2020	CABC-131915046	-3.8%

Average Rate Change

CAIC is proposing an aggregate annual -15.5% rate change. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

The key drivers of the rate change, and approximate impact, are as follows:

Favorable Experience Net Risk Adjustment: -11%
Changes in Induced Demand Calculation: -2%
Suspension of the Health Insurer Fee: -3%
Reinsurance Program: -6%
Future Cost and Utilization: 7%

Regulatory Considerations

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

- Individual Mandate: 1.01
- Cost Sharing Reduction (CSR) Funding: Factor of 1.20 applied in the PA Rate Exhibits, Part III, column P to the on-exchange silver plan.
- User Exchange Fee of 3%
- Reinsurance Morbidity Adjustment of 0.999
- COVID-19 Adjustment of 1.0

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 23.

Benefit Changes 2020-2021

A summary of proposed 2021 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2021. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for CAIC in the individual market.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2019 and December 31, 2019.

Paid Through Date: Claims in the BEP are paid through February 29, 2020

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.

2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of “completion”.
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary’s chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to corporate 2019 budgeted amounts and will be updated once finalized transfer payments are available.

Loss Ratio in BEP: Loss ratio is 76.88%

Credibility of Data

CAIC individual data is not credible, so CBC subsidiary, Keystone Health Plan Central (KHPC) is used as the credibility manual. KHPC data is relevant to CAIC rate development because KHPC offers off-exchange Bronze and Catastrophic plans, similar to CAIC’s 2021 product offering.

KHPC’s data is developed in the same manner as described in Experience Period Premium and Claims above.

Trend Identification

Trend: 6.78%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model
 - i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
 - viii. Pipeline (new drugs)
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles and copays, to the paid trend.
4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.

5. **Underwriting Cycle:** The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CBC strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in URRT come directly from CBC's data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC's pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, "Morbidity Adjustment", and PA Rate Exhibits, Table 5. The changes to morbidity is equal to the Department's Individual Adjustment factor times the Reinsurance Morbidity factor discussed above.

Changes in Benefits:

Allowed Claims: The benefit change field is being used to estimate the difference between KHPC experience, which includes bronze and catastrophic plans, and the projected CAIC catastrophic experience. The calculation is shown on Exhibit F – URRT.

Incurred Claims: In addition to the Catastrophic adjustment applied to allowed claims, benefit cost-sharing adjustment are applied in the development of future incurred claims. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC's internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: The Demographic adjustment is show in Exhibit F – URRT. This is the difference in demographics between KHPC enrollment, which includes bronze and catastrophic plans, and the projected CAIC catastrophic enrollment.

Changes in Network: No network adjustment is applied.

Other Adjustments: An additional adjustment is applied to reflect pharmacy contracting savings in the projection period. Capital BlueCross (CBC) has contracted a new Pharmacy Benefit Manager (PBM) effective 1/1/2020, with calculated savings (combined price and Rx rebate savings) of 5% over CBC's current contract. The other adjustment factor is calculated as:

Other Adjustment

$$= ([Rx Savings Factor] - 1) \times [BEP Allowed Prescription Drug PMPM] \div [BEP Allowed Total PMPM] + 1$$

Benefits, Demographics, Network and Other adjustments are found in URRT Worksheet 1 and PA Rate Exhibits Table 5.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J as well as PA Rate Exhibits Table 5 for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months

2. Develop *BEP Paid and Incurred Claims*:

$$BEP\ Paid\ and\ Incurred\ Claims = \frac{BEP\ Paid\ Claims}{Completion\ Factor}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP\ Paid\ and\ Incurred\ Claim\ PMPM = \frac{BEP\ Paid\ and\ Incurred\ Claims}{BEP\ Member\ Months}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP\ Paid\ and\ Incurred\ Claim\ PMPM] \times (1 + [Trend\%])^{Trend\ Months/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

$$\begin{aligned} &= [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \\ &\times [Morbidity\ Adjustment] \times [Reinsurance\ Adjustment] \\ &\times [Other\ Adjustment] \end{aligned}$$

The *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above. The *Benefit Adjustment* is described in more detail in step 6 below. The *Reinsurance Adjustment* is discussed in Market Adjusted Index Rate section below.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services

that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.

- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\text{Benefit Level Adjustment} = \frac{\text{Average Manual Cost in Projection Period}}{\text{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\text{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\text{Benefit Relativity A} = \frac{\text{Manual Cost of Benefit A}}{\text{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
 - i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.

- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} &\text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ &\times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2019. The *Total Projected Claims PMPM* :

$$= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ + \text{Projected Claims PMPM Benefit B} \\ \times \text{Expected Member Dis of Benefit B} + \dots$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned} [\text{Market Adjusted Index Rate}] \\ = ([\text{Index Rate}] \times [\text{Paid to Allowed Ratio}] \\ - [\text{Projected Incurred Reinsurance Recoveries}] \\ - [\text{Projected Incurred Risk Adjustment PMPM}] \\ + [\text{Exchange Fees PMPM}]) \div [\text{Paid to Allowed Ratio}] \end{aligned}$$

Projected Incurred Risk Adjustments PMPM:

Relevant to 2021 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2021. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2018-2019 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

Please note that corporate budgeted amounts are used in the BEP. While CBC has done additional work to project 2020/2021 CRA expectations, those calculations will be finalized once 2019 CRA results are released, and a detailed calculation will be provided at that time. At the time of the initial filing, a placeholder is being used, reflecting best estimates to date.

Projected Incurred Reinsurance Recoveries:

In order to calculate the value of reinsurance, the following is provided:

1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
2. PA Rate Exhibits, tab II.b shows the projected Individual ACA claims using all CBC subsidiaries – CAAC, CAIC, and KHPC. The claims represent BEP claims trended at 7% to the projection period.
3. CBC is utilizing this approach in order apply a consistent reinsurance factor across all CBC Individual ACA plans regardless of issuing entity. This approach also provides credibility to the small CBC issuers (KHPC and CAIC).

Exchange Fee PMPM:

CAIC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

$$\begin{aligned} \text{Exchange Fee PMPM} \\ &= [\text{Avg 2021 On} - \text{Exchange Premium PMPM}] \times [\% \text{ Members On} \\ &\quad - \text{Exchange}] \end{aligned}$$

Where

$$\begin{aligned} [\text{Avg 2021 On} - \text{Exchange Premium PMPM}] \\ &= [\text{Avg 2020 On} - \text{Exchange Premium PMPM}] \times (1 \\ &\quad + [\text{Avg Proposed Rate Change}]) \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.19 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from CBC’s Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CBC individual products. Administrative expenses are included in

URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.

- a. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - i. Complete Health Risk Assessment questionnaire and receive a gift card.
 - ii. Participate in an online coaching program and receive a gift card reward.
 - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - iv. Fees are included in overall administrative expense fee discussed above.
 - v. Included in URRT Worksheet 2 “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on CBC’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. CBC pays commissions for new business and renewal enrollment received during open enrollment, both on and off exchange, and in all geographic areas. Commission is less on catastrophic plans due to the lower premium. CBC does not pay commission during Special Enrollment Periods (SEP). The 2020 broker commission schedule is yet to be finalized. Attached please find the 1/1/2019 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: “Ind_20-51_Initial_CAAC_PPO_WBEBrokerIndRedacted_Supporting_20200519.pdf”
 - b. Redacted Preferred Producer Master Agreement: “Ind_20-51_Initial_CAAC_PPO_PPMABrokerIndRedacted_Supporting_20200519.pdf”
4. Additional Quality Improvement: The Final Notice of Benefit and Payment Parameters (NBPP) for 2020 finalized the rule to allow issuers to apply a standard 0.8% of premium for quality improvement (QI) measures in the MLR calculation. Additional QI amounts applied in rating equal 0.4%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

Profit (or Contribution to Surplus) & Risk Margin:

5. Contingency: Contingency is included in URRT Worksheet 1, “Profit and Risk”, and PA Rate Exhibits Table 6.

Taxes and Fees:

1. Exchange Fee – All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. CAIC only offers off-exchanges products, therefore no exchange fee is applied.
2. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.

3. Premium Tax: CAIC is charged premium tax of 2%. Premium tax is included in URRT, Worksheet2, “Taxes and Fees” and PA Rate Exhibits, Table 6.

See Exhibit H as well as PA Rate Exhibits Table 6 for all retention values.

Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Please see Table 8. Induced Demand is calculated as:
$$[Pricing\ AV]^2 - [Pricing\ AV] + 1.24$$
Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.
3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
6. Adjustment for distribution and administrative costs: Described in Retention section above.
7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Calibrated Plan Adjusted Index Rates

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in CAIC. Age factors are applied in accordance with CMS’s Standard Age Curve. The age calibration factor is adjusted for contracts with greater

than three children under the age of 21. Please see file Ind_20-52_Initial_CAIC_PPO_List-Billed_Supporting_20200519 for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CAIC member-weighted average by region.

Geographic Factors: CBC performed regional analysis to quantify the cost difference between the three regions in our service area. The analysis gathered incurred claims net Rx rebates, projected risk adjustment, and premium for a 12-month period by region. The loss ratio of each region is then compared to the average loss ratio for the book of business. In theory, the change in regional rating factor is:

$$[Change\ in\ Regional\ Rating\ Factor\ Region\ A] = [Region\ A\ LR] \div [BOB\ LR]$$

But our preferred approach is to gradually change factors, so not to shock the market, while moving rates in the appropriate direction. In order to do this, the following approach is being proposed:

$$[Change\ in\ Regional\ Rating\ Factor\ Region\ A] = [Region\ A\ LR] \div [Target\ LR]$$

Where Target LR is in between Region A LR and BOB LR. With this gradual approach, annual rate change by region is shown on Exhibit Q, column G.

Tobacco Factor Calibration: Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

$$[Calibrated\ Plan\ Adjusted\ Index\ Rate] = [Plan\ Adjusted\ Index\ Rate] \div ([Age\ Curve\ Calibration] \times [Geographic\ Factor\ Calibration] \times [Tobacco\ Factor])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits Table 10.
The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [Member - Level\ Consumer\ Adjusted\ Premium\ Rate] \\ = [Calibrated\ Plan\ Adjusted\ Index\ Rate] \times [Age\ Factor] \\ \times [Geographic\ Factor] \times [Tobacco\ Factor] \end{aligned}$$

2. $[Family\ Consumer\ Adjusted\ Premium\ Rate] = \sum [Member - Level\ Consumer\ Adjusted\ Premium\ Rate]$

With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 were based on the federally issued AV Calculator.

See AV Screenshots included with the submission.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of URRT were developed by assuming moderate growth and similar distribution to current.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Exhibits Part I through Part V

Table 8

Exhibit A – Benefit Summary
Exhibit B – Benefit Change Summary
Exhibit C – Benefit Categories
Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URRT
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention

Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Regional Analysis

Broker Contracts
Actuarial Value Screenshots
List-Billed Data
Extended OEP and Covid-19 Estimates

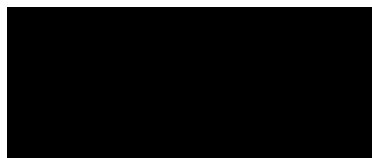
Actuarial Statement


I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.

3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
4. 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, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.
 - a. The analysis was
 - i. conducted by a member of the American Academy of Actuaries, and
 - ii. performed in accordance with generally accepted actuarial principles and methods.
5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.



 ASA, MAAA
Manager, Actuarial Services
Capital BlueCross



CAPITAL ADVANTAGE INSURANCE COMPANY, INC.
RFJ Part II – Consumer Friendly Justification

Changes being requested are based upon consideration of the factors that influence future period cost structures. The primary drivers of change in future costs are:

- Favorable claim experience
- PA Reinsurance Program
- Suspension of the Health Insurer Fee in 2021
- Anticipated increase in facility and physician unit costs
- Anticipated changes in prescription drug unit costs
- Continuing change in utilization such as
 - Intensity of medical services rendered
 - Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - Further migration from brand prescription drugs to generic prescription drugs
 - Favorable impacts of value based benefits designs
- Prescription drug patent expirations and new to market brand drugs
- Leveraging associated with unchanged cost share components such as deductible and copays
- Inflation adjustment to administrative expenses

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*	82795				
Rate Effective Date*	1/1/2021				
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
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	0-14	154.81	154.81
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	15	168.57	168.57
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	16	173.83	173.83
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	17	179.09	179.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	18	184.75	184.75
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	19	190.42	190.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	20	196.29	196.29
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	21	202.36	207.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	22	202.36	207.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	23	202.36	207.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	24	202.36	207.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	25	203.17	208.25
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	26	207.22	212.40
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	27	212.07	217.38
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	28	219.97	225.46
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	29	226.44	232.10
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	30	229.68	235.42
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	31	234.54	240.40
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	32	239.39	245.38
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	33	242.43	248.49
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	34	245.67	251.81
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	35	247.28	253.47
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	36	248.90	255.13
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	37	250.52	256.78
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	38	252.14	258.44
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	39	255.38	261.76
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	40	258.62	278.01
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	41	263.47	283.23
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	42	268.13	288.24
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	43	274.60	295.20
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82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	56	472.11	566.53
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	57	493.15	591.78
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	58	515.61	618.74
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	59	526.74	632.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	60	549.21	686.51
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	61	568.63	710.79
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	62	581.38	726.73
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	63	597.37	746.71
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	64 and over	607.07	758.85
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	0-14	176.48	176.48
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	15	192.17	192.17
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	16	198.16	198.16
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	17	204.16	204.16
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	18	210.62	210.62
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	19	217.08	217.08
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	20	223.77	223.77
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	21	230.69	236.46
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	22	230.69	236.46
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	23	230.69	236.46
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	24	230.69	236.46
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	25	231.61	237.40
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	26	236.23	242.13
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	27	241.76	247.81
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82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	29	258.14	264.60
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	30	261.83	268.38
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	31	267.37	274.05
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	32	272.91	279.73
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	33	276.37	283.28
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	34	280.06	287.06
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82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	36	283.75	290.84
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	37	285.59	292.73
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	38	287.44	294.63
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	39	291.13	298.41
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	40	294.82	316.93
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	41	300.36	322.89
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82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	54	492.52	566.40
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82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	57	562.19	674.63
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	58	587.80	705.36
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	59	600.49	720.58
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	60	626.09	782.62
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	61	648.24	810.30
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	62	662.77	828.47
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	63	681.00	851.25
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	64 and over	692.06	865.09
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	0-14	151.71	151.71
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	15	165.19	165.19
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	16	170.35	170.35
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	17	175.51	175.51
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	18	181.06	181.06
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	19	186.61	186.61
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	20	192.36	192.36
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	21	198.31	203.27
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	22	198.31	203.27
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	23	198.31	203.27

	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	24	198.31	203.27
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	25	199.11	204.08
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	26	203.07	208.15
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	27	207.83	213.03
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	28	215.57	220.96
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	29	221.91	227.46
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	30	225.09	230.71
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	31	229.84	235.59
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	32	234.60	240.47
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	33	237.58	243.52
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	34	240.75	246.77
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	35	242.34	248.40
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	36	243.92	250.02
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	37	245.51	251.65
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	38	247.10	253.28
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	39	250.27	256.53
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	40	253.44	272.45
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	41	258.20	277.57
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	42	262.76	282.47
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	43	269.11	289.29
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	44	277.04	297.82
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	45	286.36	315.00
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	46	297.47	327.22
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	47	309.96	340.96
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	48	324.24	356.67
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	49	338.32	372.15
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	50	354.19	407.31
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	51	369.85	425.33
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	52	387.11	445.17
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	53	404.56	465.24
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	54	423.40	486.91
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	55	442.24	530.69
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	56	462.66	555.20
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	57	483.29	579.95
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	58	505.30	606.36
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	59	516.21	619.45
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	60	538.22	672.78
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	61	557.26	696.57
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	62	569.75	712.19
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	63	585.42	731.77
	82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	64 and over	594.93	743.67

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INDIVIDUAL PORTFOLIO

Changes	Plan Name	HIOS ID		Deductible (2x Family)	Coinsurance	Out-of-Pocket Maximum	PCP	Specialist	Emergency Room	Urgent Care	IP Hospital per day, maximum of 5 days	Hi-Tech Imaging	Lab Tier 1 Tier 2	OP Surgery Tier 1 Tier 2	Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A
		Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A													
				In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network		
PLATINUM PRODUCTS																
GOLD PRODUCTS																
SILVER PRODUCTS																
BRONZE PRODUCTS																
¹ New	Catastrophic PPO 8550/0/75 (CAIC)	82795PA014000100		\$8,550	0%	\$8,550	D/75	D	D	D	D	D	D D	D D	Rx Ded: Combined, Rx Gen - Ded Applies? Y, Retail: D D D D, Mail: D D D D	

¹ Drug copays/costsharing listed are Preferred Generic/Non-Preferred Generic/Preferred Brand/Non-Preferred Brand
² Tiered Lab benefits. Independent labs | Hospital based labs
³ D = Deductible D/# = Deductible applies first then a copay
⁴ Plan naming convention = Metal level, Plan type, Deductible/Coinsurance/Office Visit Copay - HRA funding

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	AV		Pricing AV		Metal Level		HRA Amount		Deductible(2x Family)		Coinsurance	
							2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
1	On/Off Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined w/Med	All (excluding Lancaster)	76.1%	78.7%	86.4%		Gold	Gold	0	0	2,150	2,150	10%	10%
2	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined w/Med	All (excluding Lancaster)	66.9%	67.7%	74.0%		Silver	Silver	0	0	5,950	5,950	20%	20%
3	On/Off Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined w/Med	All (excluding Lancaster)	66.9%	67.7%	73.6%		Silver	Silver	0	0	6,000	6,000	20%	20%
4	On/Off Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined w/Med	All (excluding Lancaster)	72.3%	74.0%	73.6%		Silver	Silver	0	0	5,500	5,500	15%	15%
5	On/Off Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined w/Med	All (excluding Lancaster)	86.2%	87.9%	73.6%		Silver	Silver	0	0	1,500	1,500	5%	5%
6	On/Off Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined w/Med	All (excluding Lancaster)	93.3%	93.4%	73.6%		Silver	Silver	0	0	450	425	0%	0%
7	On/Off Exchange	Existing	45127PA002002001	Bronze PPO 8000/0/50	Combined w/Med	All (excluding Lancaster)	62.2%	64.5%	67.2%		Bronze	Bronze	0	0	8,000	8,000	0%	0%
8	Off Exchange	Existing	53789PA010000800	Bronze HMO 8000/0/50	Combined w/Med	All (excluding Lancaster)	62.2%	64.5%			Bronze	Bronze	0	0	8,000	8,000	0%	0%
9	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8550/0/75	Combined w/Med	All	60.8%	61.3%	69.6%		Catastrophic	Catastrophic	0	0	8,150	8,550	0%	0%
10	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8550/0/75	Combined w/Med	All	60.8%	61.3%			Catastrophic	Catastrophic	0	0	8,150	8,550	0%	0%
11	On/Off Exchange	New	45127PA002002201	Gold PPO Choice 2000/0/30	Combined w/Med	Lancaster		80.7%				Gold		0		2,000		0%
12	Off Exchange	New	45127PA002002300	Silver PPO Choice 3950/20/35	Combined w/Med	Lancaster		70.5%				Silver		0		3,950		20%
13	On/Off Exchange	New	45127PA002002401	Silver PPO Choice 4000/20/35	Combined w/Med	Lancaster		70.4%				Silver		0		4,000		20%
14	On/Off Exchange	New	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined w/Med	Lancaster		73.8%				Silver		0		3,800		15%
15	On/Off Exchange	New	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined w/Med	Lancaster		86.7%				Silver		0		1,500		0%
16	On/Off Exchange	New	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined w/Med	Lancaster		93.4%				Silver		0		500		0%
17	On/Off Exchange	New	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined w/Med	Lancaster		65.0%				Bronze		0		7,100		0%
18	On/Off Exchange	New	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined w/Med	Lehigh and Northampton		79.4%				Gold		0		2,150		10%
19	Off Exchange	New	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined w/Med	Lehigh and Northampton		67.7%				Silver		0		5,950		20%
20	On/Off Exchange	New	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined w/Med	Lehigh and Northampton		67.7%				Silver		0		6,000		20%
21	On/Off Exchange	New	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined w/Med	Lehigh and Northampton		73.8%				Silver		0		5,500		15%
22	On/Off Exchange	New	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined w/Med	Lehigh and Northampton		87.6%				Silver		0		1,500		5%
23	On/Off Exchange	New	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined w/Med	Lehigh and Northampton		94.2%				Silver		0		425		0%
24	On/Off Exchange	New	45127PA014000501	Bronze Valley Advantage EPO 8000/0/50	Combined w/Med	Lehigh and Northampton		64.4%				Bronze		0		8,000		0%
25	On/Off Exchange	New	45127PA002002601	Gold Easy Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)		80.2%				Gold		0		0		0%
26	On/Off Exchange	New	45127PA002002701	Catastrophic PPO 8550/0/75	Combined w/Med	All		61.3%				Catastrophic		0		8,550		0%

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	MOOP		ACA PCP		Non-ACA PCP		SPC		ER		UC		IP Hosp Copay Per Day		IP Hosp		High-End Imaging		Low-End Imaging		Lab: Tier 1	
							2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
1	On/Off Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined w/Med	All (excluding Lancaster)	8,150	8,550	20	20	20	20	45	45	D/300	D/300	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%	25	25
2	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined w/Med	All (excluding Lancaster)	8,150	8,550	40	40	40	40	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%	25	25
3	On/Off Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined w/Med	All (excluding Lancaster)	8,150	8,550	40	40	40	40	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%	25	25
4	On/Off Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined w/Med	All (excluding Lancaster)	6,500	6,500	10	10	10	10	20	20	D/200	D/200	45	45	N/A	N/A	D/15%	D/15%	D/25%	D/25%	D/15%	D/15%	20	20
5	On/Off Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined w/Med	All (excluding Lancaster)	2,450	2,450	5	5	5	5	10	10	D/75	D/75	35	35	N/A	N/A	D/5%	D/5%	D/15%	D/15%	D/5%	D/5%	15	15
6	On/Off Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined w/Med	All (excluding Lancaster)	1,250	1,250	3	3	3	3	5	5	D/50	D/50	20	20	N/A	N/A	D	D	D/10%	D/10%	D	D	10	10
7	On/Off Exchange	Existing	45127PA002002001	Bronze PPO 8000/0/50	Combined w/Med	All (excluding Lancaster)	8,150	8,550	60	50	60	50	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D	25	25
8	Off Exchange	Existing	53789PA010000800	Bronze HMO 8000/0/50	Combined w/Med	All (excluding Lancaster)	8,150	8,550	60	50	60	50	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D	25	25
9	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8550/0/75	Combined w/Med	All	8,150	8,550	75	D/75	75	D/75	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D	D	D
10	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8550/0/75	Combined w/Med	All	8,150	8,550	75	D/75	75	D/0	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D	D	D
11	On/Off Exchange	New	45127PA002002201	Gold PPO Choice 2000/0/30	Combined w/Med	Lancaster		8,550		30		50		50		D/200		75		N/A		D		D		D		D
12	Off Exchange	New	45127PA002002300	Silver PPO Choice 3950/20/35	Combined w/Med	Lancaster		8,550		35		60		65		D/400		100		N/A		D/20%		D/20%		D/20%		D
13	On/Off Exchange	New	45127PA002002401	Silver PPO Choice 4000/20/35	Combined w/Med	Lancaster		8,550		35		60		65		D/400		100		N/A		D/20%		D/20%		D/20%		D
14	On/Off Exchange	New	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined w/Med	Lancaster		6,800		25		60		50		D/200		45		N/A		D/15%		D/15%		D/15%		D
15	On/Off Exchange	New	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined w/Med	Lancaster		2,850		15		40		30		D/75		35		N/A		D/0%		D/0%		D/0%		D
16	On/Off Exchange	New	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined w/Med	Lancaster		1,000		5		20		10		D/50		20		N/A		D/0%		D/0%		D/0%		D
17	On/Off Exchange	New	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined w/Med	Lancaster		8,550		50		0		85		D		D		N/A		D		D		D		D
18	On/Off Exchange	New	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined w/Med	Lehigh and Northampton		8,550		20		20		45		D/300		75		N/A		D/10%		D/25%		D/10%		D
19	Off Exchange	New	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined w/Med	Lehigh and Northampton		8,550		40		40		85		D/400		100		N/A		D/20%		D/35%		D/20%		D
20	On/Off Exchange	New	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined w/Med	Lehigh and Northampton		8,550		40		40		85		D/400		100		N/A		D/20%		D/35%		D/20%		D
21	On/Off Exchange	New	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined w/Med	Lehigh and Northampton		6,500		10		10		20		D/200		45		N/A		D/15%		D/25%		D/15%		D
22	On/Off Exchange	New	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined w/Med	Lehigh and Northampton		2,450		10		10		20		D/75		35		N/A		D/5%		D/15%		D/5%		D
23	On/Off Exchange	New	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined w/Med	Lehigh and Northampton		1,250		3		3		5		D/50		20		N/A		D		D/10%		D		D
24	On/Off Exchange	New	45127PA014000501	Bronze Valley Advantage EPO 8000/0/50	Combined w/Med	Lehigh and Northampton		8,550		50		50		85		D		D		N/A		D		D		D		D
25	On/Off Exchange	New	45127PA002002601	Gold Easy Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)		8,550		25		25		50		200		50		N/A		4,000		200		25		25
26	On/Off Exchange	New	45127PA002002701	Catastrophic PPO 8550/0/75	Combined w/Med	All		8,550		D/75		D/75		D		D		D		N/A		D		D		D		D

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Lab: Tier 2		OP Facility: Tier 1		OP Facility: Tier 2		OP Surgery: Tier 1		OP Surgery: Tier 2		Rx Ded		Rx Gen Pref: Ded Applies?		Rx Gen Pref: Coins		Rx Gen Pref: Retail Copay		Rx Gen Pref: Mail Copay		Rx Gen Non-Pref: Ded Applies		
							2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
1	On/Off Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined w/Med	All (excluding Lancaster)	D/75	D/75	250	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	
2	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined w/Med	All (excluding Lancaster)	D/75	D/75	250	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	
3	On/Off Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined w/Med	All (excluding Lancaster)	D/75	D/75	250	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	
4	On/Off Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined w/Med	All (excluding Lancaster)	D/60	D/60	200	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	Combined	Combined	N	N	0%	0%	5	5	10	10	N	N	
5	On/Off Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined w/Med	All (excluding Lancaster)	D/40	D/40	100	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	Combined	Combined	N	N	0%	0%	3	3	6	6	N	N	
6	On/Off Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined w/Med	All (excluding Lancaster)	D/20	D/20	50	D	D	D	D	D	D	D	Combined	Combined	N	N	0%	0%	2	2	4	4	N	N	
7	On/Off Exchange	Existing	45127PA002002001	Bronze PPO 8000/0/50	Combined w/Med	All (excluding Lancaster)	D	D	250	D	D	D	D	D	D	D	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	
8	Off Exchange	Existing	53789PA010000800	Bronze HMO 8000/0/50	Combined w/Med	All (excluding Lancaster)	D	D	250	D	D	D	D	D	D	D	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	
9	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8550/0/75	Combined w/Med	All	D	D	D	D	D	D	D	D	D	D	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	
10	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8550/0/75	Combined w/Med	All	D	D	D	D	D	D	D	D	D	D	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	
11	On/Off Exchange	New	45127PA002002201	Gold PPO Choice 2000/0/30	Combined w/Med	Lancaster		D		D		D/30%		D		D/30%		Combined		N		0%		10		20		N	
12	Off Exchange	New	45127PA002002300	Silver PPO Choice 3950/20/35	Combined w/Med	Lancaster		D		D/20%		D		D/20%		D		Combined		N		0%		10		20		N	
13	On/Off Exchange	New	45127PA002002401	Silver PPO Choice 4000/20/35	Combined w/Med	Lancaster		D		D/20%		D		D/20%		D		Combined		N		0%		10		20		N	
14	On/Off Exchange	New	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined w/Med	Lancaster		D		D/15%		D		D/15%		D		Combined		N		0%		5		10		N	
15	On/Off Exchange	New	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined w/Med	Lancaster		D		D		D		D		D		Combined		N		0%		3		6		N	
16	On/Off Exchange	New	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined w/Med	Lancaster		D		D		D		D		D		Combined		N		0%		2		4		N	
17	On/Off Exchange	New	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined w/Med	Lancaster		D		D		D		D		D		Combined		Y		0%		0		0		Y	
18	On/Off Exchange	New	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined w/Med	Lehigh and Northampton		D		D/10%		D/10%		D/10%		D/10%		Combined		N		0%		10		20		N	
19	Off Exchange	New	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined w/Med	Lehigh and Northampton		D		D/20%		D/20%		D/20%		D/20%		Combined		N		0%		10		20		N	
20	On/Off Exchange	New	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined w/Med	Lehigh and Northampton		D		D/20%		D/20%		D/20%		D/20%		Combined		N		0%		10		20		N	
21	On/Off Exchange	New	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined w/Med	Lehigh and Northampton		D		D/15%		D/15%		D/15%		D/15%		Combined		N		0%		5		10		N	
22	On/Off Exchange	New	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined w/Med	Lehigh and Northampton		D		D/5%		D/5%		D/5%		D/5%		Combined		N		0%		3		6		N	
23	On/Off Exchange	New	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined w/Med	Lehigh and Northampton		D		D		D		D		D		Combined		N		0%		2		4		N	
24	On/Off Exchange	New	45127PA014000501	Bronze Valley Advantage EPO 8000/0/50	Combined w/Med	Lehigh and Northampton		D		D		D		D		D		Combined		Y		0%		0		0		Y	
25	On/Off Exchange	New	45127PA002002601	Gold Easy Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)		50		2,000		2,000		0		0		\$0		N		0%		4		8		N	
26	On/Off Exchange	New	45127PA002002701	Catastrophic PPO 8550/0/75	Combined w/Med	All		D		D		D		D		D		Combined		Y		0%		0		0		Y	

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Benefit Change Summary

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Rx Gen Non-Pref: Coins		Rx Gen Non-Pref: Retail Copay		Rx Gen Non-Pref: Mail Copay		Rx Brand Pref: Ded Applies?		Rx Brand Pref: Coins		Rx Brand Pref: Retail Copay		Rx Brand Pref: Mail Copay		Brand Non-Pref: Ded Applies?	
							2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
1	On/Off Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined w/Med	All (excluding Lancaster)	25%	25%	0	0	0	0	Y	Y	0%	0%	25	25	50	50	Y	Y
2	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined w/Med	All (excluding Lancaster)	25%	25%	0	0	0	0	Y	Y	0%	0%	50	50	100	100	Y	Y
3	On/Off Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined w/Med	All (excluding Lancaster)	25%	25%	0	0	0	0	Y	Y	0%	0%	50	50	100	100	Y	Y
4	On/Off Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined w/Med	All (excluding Lancaster)	18%	18%	0	0	0	0	Y	Y	0%	0%	25	25	50	50	Y	Y
5	On/Off Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined w/Med	All (excluding Lancaster)	15%	15%	0	0	0	0	Y	Y	0%	0%	15	15	30	30	Y	Y
6	On/Off Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined w/Med	All (excluding Lancaster)	10%	10%	0	0	0	0	Y	Y	0%	0%	10	10	20	20	Y	Y
7	On/Off Exchange	Existing	45127PA002002001	Bronze PPO 8000/0/50	Combined w/Med	All (excluding Lancaster)	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y
8	Off Exchange	Existing	53789PA010000800	Bronze HMO 8000/0/50	Combined w/Med	All (excluding Lancaster)	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y
9	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8550/0/75	Combined w/Med	All	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y
10	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8550/0/75	Combined w/Med	All	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y
11	On/Off Exchange	New	45127PA002002201	Gold PPO Choice 2000/0/30	Combined w/Med	Lancaster		25%		0		0		Y			25		50		Y	
12	Off Exchange	New	45127PA002002300	Silver PPO Choice 3950/20/35	Combined w/Med	Lancaster		25%		0		0		Y			50		100		Y	
13	On/Off Exchange	New	45127PA002002401	Silver PPO Choice 4000/20/35	Combined w/Med	Lancaster		25%		0		0		Y			50		100		Y	
14	On/Off Exchange	New	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined w/Med	Lancaster		18%		0		0		Y			25		50		Y	
15	On/Off Exchange	New	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined w/Med	Lancaster		15%		0		0		Y			15		30		Y	
16	On/Off Exchange	New	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined w/Med	Lancaster		10%		0		0		Y			10		20		Y	
17	On/Off Exchange	New	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined w/Med	Lancaster		0%		0		0		Y			0		0		Y	
18	On/Off Exchange	New	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined w/Med	Lehigh and Northampton		25%		0		0		Y			25		50		Y	
19	Off Exchange	New	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined w/Med	Lehigh and Northampton		25%		0		0		Y			50		100		Y	
20	On/Off Exchange	New	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined w/Med	Lehigh and Northampton		25%		0		0		Y			50		100		Y	
21	On/Off Exchange	New	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined w/Med	Lehigh and Northampton		18%		0		0		Y			25		50		Y	
22	On/Off Exchange	New	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined w/Med	Lehigh and Northampton		15%		0		0		Y			15		30		Y	
23	On/Off Exchange	New	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined w/Med	Lehigh and Northampton		10%		0		0		Y			10		20		Y	
24	On/Off Exchange	New	45127PA014000501	Bronze Valley Advantage EPO 8000/0/50	Combined w/Med	Lehigh and Northampton		0%		0		0		Y			0		0		Y	
25	On/Off Exchange	New	45127PA002002601	Gold Easy Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)		0%		15		30		N			45		90		N	
26	On/Off Exchange	New	45127PA002002701	Catastrophic PPO 8550/0/75	Combined w/Med	All		0%		0		0		Y			0		0		Y	

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Benefit Categories

IP OP Professional	Type of Service
Inpatient	IP - CABG
Inpatient	IP - Cesarean Maternity Delivery
Inpatient	IP - Major Joint Procedures of Lower Extremity
Inpatient	IP - Maternity Non-delivery
Inpatient	IP - Medical
Inpatient	IP - Neonatal
Inpatient	IP - Newborn
Inpatient	IP - Normal maternity delivery
Inpatient	IP - Other Cardiovascular Procedures
Inpatient	IP - Other Surgical
Inpatient	IP - Psychiatric
Inpatient	IP - Substance Abuse
Inpatient	IP - Ungroupable
Outpatient	OP - Blood
Outpatient	OP - Cardiac Rehab
Outpatient	OP - Cardiovascular
Outpatient	OP - Dialysis
Outpatient	OP - Emergency Room
Outpatient	OP - Maternity Non-delivery Care
Outpatient	OP - Observation Room
Outpatient	OP - Other OP Services
Outpatient	OP - PT/OT/ST
Outpatient	OP - Pathology/Lab
Outpatient	OP - Pharmacy
Outpatient	OP - Psychiatric
Outpatient	OP - Radiology - CT/MRI/PET
Outpatient	OP - Radiology - General
Outpatient	OP - Substance Abuse
Outpatient	OP - Surgery
Outpatient	OP - Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - IP Psychiatric
Professional	IP Visits - IP Substance Abuse
Professional	IP Visits - Medical
Professional	Inpatient Surgery - Primary Surgeon
Professional	Inpatient Surgery - Anesthesia
Professional	Inpatient Surgery - Assistant Surgeon
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Pathology/Lab - IP
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - IP
Professional	Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - Medical
Professional	Independent Lab
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	OP Visits - OP Psychiatric
Professional	OP Visits - OP Substance Abuse
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Outpatient Surgery - Anesthesia
Professional	Outpatient Surgery - Office
Professional	Outpatient Surgery - Outpatient Facility
Professional	Pathology/Lab - OP
Professional	Pathology/Lab - Office
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - OP - CT/MRI/PET
Professional	Radiology - OP - General
Professional	Radiology - Office - CT/MRI/PET
Professional	Radiology - Office - General
Professional	Unmapped
Other Medical	Unmapped
Other Medical	OP - Ambulance
Other Medical	OP - DME
Other Medical	OP - Home Health/PDN
Other Medical	OP - Medical Surgical Supplies
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams

Capital Area Insurance Company
Individual Rates
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Benefit Mix Changes

Benefit Mix Calculation

	<u>Med Manual Cost</u>	<u>Rx Manual Cost</u>	<u>Manual Cost PMPM</u>
Average in Experience Period			251.60
Average in Rating Period			249.97
Benefit Mix Adjustment			0.994

BEP Manual Cost Calculation

		251.60	15,218	<u>Projected 2021 Manual Co</u>	249.97	912
Company	<u>HIOS 14 Digit</u>	<u>Manual Cost PMPM</u>	<u>BEP MM</u>	<u>Mapped 2020 Plan</u>	<u>Total</u>	<u>Proj Member</u>
KHPC	53789PA0100008	251.97	11,987	82795PA0140001	249.97	912
KHPC	53789PA0100004	250.22	3,231			

Capital Area Insurance Company

Individual Rates

Effective 1/1/2021

Trend

Trend by Service Category

<u>Year 1</u>				<u>Year 2</u>						
<u>Category</u>	<u>Cost</u>	<u>Util</u>	<u>Induced Demand</u>	<u>Cost</u>	<u>Util</u>	<u>Induced Demand</u>	<u>Total Year 1</u>	<u>Total Year 2</u>	<u>Weights</u>	<u>Total Weights</u>
Inpatient Hospital	5.60%	0.00%	0.00%	5.90%	0.00%	0.0%	5.6%	5.9%	28.9%	24%
Outpatient Hospital	5.90%	0.00%	0.00%	6.10%	0.00%	0.0%	5.9%	6.1%	46.7%	38%
Professional	5.50%	0.00%	0.00%	5.40%	0.00%	0.0%	5.5%	5.4%	19.1%	16%
Other Medical	5.90%	0.00%	0.00%	6.10%	0.00%	0.0%	5.9%	6.1%	2.5%	2%
Capitation	3.00%	0.00%	0.00%	3.00%	0.00%	0.0%	3.0%	3.0%	2.8%	2%
Prescription Drug	9.80%	1.00%	0.00%	10.60%	1.30%	0.0%	10.9%	12.0%	100.0%	18%
Dental & Vision	1.00%	1.00%	0.00%	1.00%	1.00%	0.0%	2.0%	2.0%	100.0%	100%

<u>Aggregate Pricing Trend Year 1</u>	
Total	6.6%
Medical	5.7%
Drug	10.9%
Agg Med + Rx Trend	6.6%
Dental and Vision	2.0%

<u>Aggregate Pricing Trend Year 2</u>	
Total	6.9%
Medical	5.8%
Drug	12.0%
Agg Med + Rx Trend	6.9%
Dental and Vision	2.0%

<u>Year 1 Raw Trends*</u>					<u>Year 2 Raw Trends*</u>			
<u>URRT Categories</u>	<u>Cost</u>	<u>Utilization</u>	<u>Induced Demand</u>	<u>Composite</u>	<u>Cost</u>	<u>Utilization</u>	<u>Composite</u>	
Inpatient Hospital	4.8%	0.0%	0.0%	4.8%	5.1%	0.0%	0.0%	5.1%
Outpatient Hospital	5.1%	0.0%	0.0%	5.1%	5.3%	0.0%	0.0%	5.3%
Professional	4.7%	0.0%	0.0%	4.7%	4.6%	0.0%	0.0%	4.6%
Other Medical	5.1%	0.0%	0.0%	5.1%	5.3%	0.0%	0.0%	5.3%
Capitation	3.0%	0.0%	0.0%	3.0%	3.0%	0.0%	0.0%	3.0%
Prescription Drugs	9.0%	1.0%	0.0%	11.2%	9.8%	1.3%	0.0%	12.2%
Dental & Vision	1.0%	1.0%	0.0%	2.0%	1.0%	1.0%	0.0%	2.0%

*From Hospital and Physician Trend Models

<u>Adjustments to Pricing Trend</u>			
<u>Medical</u>		<u>Drug</u>	
Intensity	0.0%	Contracting	0.0%
Leveraging	0.8%	Leveraging	0.8%
Demographics	0.0%	Demographics	0.0%
Buy-Downs	0.0%	Buy-Downs	0.0%
Other	0.0%	Pipeline	0.0%
Total	0.8%	Total	0.80%

Capital Area Insurance Company
Individual Rates
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URRT

Experience Period Member Months 15,218

Section II: Projections		Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM			
Benefit Category	Experience Period Index Rate PMPM	Cost	Utilization	Cost	Utilization		Incurred	Allowed	PMPM
Inpatient Hospital	\$ 107.53	1.056	1.000	1.059	1.000	120.25	\$ 1,531,022	\$ 1,636,370	\$ 107.53
Outpatient Hospital	\$ 173.73	1.059	1.000	1.061	1.000	195.20	\$ 1,872,167	\$ 2,643,811	\$ 173.73
Professional	\$ 71.07	1.055	1.000	1.054	1.000	79.03	\$ 665,242	\$ 1,081,607	\$ 71.07
Other Medical	\$ 9.30	1.059	1.000	1.061	1.000	10.45	\$ 102,422	\$ 141,603	\$ 9.30
Capitation	\$ 10.60	1.030	1.000	1.030	1.000	11.25	\$ 161,270	\$ 161,270	\$ 10.60
Prescription Drug	\$ 80.39	1.098	1.010	1.106	1.013	99.88	\$ 927,745	\$ 1,223,374	\$ 80.39
Total	\$ 452.62					516.06			\$ 452.62

Change in Morbidity - Impact of Reinsurance Progr:	0.999
Change in Morbidity - All Other	1.010
*Other	
Change in Demographics	0.580
Change in Network	1.010
Change in Benefits	0.711
Change in Other	0.991

Projected Index Rate 214.95

Change from Bronze/Cat in BEP to Cat in the Proj Period			
	Bronze	Cat	Avg Factor
BEP	79%	21%	0.93
Proj Period	0%	100%	0.66
Factor	1.00	0.66	0.71

Capital Area Insurance Company
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Paid to Allowed Ratio Development

Medical Rate Development		
Base Experience Period:	1/1/2019-12/31/2019	
Data as of	2/29/2020	
Rating Period:	1/1/2021 - 12/31/2021	
Trend Months:	24	
Trend:	5.7%	

Drug Rate Development		
Base Experience Period:	1/1/2019-12/31/2019	
Data as of	2/29/2020	
Rating Period:	1/1/2021 - 12/31/2021	
Trend Months:	24	
Trend:	10.9%	

Pediatric Dental Rate Development		
Base Experience Period:	1/1/2019-12/31/2019	
Data as of	2/29/2020	
Rating Period:	1/1/2021 - 12/31/2021	
Trend Months:	24	
Trend:	2.0%	

Pediatric Vision Rate Development		
Base Experience Period:	1/1/2019-12/31/2019	
Data as of	2/29/2020	
Rating Period:	1/1/2021 - 12/31/2021	
Trend Months:	24	
Trend:	2.0%	

1	Medical Paid and Incurred Claims	4,052,845	1	BEP Paid and Incurred Claims**	1,213,572	1	BEP Paid and Incurred Claims	25,203	1	BEP Paid and Incurred Claims	1,685
2	Completion Factor	0.98	2	Completion Factor	1,000	2	Completion Factor	0.958	2	Completion Factor	0.962
3	BEP Completed Claims (1) / (2)	4,142,790	3	BEP Completed Claims (1) / (2)	1,213,572	3	BEP Completed Claims (1) / (2)	26,310	3	BEP Completed Claims (1) / (2)	1,752
4	BEP Member Months	15,218	4	BEP Member Months	15,218	4	BEP Member Months	15,218	4	BEP Member Months	15,218
5	BEP Completed Claim PMPM (3) / (4)	272.23	5	BEP Completed Claim PMPM (3) / (4)	79.75	5	BEP Completed Claim PMPM (3) / (4)	1.73	5	BEP Completed Claim PMPM (3) / (4)	0.12
6	Trend Factor	1.12	6	Trend Factor	1.23	6	Trend Factor	1.04	6	Trend Factor	1.04
7	Trended Claim PMPM (5) x (6)	303.89	7	Trended Claim PMPM (5) x (6)	98.07	7	Trended Claim PMPM (5) x (6)	1.80	7	Trended Claim PMPM (5) x (6)	0.12
8	Benefit Change Factor (Including Cat Adj and Demo)	0.41	8	Benefit Change Factor (Including Cat Adj)	0.41	8	Benefit Change Factor (Including Cat Adj)	0.41	8	Benefit Change Factor (Including Cat Adj)	0.41
9	Morbidity Adjustment	1.01	9	Morbidity Adjustment	1.01	9	Morbidity Adjustment	1.01	9	Morbidity Adjustment	1.01
10	Network	1.01	10	Network	1.01	10	Network	1.01	10	Network	1.01
11	Capitation	161,270	11	Rx Rebates	285,827	11			11		
12	Capitation PMPM	10.60	12	Rx Rebates PMPM	18.78	12			12		
13	Other Adjustment (Reinsurance)	0.938	13	Other Adjustment (Reinsurance)	0.938	13	Other Adjustment (Reinsurance)	0.938	13	Other Adjustment (Reinsurance)	0.938
14	Other Adjustment	1,000	14	Other Adjustment (Rx Contract Savings)	0.950	14	Other Adjustment	1,000	14	Other Adjustment	1,000
15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (12)] x (13) x (14)	129.11	15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) - (12)] x (13) x (14)	19.80	15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10)] x (13) x (14)	0.71	15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10)] x (13) x (14)	0.05

Expected Claim PMPM in Rating Period	
Medical	129.11
Drug	19.80
Pediatric Dental	0.71
Pediatric Vision	0.05
Expected Distribution of Embedded Dental Benefit	
	100%
Total Expected Incurred in Rating Period	
Total Expected Incurred in Rating Period Net RA and Reinsurance + Exchange Fee	
	149.66
	164.36

Projected Allowed	214.95
Paid to Allowed Ratio	0.696

Capital Area Insurance Company
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Effective 1/1/2021
Retention

	<u>Medical + Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>	<u>% of Premium</u>
Reinsurance Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Risk Adjustment Fee	\$0.25	\$0.00	\$0.00	\$0.25	0.1%
Admin PMPM	\$32.94	\$0.60	\$0.09	\$33.63	15.8%
Broker PMPM	\$3.68	\$0.00	\$0.00	\$3.68	1.7%
Placeholder1	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder2	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder3	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Quality Improvement	0.4%	0.4%	0.4%	0.4%	0.4%
Contingency	2.0%	2.0%	2.0%	2.0%	2.0%
Patient-Centered Outcomes Research Trust Fund:	\$0.20	\$0.00	\$0.00	\$0.20	0.1%
Insurer Tax	0.0%	0.0%	0.0%	0.0%	0.0%
Exchange Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Federal Income Tax	0.4%	0.4%	0.4%	0.4%	0.4%
Premium Tax	2.0%	2.0%	2.0%	2.0%	2.0%

Insurer Tax and Admin Fee Calc

Applied HIF to All Quarters		0.00%			
Quarter	% of Enrollees	HIF	2021 assessment	2022 assessment	
1	100%	0.00%	0	0.0%	0.0%
			3	0.0%	0.0%
			6	0.0%	0.0%
			9	0.0%	0.0%

	<u>Admin</u>	<u>Profit</u>	<u>Taxes</u>
	18.0%	2.0%	2.6%
Claims	15.8%		
Broker	1.7%		
Quality Improvement	0.4%		

	Catastrophic PPO
Plan	8550/0/75
Deductible	8550
Expected Claim Cost	164.36
Expected Premium PMPM *	\$212.35
<u>Allowed Adjustments to Premium for MLR</u>	
Reinsurance Contribution	0.00
Patient-Centered Outcomes Research Trust Fund:	0.20
Risk Adjustment Fee	0.25
Premium Tax	4.25
Insurer Tax	0.00
Exchange Fee	0.00
Quality Improvement	0.85
Federal Income Tax**	0.89
MLR Adjusted Claims	\$165.21
MLR Adjusted Premium	\$206.76
Expected Member Distribution	100.0%

Unadjusted Premium	\$212.35
Expected MLR Adjusted Claims	\$165.21
Expected MLR Adjusted Premium	\$206.76

MLR	79.9%
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* From Exhibit L
**21% of profit or contingency (assumed to be 2%)

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Projected Index Rate

Projected Index Rate	\$214.95
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<u>Effective Date</u>	<u>Total Index Rate</u>	<u>Trend</u>	<u>Distribution of Members</u>	<u>Projected Allowed</u>	<u>Market Adjusted Index Rate</u>
January - December	\$214.95		100%	\$214.95	

Average for Projection Period	\$214.95			\$214.95	\$236.06
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* From URRT and Exhibit B

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Market Adjusted Index Rate

Development of Market Adjusted Index Rate

Q1 Index Rate	214.95	Index Rate Calculated in II Rate Development & Change Differs slightly from URRT due to rounding
Paid to Allowed	0.70	
Q1 Projected Claims	149.66	
Net Projected ACA Reinsurace Recoveries	9.09	
Net Projected Risk Adjustments PMPM	-23.79	
Exchange User Fee Adjustment	0.00	
Q1 Market-Adjusted Projected Paid EHB Claims PMPM	164.36	
Q1 Market Adjusted Index Rate	236.06	

Development of Exchange User Fee

Average Exchange Premium	\$0.00
Average Exchange Fee	\$0.00
Percentage of Membership on Exchange	0%
Exchange Fee to Add to Market Index Rate	\$0.00

Development of Risk Adjustment Projection

Projected 2020 Risk Adjustment Transfer	-\$23.79
Projected 2019 Risk Adjustment	-\$28,002
2019 MemberMonths	721
Projected 2019 Risk Adjustment Payment PMPM	-\$38.84
Capital Advantage Insurance Company	-\$28,002

Show Network is Normalized	1.00
Show Induced Demand is Normalized	1.00

<u>Rate Development by Benefit Option</u>		Off Exchange
Level of Coverage	Catastrophic	
HIOS 16 Digit	82795PA014000100	
HIOS Plan ID	82795PA0140001	
Med Plan Name:	Catastrophic PPO 8550/0/75	
Rx:	Combined w/Med	
Plan Type:	PPO	
HRA	N	
Q1 Market Adjusted Index Rate	236.06	
AV and Cost-Sharing Adjustment		0.70
Network		1.000
Non-Funding of CSR Adjustment		1.000
Catastrophic Adjustment		1.000
Induced Demand		1.000
<u>Plan Pricing Relativities:</u>		
Pricing Relativity		1.000
Total Projected Claims PMPM + Market Level Adjustments:		164.36
<u>Retention</u>		
Admin PMPM		\$33.63
Broker PMPM		\$3.68
Risk Adjustment User Fee		\$0.25
PCORTF		\$0.20
Value-Based Benefits		\$0.00
BCBSA Identity Theft		\$0.00
Premium Tax		2.0%
Federal Income Tax		0.4%
Insurer Tax		0.0%
Contingency		2.0%
Quality Improvement		0.4%
Premium Neutrality		1.05
Total Premium Single Rate:		\$202.36
Plan Adjusted Index Rates		\$212.35
Expected Member Distribution		100.0%
		\$37.31
Admin		18.0%
Taxes		2.6%

Benefit Plans																											
#	Combo Description	100%	912																				Annual Trend				
		Projected Membership	Proj MM	New or Existing	Product ID	Plan ID (14)	On/Off Exchange	Metal Level	Metal Value	Pricing Value	Network	Induced Demand	Catastrophic	Product	Med Plan Description	Deductible	Drug Plan	Pediatric Dental	Pediatric Vision	Average Plan Adj. Index Rate	Q1 Plan Adj. Index Rate	Q2 Plan Adj. Index Rate	Q3 Plan Adj. Index Rate	Q4 Plan Adj. Index Rate	Medical & Rx	Dental & Vision	Aggregate Trend
1	Catastrophic PPO 8550/0/75	100.0%	912	Existing	82795PA014	82795PA0140001	Off Exchange	Catastrophic	61.3%	69.6%	1.00	1.00	1.00	PPO	Catastrophic PPO 8550/0/75	8550	Combined	Embedded	Embedded	\$212.36	\$212.36				6.59%	2.0%	6.59%

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Calibration

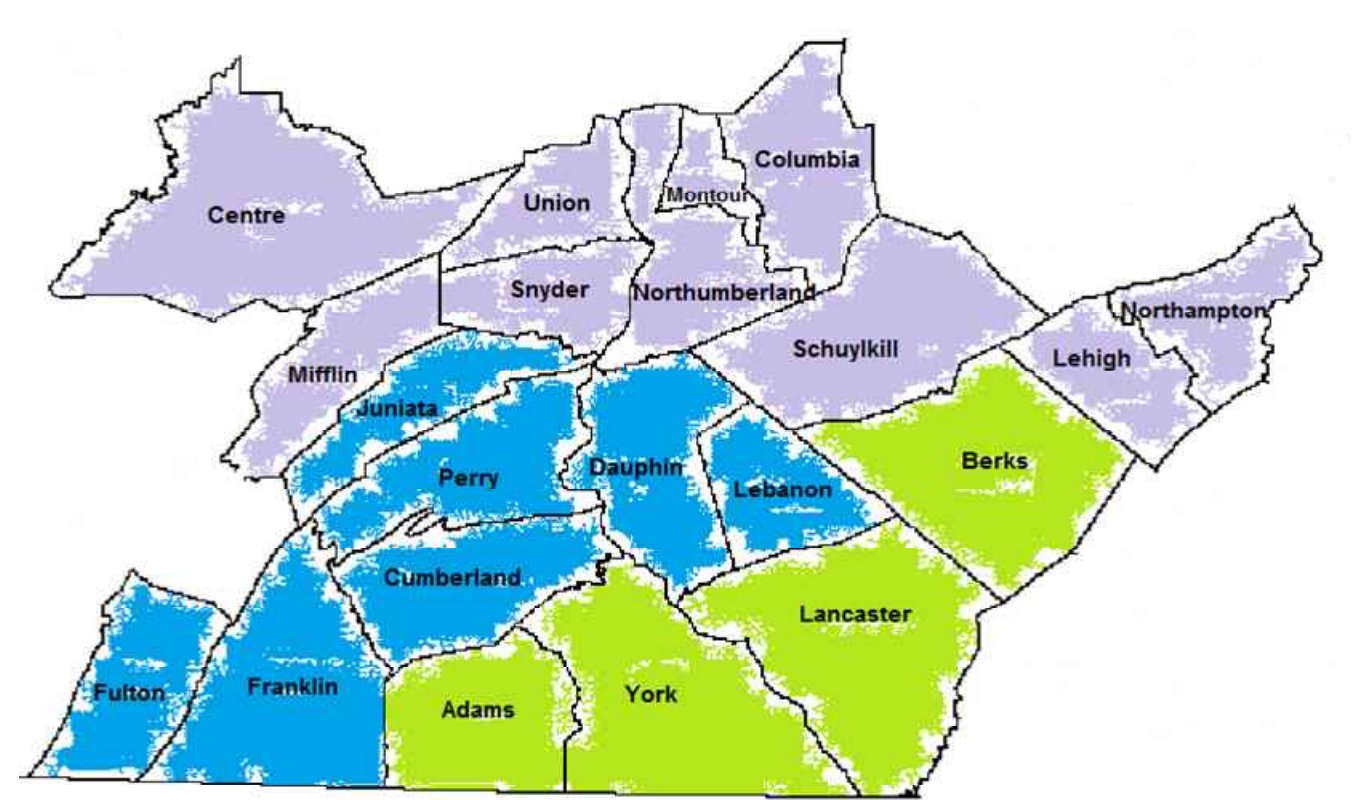
Expected Average Age Factor:	1.002
List-Billed Adjustment for Max 3 Children	1.003
Adjusted Average Age Factor	0.999
Expected Average Region Factor:	1.05
Expected Average Tobacco Factor	1.002
Cumulative Rating Factors (Premium Neutrality):	1.05

Age Factors			Region Factors			Tobacco Factors		
Age	Distribution of Population	Age Factor	Region	Distribution of Population	Factor	PPO	HMO	Final Factor
0-14	9.09%	0.765	6	47%	1.0000	1.002	1.002	1.002
15	0.00%	0.833	7	36%	1.1400			
16	3.90%	0.859	9	17%	0.9800			
17	2.60%	0.885						
18	2.60%	0.913						
19	0.00%	0.941						
20	9.09%	0.970						
21	3.90%	1.000						
22	0.00%	1.000						
23	1.30%	1.000						
24	3.90%	1.000						
25	0.00%	1.004						
26	29.87%	1.024						
27	9.09%	1.048						
28	11.69%	1.087						
29	12.99%	1.119						
30	0.00%	1.135						
31	0.00%	1.159						
32	0.00%	1.183						
33	0.00%	1.198						
34	0.00%	1.214						
35	0.00%	1.222						
36	0.00%	1.230						
37	0.00%	1.238						
38	0.00%	1.246						
39	0.00%	1.262						
40	0.00%	1.278						
41	0.00%	1.302						
42	0.00%	1.325						
43	0.00%	1.357						
44	0.00%	1.397						
45	0.00%	1.444						
46	0.00%	1.500						
47	0.00%	1.563						
48	0.00%	1.635						
49	0.00%	1.706						
50	0.00%	1.786						
51	0.00%	1.865						
52	0.00%	1.952						
53	0.00%	2.040						
54	0.00%	2.135						
55	0.00%	2.230						
56	0.00%	2.333						
57	0.00%	2.437						
58	0.00%	2.548						
59	0.00%	2.603						
60	0.00%	2.714						
61	0.00%	2.810						
62	0.00%	2.873						
63	0.00%	2.952						
64+	0.00%	3.000						

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Rating Factors

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

Region



Region	Factor
6	1
7	1.14
9	0.98

Network	Factor
PPO	1.00

Benefit Plans															Base Rates					Annual Trend						
#	Combo Description	Projected Membership	Proj MM	New or Existing	Product ID	Plan ID	On/Off Exchange	Meta Level	Meta Value	Pricing Value	Indexed Demand	Product	Medical Plan Description	Deductible	Drop Plan Desc	Preferred Dental	Preferred Vision	Medical - Rx	Medical	1/1/2021 - 12/31/2021	1/1/2021 - 12/31/2021	Preferred Dental	Preferred Vision	Total	Medical & Rx	Dental & Vision
1	Catastrophic PPO 85501075	100.0%	912	Existing	82795PA014	82795PA0140001	Off Exchange	Catastrophic	61.3%	69.6%	1.00	PPO	Catastrophic PPO 85501075	\$550	Combined	Embedded	Embedded	\$200.95	\$164.78	\$36.17	\$1.27	\$0.13	\$202.16	6.0%	2.0%	

Capital Area Insurance Company
Individual Rates
Effective 1/1/2021
Regional Analysis

Annual Rate Change	-15.5%
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Results

<u>By Region</u>	<u>Current Month</u> <u>Members</u>	<u>Enrollment Dist</u>	<u>Projected LR w No</u> <u>Region Factor</u> <u>Change</u>	<u>Target LR</u>	<u>Target LR Change</u>	<u>Adjusted for</u> <u>Regional Costs</u>	<u>Current Factors</u>	<u>Adj Factors</u>	<u>Final Rel to Region</u> <u>6*</u>
6	15504	42%	88%	90%	0.980	-17.2%	1.000	0.980	1.000
7	16535	45%	64%	61%	1.040	-12.1%	1.070	1.113	1.140
9	5043	14%	87%	92%	0.950	-19.7%	1.010	0.960	0.980
Total	37083	100%	77%	77%	1.003	-15.3%	1.033	1.036	1.060

2021 Proj LR
77.4%

2019 Individual Data - All Companies Combined (CAAC, CAIC, KHPC)

	Total	1	538,933	37,083	\$426,554,969	\$430,107,477	\$26,269,115	\$360,870,799	\$26,549,234	-\$14,415,272	\$39,752,584	74%	0.70	1.85
Region	Group County Name	% 2019 Enrollment	MemberMonths	Current Month Members	Premium	Allowed Claims	High Claimant Allowed Claims	Incurred Claims	High Claimant Incurred Claims	Rx Rebates	RA Estimate	Loss Ratio	Avg AV	Avg PLRS
6	Lehigh	15%	80,464	5,537	\$61,016,293	\$57,223,511.03	\$2,177,957	\$57,460,886	\$2,191,722	-\$2,679,114	\$4,233,235	84%	0.70	1.76
6	Northampton	15%	80,601	5,546	\$61,282,864	\$59,981,176.83	\$5,587,489	\$59,856,229	\$5,668,640	-\$2,798,043	\$4,744,941	86%	0.70	1.79
6	Schuylkill	4%	22,124	1,522	\$18,953,773	\$15,681,320.31	\$0	\$15,748,997	\$0	-\$639,515	\$1,219,494	75%	0.71	1.95
6	Centre	2%	9,383	646	\$6,861,142	\$5,456,467.44	\$0	\$5,428,708	\$0	-\$194,586	\$123,568	75%	0.69	1.67
6	Northumberland	2%	8,996	619	\$7,862,881	\$8,296,340.33	\$0	\$8,304,553	\$0	-\$252,244	\$896,824	92%	0.71	2.09
6	Columbia	1%	6,865	472	\$5,878,978	\$6,903,621.97	\$1,058,711	\$6,952,990	\$1,072,231	-\$216,041	\$1,238,578	95%	0.72	2.28
6	Union	1%	5,616	386	\$4,429,400	\$4,947,863.40	\$924,250	\$5,035,782	\$935,501	-\$192,867	\$507,374	98%	0.70	1.96
6	Mifflin	1%	4,129	284	\$3,765,961	\$3,565,858.45	\$0	\$3,572,349	\$0	-\$135,526	\$889,560	74%	0.73	2.39
6	Snyder	1%	6,141	423	\$4,876,065	\$4,006,187.70	\$0	\$4,064,627	\$0	-\$115,979	-\$873,825	99%	0.71	1.36
6	Montour	0%	1,003	69	\$845,147	\$850,756.07	\$0	\$839,754	\$0	-\$10,366	\$149,230	83%	0.71	1.69
7	Lancaster	14%	76,875	5,290	\$58,474,884	\$58,368,887.00	\$3,425,384	\$58,267,333	\$3,462,150	-\$2,279,381	\$4,975,482	88%	0.70	1.77
7	Berks	9%	51,070	3,514	\$40,642,664	\$46,611,201.60	\$5,397,856	\$45,940,922	\$5,467,783	-\$1,730,779	\$4,296,161	98%	0.71	1.90
7	York	17%	90,165	6,204	\$73,303,201	\$79,530,430.09	\$2,699,014	\$12,136,369	\$2,718,258	-\$26,535	\$7,519,318	15%	0.71	1.89
7	Adams	4%	22,202	1,528	\$18,556,454	\$20,449,828.42	\$1,204,028	\$20,328,745	\$1,212,172	-\$709,649	\$736,576	102%	0.72	1.82
9	Dauphin	3%	17,384	1,196	\$13,264,590	\$12,110,588.17	\$0	\$11,691,360	\$0	-\$542,350	\$2,195,784	72%	0.68	1.81
9	Cumberland	4%	22,064	1,518	\$16,976,017	\$18,518,230.08	\$2,010,356	\$17,942,058	\$2,016,700	-\$829,967	\$3,071,579	85%	0.68	1.88
9	Lebanon	1%	5,068	349	\$4,181,467	\$5,910,675.64	\$1,784,071	\$5,790,725	\$1,804,077	-\$192,040	\$2,282,753	87%	0.70	2.78
9	Franklin	4%	20,905	1,438	\$18,585,916	\$16,160,119.67	\$0	\$16,096,320	\$0	-\$670,031	\$1,886,067	75%	0.71	2.00
9	Perry	1%	3,877	267	\$3,350,833	\$2,978,053.48	\$0	\$2,885,806	\$0	-\$164,435	\$90,360	79%	0.68	1.82
9	Fulton	1%	2,716	187	\$2,429,786	\$1,747,475.90	\$0	\$1,721,121	\$0	-\$56,437	-\$373,975	81%	0.72	1.49
9	Juniata	0%	1,283	88	\$1,016,654	\$808,883.41	\$0	\$805,166	\$0	-\$15,388	-\$56,498	82%	0.69	1.69
6		42%	225,323	15,504	\$175,772,504	\$166,913,104	\$9,748,406	\$167,264,875	\$9,868,095	-\$7,234,280	\$13,128,978	85%	0.71	1.82
7		45%	240,313	16,535	\$190,977,203	\$204,960,347	\$12,726,282	\$136,673,369	\$12,860,363	-\$4,746,344	\$17,527,537	63%	0.71	1.86
9		14%	73,297	5,043	\$59,805,262	\$58,234,026	\$3,794,427	\$56,932,555	\$3,820,777	-\$2,470,648	\$9,096,069	79%	0.68	1.93



June 23, 2020

[REDACTED], Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 20-52
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear [REDACTED]:

CAIC received an objection letter from the Department dated June 16, 2020. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Risk adjustment calculation workbook
- Trend leveraging calculation workbook
- Completeness and Redaction Justification Checklist
- Broker commission schedules
- Revised Rate Development workbook
- Revised PAAM Exhibits
- Revised URRT
- Revised Rates (PA and Federal Templates)
- Revised Memos – Actuarial, Cover Letter

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 3: Update to Table 2 BEP risk adjustment
- Question 8: Change to trend
- Question 9: Table 5 morbidity – added formula
- Question 10: Change to Table 5, Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims, Projected Incurred Risk Adjustment PMPM
- Question 11: Change to projected risk adjustment

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- Question 12: Correction to Change in Demographic factor
- Question 13: Change to induced demand - change is to show formula only, values are the same
- Question 14: Correction to manual network adjustment
- Question 15: Change to risk adjustment fee amount
- Question 19: Correct formula in Exhibit L to include PCORTF. This flows to Table 10, taxes and fees
- Question 21: Change to admin fees to meet federal minimum LR
- Question 22: Change to projected loss ratio formula
- Question 23: Additional data added to Exhibit Q

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Corporate Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Individual Rates Effective January 1, 2021

With this response, please find corresponding Q&A Exhibits in Ind_20-52_Initial_CAIC_PPO_Q&AExhibits1_Supporting_20200623.xlsx

Question 1. In the Rate/Rule Schedule tab, the Number of Policyholders Affected for this Program is listed as 76. Per the PA AM Exhibits, Table 10, cell V15, the total policyholders listed is 77. These numbers should be consistent, please update accordingly.

Answer 1. The Rate/Rule Schedule tab has been corrected to show 77.

Question 2. In the Cover Letter, the listed total for covered lives is 76 but the current total policyholders listed in the PA AM Exhibits, Table 10, cell V15, is 77. These numbers should be consistent, please update accordingly.

Answer 2. The cover letter has been corrected to show 77 lives.

Question 3. Per Table 2: Experience Period Claims and Premiums, please update the Estimated Risk Adjustment, in cell L36, to reflect the amount provided in the Department issued RATEE files.

Answer 3. Estimated risk adjustment has been updated to the amount provided by the Department.

Question 4. Per Table 3: Trend Components, the Prescription Drugs category weight has changed dramatically from 18.07% in 2020 to 54.25% in 2021. Please explain.

Answer 4. Table 3 shows the actual CAIC distribution. With only an average of 60 members in the BEP, claims are not credible as seen by the large jump in Prescription Drug claims from 2018 to 2019 BEPs. Please note that Table 3b is utilized for trend, using CAIC subsidiary, KHPC, data as the manual. Table 3b shows prescription drug weight of 18%.

Question 5. Please validate that the 2019 KHPC experience was used as the manual rate. If confirmed, please justify why 15,218 member months of KPHC is considered credible enough to use as the manual rate.

Answer 5. KHPC experience was used as the manual. Like CAIC, KHPC offers off-exchange plans. KHPC offers both a bronze and catastrophic plan (lowest AV plans). Both attributes deem KHPC the best indicator of CAIC experience. Making adjustments to another population that offers a wider range of plans on exchange would not provide better estimates.

Question 6. Regarding Trend:

- a. Is the data in Table 4 or 4b utilized in developing the proposed trend?
- b. Is the data in Table 4 or 4b raw unadjusted data or has it been normalized or otherwise adjusted? If the data has been adjusted, please provide an exhibit that quantitatively shows the unadjusted allowed monthly data for the 48 months. Also, include the following monthly data:
 - i. The average age factor;
 - ii. The average geographic factor;
 - iii. The average tobacco factor;
 - iv. The average benefit factor;
 - v. The normalized average PMPM (should match the allowed PMPMs in column L of Table 4b).

Answer 6.

- a. The data in Table 4/4b is not utilized to develop trend.
- b. The data in Table 4/4b is raw unadjusted data.

Question 7. Please provide support for not including any utilization trend in the Medical trend amounts.

Answer 7. Annually, the actuarial team meets with our Chief Medical Officer to discuss utilization trends by market segment based on provider conversations and emerging trends in the medical community. Based on those conversations, her best estimate is no change in utilization from 2019 to 2021. Please note this is pre-Covid-19, as Covid-19 factors will be applied separately.

Question 8. Please provide quantitative support for the 1.0% leveraging and 0.5% intensity adjustments utilized on the 'Exhibit E_Trend' tab.

Answer 8. Please see IND_20-52_Initial_CAIC_PPO_Leveraging_Supporting_20200623.xlsx, tab: LeveragingINDAllData. In order to determine the future impact of leveraging, including the impact of increasing cost sharing due to allowed costs rising, the exhibit shows a claim probability distribution with allowed amounts by range. The data is 2019 CBC ACA single risk pool population. The average AV in the Individual market is approximately 0.75. From the data, I can infer that a deductible (applying to all services) of \$2,159 is equal to 75% AV for this population. Using that deductible amount, I can measure incurred claims and member cost-sharing trend, given an allowed trend of 6.5%. Claims are trended in a database in order to move claims into the correct buckets. You can see that the total allowed amounts are increasing at 6.5% annually (columns P and Z). Given the deductible and allowed trend, incurred claims trend at 7.3%, member cost-share at 1.9% and leveraging is $7.3\% - 6.5\% = 0.8\%$. The leveraging factor has been updated from 1.0% to 0.8% to match the calculation.

The intensity factor of 0.5% is being revised to 0% with this submission. While intensity of OP services continues to grow, that has been offset by reductions in IP services.

Question 9. In Table 5, Development of the Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims, cell C16 & D16, Change in Morbidity – All Other is hard coded as 1.01. Please confirm that the individual mandate being used is 1.01. Also, change the cell to read as the following formula, Change in Morbidity – All Other = 1.01 *Issuer Specific Morbidity Assumption.

Answer 9. I confirm the individual mandate being used is 1.01. Table 5, Change in Morbidity – All Other cell has been updated to show the requested formula.

Question 10. Per Table 5: Development of the Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims, Projected Incurred Risk Adjustment PMPM, please update the amount, as necessary. Please remember to update the URRT as well.

Answer 10. All amounts have been updated as necessary.

Question 11. Please provide quantitative development of the projected incurred risk adjustment of \$0.00 PMPM included in Table 5 of the PA Rate Template. Specifically, provide the necessary quantitative and qualitative support, as well as the source and any adjustments to the source information, for each item included in the risk adjustment calculation (i.e., carrier and statewide PLRS, IDF, GCF, ARF, AV, premium).

Answer 11. The projected risk adjustment PMPM has been updated to reflect 2019 risk adjustment amounts provided by the Department as the baseline. The baseline is then adjusted for changes in risk between 2019 and May 2020. Please see IND_20-52_Initial_CAIC_PPO_RiskCalc_Supporting_CONF_20200623.xlsx for the RA calculation and assumptions including all values requested above. Please note that the 2019 amounts do not exactly match the Department's values, but are reasonably close. These will be updated once CMS releases their final report.

The Summary tab contains the final projected incurred risk adjustment PMPM, highlighted in yellow.

Question 12. Please provide quantitative support for the 1.65 manual BEP demographic factor used in the development of the manual 'Change in Demographic' factor, separating out the demographic and geographic components.

Answer 12. 1.65 has been corrected to equal the average KHPC (manual) factor found in the corresponding filing, Exhibit N – Calibration. The factor is now 1.724. Because KHPC BEP and current population ages are similar, the current factor was used to represent CAIC's manual BEP.

Question 13. Per the Department's published guidance, the Benefit Richness factors in Table 10 Column L should be developed based upon the following formula: $(\text{Plan Pricing AV in column K} * \text{CSR Defunding Adjustment in column P})^2 - (\text{Plan Pricing AV in column K} * \text{CSR Defunding Adjustment in column P}) + 1.24$. 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.

Answer 13. The formula has been added to Table 10. The values are the same as originally filed.

Question 14. Please explain why the manual network adjustment is 1.0, as the manual rate utilizes an HMO network instead of a PPO network.

Answer 14. The manual network adjustment has been corrected to 1.01. CBC's PPO network is estimated to be 1% more costly than the corresponding HMO network due to out-of-network costs.

Question 15. Per Table 6: Retention:

- a. Please provide the proposed commission schedules for 2021.
- b. Using the proposed commission schedules, quantitatively show the development of the percent and PMPM amounts in cells C51 and D51.
- c. Using the 2019 SHCE in the Annual Statement, please quantitatively show the development of the Quality Improvements Initiatives percent and PMPM amount.
- d. Please update the risk adjustment user fee to \$0.25, per the 2021 Final Benefit Notice and Payment Parameters.

Answer 15.

- a. Please see IND_20-52_Initial_CAIC_PPO_PPMABrokerInd_Supporting_CONF_20200623 and IND_20-52_Initial_CAIC_PPO_WBEBrokerInd_Supporting_CONF_20200623 for the unredacted commission schedules.
- b. The commission amounts for 2021 are the same as 2020, so financial line of business reports are used to determine the PMPM amount. \$3.68 on Exhibit H - Retention is the actual CBC Individual broker fee paid Jan 2020-March 2020. \$3.68 is then calculated as a percent of premium using average premium PMPM calculated in Exhibit I – Projected Loss Ratio. That premium is higher than that shown in Table 6 because it includes the CSR non-funding factor of 1.2 where applicable, while Table 6 does not. This causes slight differences in the calculated retention PMPMs (broker fee is \$3.44 in Table 6).
- c. According to MLR rebate rules, 0.4% is the maximum allowable Quality Improvement (QI) amount to include in the MLR rebate calculations without providing extensive documentation. For that reason, the same amount is used in pricing. But please note the 2019 SHCE shows a QI amount greater than 0.4%.
- d. The risk adjustment fee amount has been updated to \$0.25.

Question 16. Please provide quantitative and qualitative support for the 0.66 factor applied to catastrophic plans used to determine the manual 'Change in Benefits' adjustment.

Answer 16. The catastrophic adjustment is the same as that approved in 2020. No additional calculations have been made in order to keep pricing as consistent as possible from year to year.

Question 17. Please confirm that CAIC individual does not have any private reinsurance. If there is private reinsurance, please show where the private reinsurance is being accounted for in the PA AM Exhibits.

Answer 17. I confirm that CAIC does not have any private reinsurance.

Question 18. Please provide support for not applying an induced utilization adjustment to the experience period allowed claims due to a decrease in benefit mix as noted on 'Exhibit D_BenMix'.

Answer 18. The changes in benefit mix are small enough that we did not deem an induced demand factor necessary. We believe induced demand changes to allowed claims in this market segment are negligible. Exhibit D – Benefit Change shows the expected changes to incurred claims due to differences in cost sharing between the BEP and the projection period, which is used to develop the Paid-to-Allowed ratio in Exhibit G.

Question 19. Please validate that the Patient-Centered Outcomes Research Trust Fund fee from the 'Exhibit H_Ret' tab flows through to the appropriate exhibits.

Answer 19. Exhibit I – Projected Loss Ratio has been corrected to display the same PCORTF amount found in Exhibit H. PCORTF was also missing from Exhibit L – Rate Development, which feeds retention percentages to Table 10. This has been corrected.

Question 20. The Federal Income Tax in "Exhibit H_Ret" is calculated as a subset of the Contingency amount (21% of the 2% Contingency). However, it is included in the rate development as an amount in addition to the 2% Contingency amount. Please provide an explanation as to why this approach is appropriate and does not double-count the impact of Federal Income Tax (i.e., 2.0% is stated as the Contingency amount in the actuarial memorandum but 2.42% is actually included into the rate development).

Answer 20. Federal income tax is estimated using 2% contingency and included as an allowable retention item. While federal income tax is tied to UW gain/loss, and that amount can only be estimated by considering contingency pricing, it is its own retention line item separate from contingency.

Question 21. Per Exhibit I_ProjLR, the projected Federal MLR is 72.6%. Please explain how this satisfies the 80% federal MLR standard.

Answer 21. CAIC is unique in that it only offers a catastrophic plan. Due to the low premium, CBC's admin fee drives the loss ratio below 80%. In order to meet the federal MLR standard, the admin fee in Exhibit H has been revised to 70% of the amount initially filed.

Question 22. Per Exhibit I_ProjLR, Quality Improvements is being subtracted from the denominator in calculating the federal MLR. Per my understanding, the federal MLR equation is (Incurred Claims + Quality Improvements) / (Premium – Taxes & Fees). Please explain why it is appropriate to subtract Quality Improvements from the denominator instead of adding it to the numerator.

Answer 22. Exhibit I – Projected Loss Ratio has been corrected to the formula described above.

Question 23. Please update rows 18-38 of 'Exhibit Q_RegAnalysis' to also include total allowed claims, allowed claims for members with over \$500K in paid claims in 2019, paid claims for members with over \$500K in paid claims in 2019, average 2019 risk score, and average AV as used in the risk adjustment calculation (i.e., 0.60 for bronze plans, 0.70 for silver plans, etc.). This will provide us with additional detail to calculate proposed area factors as the current area factors are driven by the hard-coded adjustments in cells F8:F10.

Answer 23. Exhibit Q – Regional Analysis has been updated with the requested data. Please also refer to page 14 of the actuarial memorandum for a description of the target loss approach to changes in regional rating. This approach gradually aligns regional factors with cost, while minimizing disruption to the market.

Question 24. Please confirm that the reason for the capitation weight of 0.09% for the trend in the PA AM Exhibits is from using a combined trend weight across all Individual rate filings. Specifically, that the capitation is attributable to KHPC.

Answer 24. I confirm the above.

Question 25. Pennsylvania Actuarial Memorandum Exhibits, Reinsurance Tables: Please provide an excel exhibit showing all adjustments used to get the projected table from the experience table. Please explain the reasoning behind combining all three Capital companies when calculating the projected reinsurance impact.

Answer 25. The only adjustment applied from the experience table to the projected table is trend. Each claim is trended at 7% per year in a database so that the trended amount falls into the correct claims range. We use combined data to apply equally across all companies in order to develop rates in a market segment that differ in rate due to benefits, lessening consumer confusion. This also solves credibility issues with small issuers such as KHPC and CAIC.

Question 26. Please confirm that you have tested the rates in Table 11 of the PA AM Exhibits, PA Plan Design Summary and Rates Table, Federal Rates Template, and binder to ensure all rates are consistent.

Answer 26. I confirm that the exhibits above have been tested to ensure that rates are identical.

Question 27. Please provide an exhibit that quantitatively shows a comparison of the actual to projected claim cost PMPMs for calendar years 2016-2019, as applicable.

Answer 27. Please see Q&A Exhibit 1 for the requested data.

Question 28. Please provide an exhibit showing the actual experience for calendar years 2015-2019 and the projection for 2020 and 2021 for the following categories: Member Months, Total Administrative Expenses, Total Incurred Claims, Total Premium, Total Actual Paid Taxes and Fees, Profit, Annual Underwriting Gain/Loss and Underwriting Gain/Loss PMPY. Also, show

how the financial gains and losses reconciles with the Annual Financial Statements for those periods.

Answer 28. Please see Q&A Exhibit 2 for the requested data.

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 1
Projected vs. Actual

Year	Paid		Risk Adjustment		Exchange User Fees		Market Adjusted Paid	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
2015	\$358.32	---	-\$0.08	---	\$6.77	---	\$365.17	---
2016	\$349.49	\$41.45	-\$0.21	-\$325.42	\$6.65	\$0.00	\$356.35	\$366.87
2017	\$516.23	\$455.50	\$0.13	-\$312.61	\$0.00	\$0.00	\$516.10	\$768.11
2018	\$660.32	\$669.57	\$28.09	\$45.34	\$0.00	\$0.00	\$632.23	\$624.23
2019	\$154.42	\$165.79	-\$191.67	-\$37.29	\$0.00	\$0.00	\$346.09	\$203.09

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 2
Financial History and Projection

	Year	Member Months	Total Premium	Total Incurred	Total Admin	Total Taxes & Fees	Total Profit	Annual Underwriting gain/loss	Annual Underwriting gain/loss PMPY
	2015	-	\$3,389,470	-\$1,909,150	\$31,590	\$1,890,136	\$3,376,894	\$3,376,894	
	2016	161	\$35,848	-\$94,650	\$46,861	\$20,816	\$62,821	\$62,821	\$4,682.31
	2017	1,826	\$1,045,474	\$2,221,781	\$76,820	\$152,711	-\$1,405,838	-\$1,405,838	-\$9,238.80
	2018	2,829	\$2,337,814	-\$130,051	\$458,084	\$93,040	\$1,916,741	\$1,916,741	\$8,130.40
	2019	724	\$255,736	\$47,829	\$146,380	\$5,896	\$55,631	\$55,631	\$922.06
Projected	2020	800	\$148,882	\$23,641	\$38,728	\$9,970	\$76,543	\$76,543	\$1,148.84
Projected	2021	912	\$195,173	\$151,332	\$34,804	\$5,134	\$3,903	\$3,903	\$51.36



July 20, 2020

██████████, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 20-52
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear ██████████:

CAIC received an objection letter from the Department dated July 7, 2020. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Revised risk adjustment calculation workbook
- Revised Rate Development workbook
- Revised PAAM Exhibits
- Revised URRT
- Revised Rates (PA and Federal Templates)
- Revised Memos – Actuarial, Cover Letter
- Rate Change Summary (Attachment 1)
- Public Filing

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 1: The COVID Factor is applied to Table 5, cells C16 and D16, and reflects the issuer's morbidity assumption * Individual Adjustment (individual market only) * COVID factor.
- Question 2: Update to Table 2 BEP risk adjustment
- Question 3: Update to Table 5 Projected Incurred Risk Adjustment PMPM
- Question 4: Correction to Exhibit E – Trend. Impacts Table 5.
- Question 11: Correction to URRT, Worksheet 2 Projected Reinsurance PMPM

Harrisburg, PA 17177 | capbluecross.com

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Corporate Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Individual Rates Effective January 1, 2021

Question 1. On July 13th, the Department will communicate our guidance based upon updated survey information from the issuers on their best estimate of the COVID-19 impact on 2021 rates. Responses to the round two questions are due on July 16th. Please be sure that all documents in SERFF, after that date, reflect the impact of COVID 19 and are consistent with the Department's July 13th guidance.

Answer 1. The documents in SERFF reflect the impact of COVID-19 and are consistent with the Department's July 13th guidance.

Question 2. Please update the 2019 experience period risk adjustment amount, in Table 2, to reflect the Department calculated revised risk adjustment transfer amount sent to your company on June 30th, 2020, or the final CMS transfer amount published on or before July 16th, if it differs from the Department calculation.

Answer 2. Table 2 BEP risk adjustment is updated to reflect the Department's calculated revised risk adjustment transfer amount sent on June 30, 2020.

Question 3. If the projected risk adjustment transfer amount in Table 5 will be modified, due to the June 30th revisions, or the final CMS transfer amount published on or before July 16th, if it differs from the Department calculation, please provide narrative and detailed supporting data to justify the proposed changes.

Answer 3. Projected risk adjustment in Table 5 has been modified to reflect the June 30th revisions. Please see Ind_20-52_Revised_CAIC_PPO_RiskCalc_Supporting_CONF_20200720.xls. The calculation is the same as that submitted in June with changes only for the revised statewide average PLRS. Additionally, the "Comparison" tab shows the change to projected RA in comparison to the change in 2019 amounts provided by the Department. The change in projection is consistent with the change in 2019 results.

Question 4. As a follow-up to question 8, it was indicated that the trend assumptions have been adjusted with the updated submission to reflect updated leveraging and intensity factor assumptions. However, it seems the trend assumptions in the updated filing are consistent with the initial filing. Please reconcile.

Answer 4. With this submission, trend has been corrected to reflect updated leveraging and intensity factors.

Question 5. As a follow-up to question 11, please provide support for the following assumptions:

- a. The 1.000 adjustment to the statewide average premium
- b. The values listed as “201905 CBC Estimates”, the support for these values should include the following:
 - i. Source of the data used
 - ii. The time-frame of the data used (e.g., 202001 – 202005 data)
 - iii. The development of any completion factors which were applied if a full year of data was not utilized
 - iv. Any adjustments which were applied to reflect any decrease in utilization which has occurred in 2020 as a result of COVID-19
 - v. Any other adjustments which were applied to change the calculation from a 2020 estimate to a 2021 estimate

Answer 5.

- a. 0.94 is the approximate impact of reinsurance to Individual premiums in 2021, projected in II.b. Reins Table – Proj.
- b. Documentation of 202005 CBC Estimates is included on the “Documentation” tab of Ind_20-52_Revised_CAIC_PPO_RiskCalc_Supporting_CONF_20200720.
 - i. CBC collects and tracks member risk score information using the HHS risk model. This is referred to as Care Modeler data in the documentation.
 - ii. Timeframe used: 202001-202005
 - iii. Completion factors are developed by comparing PLRS as of 201905 to final PLRS as of 201912, but final PLRS derivation does vary by company/market. Actual PLRS as of 201905, factor applied, and notes are found on the “PLRSCompletion” tab.
 - iv. No utilization adjustments are made for COVID-19.
 - v. The only adjustment to move from 2020 to 2021 is noted in a. above – statewide average premium is adjusted for reinsurance.

Question 6. As a follow-up to question 12, please provide quantitative support for the 1.724 manual BEP demographic factor, as this factor is not found nor developed within the ‘Exhibit N_Calibration’ tab.

Answer 6. 1.724 is KHPC’s age calibration factor. This is found in filing CABC-132354935, Exhibit N – Calibration. Because KHPC BEP and KHPC current population ages are similar, the current factor was used to represent CAIC’s manual BEP (KHPC experience).

Question 7. As a follow-up to question 14, please provide the numerical development to support the assumption that the PPO network is expected to be 1% more costly than the HMO network.

Answer 7. We pulled 2019 data across all CBC market segments and found that 0.6% of claims are out-of-network (OON). An HMO will either eliminate insurer paid amount for those claims or drive claims in network (INN) at an approximate contracted discount of 50%. So the elimination or movement of OON claims in INN is worth 0.3% to 0.6%. The remainder of the

savings is attributable to tighter PCP care management in HMOs versus PPOs. We did not pull data comparing HMO and PPO claim PMPMs, as CBC has a small HMO population, making a credible severity-weighted analysis very difficult.

Question 8. Per Q&A Exhibit 2, Financial History and Projection, the Total Incurred for years: 2015, 2016, and 2018 are negative. Please explain why the Total Incurred is negative for those respective years.

Answer 8. The Financial History and Projection comes directly from CAIC's Supplemental Health Care Exhibits. CAIC holds very small membership so prior year restatements of incurred claims produced negative incurred amounts in 2015, 2016 and 2018.

Question 9. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rates Template are identical.

Answer 9. I confirm that I have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rates Template are identical.

Question 10. Please ensure that the 7/16/20 versions of the following items are posted in SERFF with your July 16th response to this data call:

- a. Cover letter identifying all changes made and the reason for the change. Also, show the revised rate change
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits
- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values – no "NA")
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary (Attachment 1)
- i. Public filing PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits subsequent to the initial submission, in addition to all the above items).

Answer 10.

1. The following is included with this data call as of 7/16/2020:
 - a. Cover letter identifying all changes made, the reason for the change, and revised rate change.
 - b. PA Actuarial Memorandum
 - c. PA Actuarial Memorandum Exhibits
 - d. Department's Plan Design Summary and Rate Template Exhibits (rate template by county is populated with only numeric values – no "NA")
 - e. URRT

- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary (Attachment 1)
- i. Public filing PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits subsequent to the initial submission, in addition to all the above items).

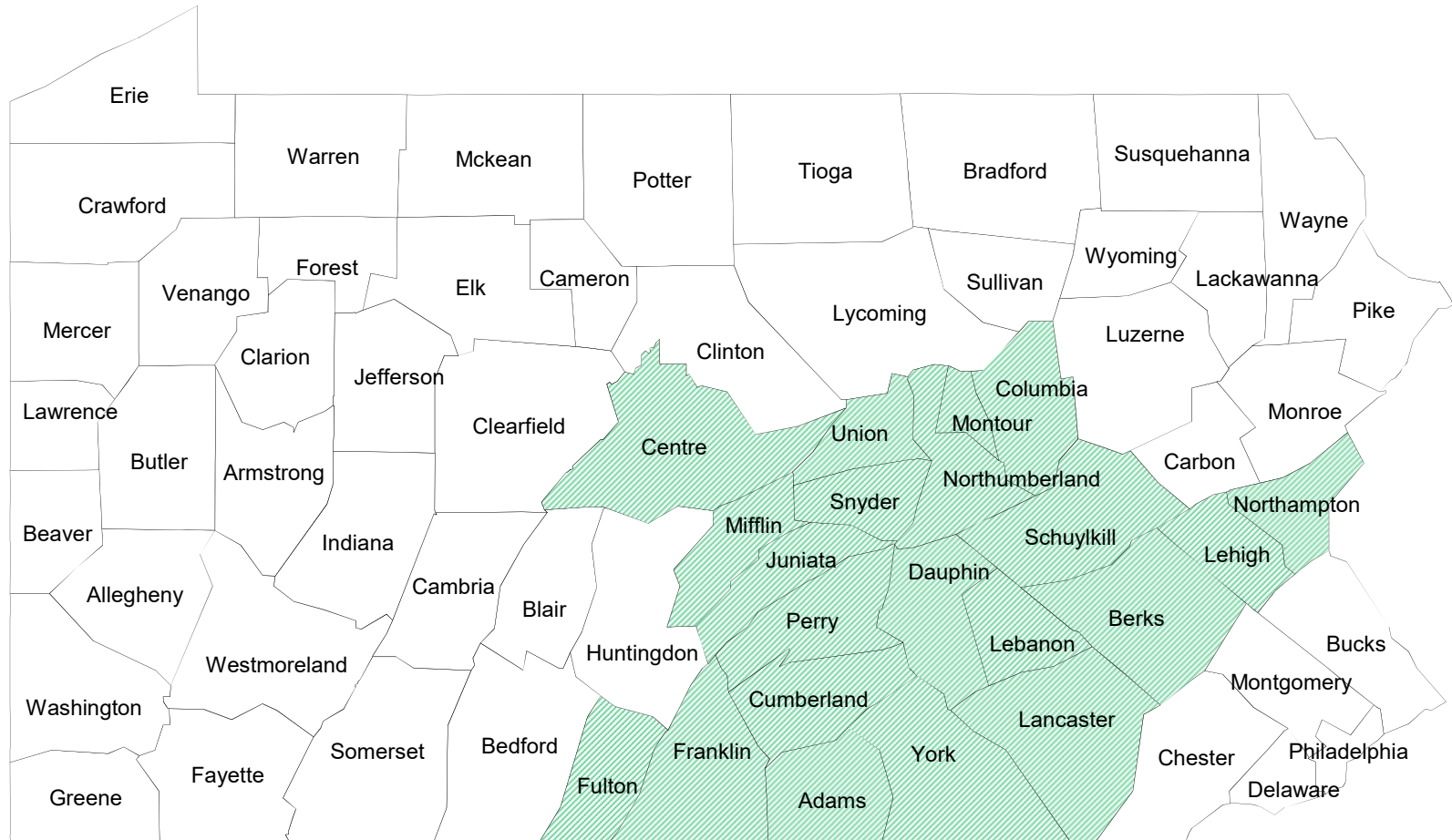
Question 11: Please update the projected reinsurance amounts in URRT Worksheet 2.

Answer 11: With this submission, URRT Worksheet 2 projected reinsurance amounts are corrected to be consistent with Table 5.


2020 Service Area


Issuer: 82795

Market: Individual



Key *(modify as needed)*

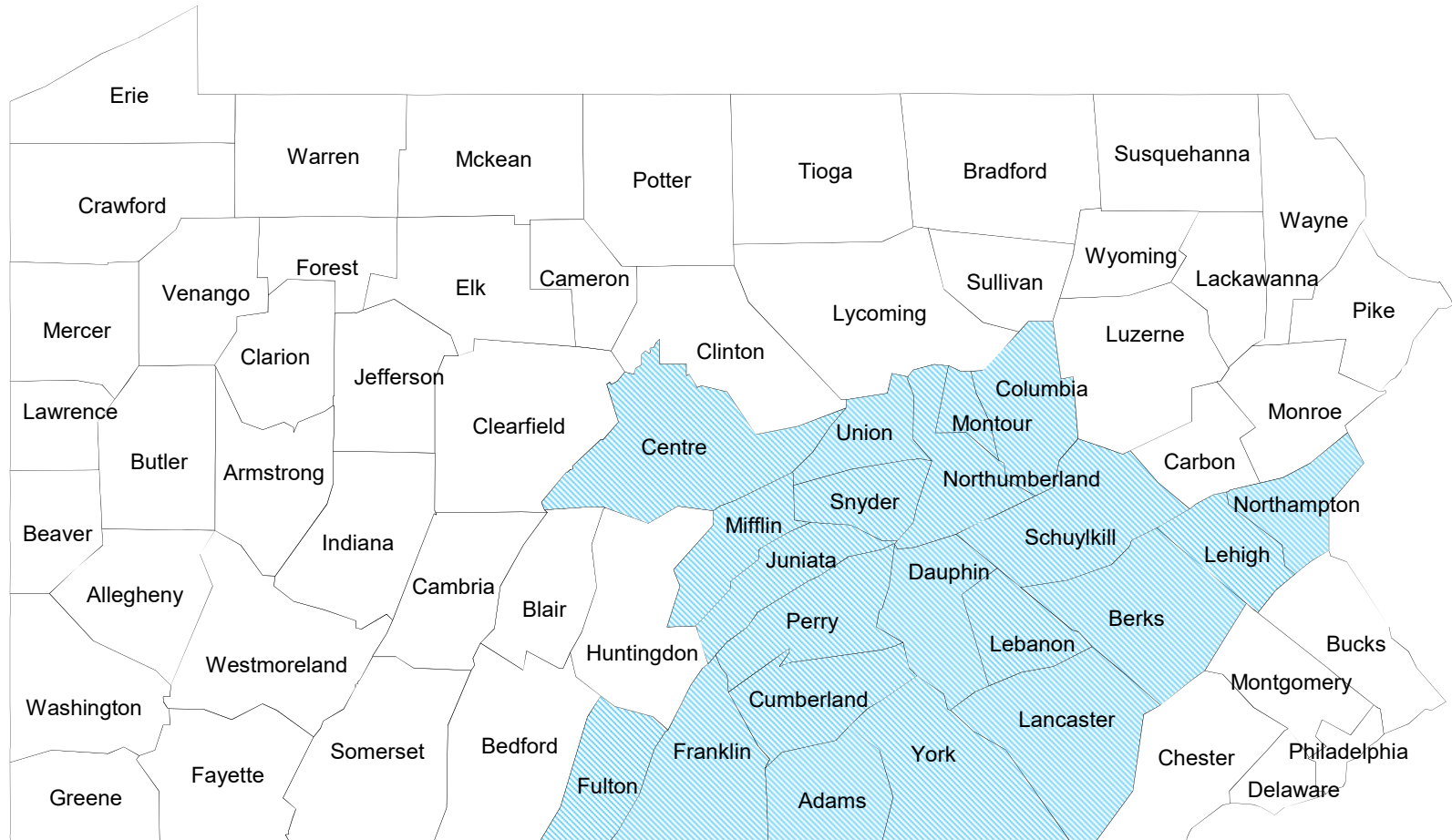
 : 2020 on-exchange service area

 : 2020 off-exchange only service area


2021 Service Area


Issuer: 82795

Market: Individual



Key *(modify as needed)*

 : 2021 on-exchange service area

 : 2021 off-exchange only service area