State: Pennsylvania **Filing Company:** Highmark Choice Company
TOI/Sub-TOI: H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense
Product Name: 1A-DP-17-HCC
Project Name/Number: 1A-DP-17-HCC/1A-DP-17-HCC

Supporting Document Schedules

Satisfied - Item:	Public Rate Filing PDF
Comments:	The Public Rate Filing PDF is attached. Due to size restrictions two files were required.
Attachment(s):	1A-DP-17-HCC Public Rate Filing 20Jul2017 (1 of 2).pdf 1A-DP-17-HCC Public Rate Filing 20Jul2017 (2 of 2).pdf
Item Status:	
Status Date:	

June 23, 2017

Ms. Johanna Fabian-Marks, Special Deputy & Acting Director
Commonwealth of Pennsylvania Insurance Department
Bureau of Life, Accident & Health Insurance
1311 Strawberry Square
Harrisburg, PA 17120

Re: Highmark Choice Company 2018 ACA Rate Filing (Individual Market)
Highmark Choice Company Filing # 1A-DP-17-HCC (SERFF Filing # HGHM-131020696)

This constitutes Notice pursuant to Section 707 of the Pennsylvania Right-to-Know Law that the attached Highmark Choice Company 2018 Individual Market Rates Filing contains Trade Secret and Confidential Proprietary Information. Therefore, Highmark Choice Company must, prior to the release of any portion of this Filing, be notified of any request by a third party for access to this Filing, and the Trade Secret and/or Confidential Proprietary Information identified by Highmark Choice Company should be redacted before release.

Dear Ms. Fabian-Marks:

This Filing update removes the impact of the proposed Pennsylvania premium tax expansion from the original filing and includes the revised Highmark Choice Company's ("HCC", "Company") Individual Market rates and the supporting rate development for policies with effective dates on or after January 1, 2018.

In the event the Department decides to publish this Filing in the PA Bulletin, the company information requested in the Department's 2018 ACA-Compliant Health Insurance Rate Filing Guidance, Section B, is provided below:

<u>Requested Company Information</u>

1. Company Name & NAIC #: **Highmark Choice Company, NAIC # 95048**

2. Market: **Individual**

3. On or Off Exchange: **This filing reflects that the Company anticipates selling plans on and off of the exchange.**

4. Effective date of coverage: **January 1, 2018**

5. Average rate change requested: **NA**

6. Range of rate change requested: **NA**

7. Product(s): **HMO**

8. Rating Areas and the change from 2017: **Rating Areas 1, 4**

   HCC will no longer offer plans in Rating Areas 2, 5, or 6

9. Metal Levels and Catastrophic Plans: This filing reflects that the Company anticipates selling the following Metal Levels in the indicated Market: **Gold, Silver, and Bronze**

10. Current number of covered lives and of policyholders as of February 1, 2017: **185 covered lives; 142 policyholders**

11. Number of plans offered in 2018 and the change this represents from 2017: **6**

    The Company offered 1 plan in 2017. For 2018, the Company is offering 6 new plans in the Market and removing 1 plan from the Market.

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

12. Corresponding contract form #, SERFF and Binder ID#s: **The corresponding SERFF binder number is HGHM-PA18-125072197 affecting the following Company products and forms:**

Product Name / Type	**Contract Form & SERFF#**
My Direct Blue HMO	DB/HMO/HCC/DP; HGHM-131018015
My Direct Blue HMO HDHP	DB/HMO/HDHP/HCC/DP; HGHM-131018033

13. HIOS Issuer ID # and submission tracking number: **HIOS Issuer ID #38949, Company Filing #1A-DP-17-HCC (SERFF Filing # HGHM-131020696)**

Additional Filing Disclosures

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

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

Potential Changes to Federal Regulations

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. Most notably, these assumption include that CSR payments and advance payment of premium credits (APTCs) will continue until the end of 2018, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2018. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. One of these uncertainties includes the prospective enforcement of the ACA individual mandate. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, HCC reserves the right to submit a revised filing.

Request for Confidentiality

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

Public disclosure of any information contained in this Filing would allow HCC competitors to better understand or discover its confidential and proprietary rating, pricing and/or marketing practices, would undermine competition in the Individual market and could have negative consequences for the operation of HCC's business. Therefore, HCC asserts that this Filing, in its entirety, constitutes Trade Secret and Confidential Proprietary Information and should not be disclosed.

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

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

Lisa Martinelli, Esq.
RTKL Representative
VP Chief Privacy Officer
Highmark Health
120 Fifth Avenue, Suite 2114
Pittsburgh, PA 15222

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

Should you have any questions regarding the attached Filing, please feel free to contact me at (717) 302-2143 or via e-mail at: jeffrey.scheib@highmark.com.

Sincerely,

Jeffrey Scheib, ASA, MAAA
Vice President, Actuarial Services
Highmark Inc.

cc: Frank Haver
Tija Hilton-Phillips, Esq.
William Sarniak

Highmark Choice Company – Individual Plans

Rate request filing ID # 1A-DP-17-HCC; SERFF # HGHM-131020696 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at http://www.insurance.pa.gov/Consumers/ACARelatedFilings/

Overview

Initial requested average rate change:	N/A[1]
Revised requested average rate change:	N/A[1]
Range of requested rate change:	N/A
Effective date:	January 1, 2018
People impacted:	185
Available in:	Rating Areas 1, 4

Key information

Jan. 2016-Dec. 2016 financial experience

Premiums	$1,455,892
Claims	$1,421,448
Administrative expenses	$221,949
Taxes & fees	$23,583
Company made (after taxes)	**($211,088)**

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

Claims:	90%
Administrative:	8%
Taxes & fees:	2%
Profit:	0%

The company expects its annual medical costs to increase **10.5%**.

Explanation of requested rate change

HCC's 2018 offering does not include any renewing plans. Therefore, there is no requested rate change.

[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.

Actuarial Memorandum

1. Basic Information and Data

A. Company Information

The appropriate company information has been provided in Table 0.

B. Rate History and Proposed Variations in Rate Changes

The three most recent rate changes in Pennsylvania for Highmark are as follows:

Year	Avg. Increase	SERFF ID#
2017	51.8%	HGHM- 130540988
2016	26.7%	HGHM-130070359
2015	5.8%	HGHM-129615018

C. Average Rate Change

The average rate changes as presented in the filing are:

- Table 10: NA
- Table 11: 0%
- URRT Worksheet 1 Cell V45: 26.30%
- URRT Worksheet 1 Cell V46: 12.39%

Please note that the two values above from the URRT Worksheet 1 are changes in the projected average premium, which also includes changes in the covered population's average age and mix of members by rating area. They do not represent changes in premium rates for a fixed population from 2017 to 2018.

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. Most notably, these assumption include that CSR payments and advance payment of premium credits (APTCs) will continue until the end of 2018, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2018. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. One of these uncertainties includes the prospective enforcement of the ACA individual mandate. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, HCC reserves the right to submit a revised filing.

D. Membership Count

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

E. Benefit/Cost Sharing Changes

All plans offered by HCC in 2018 will be new plans with benefits that differ from the 2017 plan offering.

The screenshots from the HHS AV calculator, showing the plan benefits and the resulting actuarial value, are in Attachment E. Also, the PA Plan Design Summary and Rate Tables with the HIOS Plan IDs are submitted in SERFF Rate/Rule Schedule Tab.

F. Experience Period Claims and Premium

Please see Table 2 for the experience period data for the most recent calendar year. The experience period paid claims data represents the 2016 calendar year results for all policies in the single risk pool, with run out through January 2017. This data is consistent with the data reported in Section I of Worksheet I of the URRT.

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

- The Earned Premium represents actual revenues earned in the experience period.
- Incurred Claims represent claims paid net of expected CSR recoveries. Note that the URRT includes capitated services and is net of Rx Rebates. Those values are not included here as they are listed as separate items.
- The Allowed Claims represent our best estimate of the total claims prior to member cost sharing incurred during the experience period. The Allowed Claims include:
    - One month of run out from the end of the experience period,
    - Claims processed outside of the Company's claims system (e.g., claim settlement costs), and
    - Our best estimate of claims incurred but not paid as of the end of the run out period.

  Note that allowed claims in the URRT include capitation and are net of drug rebates. They are not included here as they are called out separately in the exhibit.
- Allowed Charges for non EHB services are included in column G. The amount of non EHB included is shown in column H.
- Prescription Drug Rebates are used to reduce the level of Incurred Claims in the experience period.
- Total EHB capitation includes amounts for the pediatric vision benefit ($0.34).
- Total Non-EHB capitation includes amounts for our adult vision benefit ($0.48).
- The Estimated Risk Adjustment for the experience period represents our best estimate of the year end risk adjustment transfer payment that HCC will incur. This amount is developed based on an analysis of HCC data (risk scores as defined in the HHS Notice of Benefit and Payment Parameters, as well as other risk transfer formula components), and an estimate as to the Market-wide risk profile. This Market-wide risk profile is developed from available Market data, including prior years' risk adjustment transfer results, publicly available data (such as MLR reports), and outside expertise from actuarial consultants.
- Estimated Reinsurance Recoveries reflect what HCC expects to receive for the experience period. HCC is assuming a $90,000 attachment point and 40% coinsurance up to $250,000. The

coinsurance value is different than the current CMS regulations due to uncertainty surrounding how CMS will treat treasury payments.

G. Credibility of Data

The 2018 rates are based on the combined experience of Highmark, Inc. (Highmark) and HCC adjusted for the expected HCC population. This experience is chosen because it is large and reasonably represents the population expected to buy HCC products.

Table 2b. is populated with the combined data in the same manner as the experience data with the following exceptions:

- Risk Adjustment is excluded as it is not used in the rate development
- Reinsurance is excluded as it is not used in the rate development

H. Trend Identification

Table 3 is populated with illustrative trend factors, however they were given no credibility in the rate development.

Table 3b identifies the annual medical and prescription drug allowed claims cost and utilization trends. The underlying total annual trend is 11.0%. Additionally, there is an induced utilization adjustment of -0.43% per year applied to reach the overall trend of 10.51% shown in Table 3b column G. The definitions of service categories, cost, and utilization in Table 3b are consistent with the URRT instructions.

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

The trend components represent a blended average for all types of service and are applied to the aggregate experience for pricing, and as such Table 3b shows the same trend components for each service category. Due to the significant changes in the make-up of the ACA population from 2014 to 2016, the data included in Table 4 was not used in the development of the trend. A separate regression study was developed by the HCC valuation team that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in a significant portion of both 2015 and 2016. The analysis took into consideration seasonality and removed outlier months. The resulting trend was compared to the group business and any industry available ACA data.

I. Historical Experience

Table 4 presents the most recent 36 months (3 calendar years) of HCC data with run-out through January 2017. This date was not used to develop the trend in Table 3b. Please see Section H for further details.

2. Rate Development & Change

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

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

Some of the items separately identified in Table 5 include:

- The Change in Demographics adjustment reflects the change in age and geography factors we expect from the experience period to the projection period.
- The Change in Network adjustment reflects the change in the allowed claims we anticipate due to network contracting changes between the experience period and the projection period.
- There is no explicit Change in Benefits adjustment.
- The Change in Other adjustment reflects improved contracting with our pharmacy benefits provider.

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

The $36.74 Risk Adjustment assumption in cell C31 represents our best estimate of the year end risk adjustment transfer payment that HCC will incur. This amount is developed based on an analysis of Highmark and HCC data (risk scores as defined in the HHS Notice of Benefit and Payment Parameters, as well as other risk transfer formula components), and an estimate as to the Market-wide risk profile. This Market-wide risk profile is developed from available Market data, including prior years' risk adjustment transfer results, publicly available data (such as MLR reports), and outside expertise from actuarial consultants.

The $36.74 PMPM projected risk adjustment assumption is comprised of an expected risk transfer receivable of $36.88 PMPM, less the $0.14 PMPM risk adjustment user fee. The development of the $36.88 PMPM is shown in Attachment B as well as in the attached spreadsheet. Our expected receivable of $36.88 reflects that we anticipate HCC's average risk score (net of allowable rating factors) to be higher than the statewide average.

The exchange user fee in cell C32 is developed by taking the required user fee percentage of 3.5% and multiplying by the percentage of total members in expected to be on exchange of 59.7%. This results in a percentage of 2.1%. The PMPM of $10.92 is calculated as 2.1% of the total required premium of $522.25.

With the exception of the adult vision benefit that was removed in 2017, HCC will offer a similar package of non-EHB benefits to those offered in 2016. Given the small magnitude of these claims, cell C38 is populated by taking the PMPM value of these claims in the experience period and adding it back into

the proposed rates. Additionally, this value has been grossed up by the paid to allowed factor so that the resulting value in C40 is correct.

B. Retention Items

Table 6 has been completed with the requested retention elements for the proposed rates for the rating period. Given there is no mapped enrollment in Table 10, the total values do not populate. However all of the pieces are broken out separately as requested. Administrative costs reflect internal costs that HCC is projected to incur in the projected experience period, and are developed from standard expense allocation methods.

Note the following regarding plan level retention items:

- The Profit/Contingency for all plans is set to 0%.
- The administrative expenses do not vary by plan
- 0% Pennsylvania Premium Tax was included
- The $0.21 PMPM PCORI fee was factored into the administrative expense percentage of premium.
- Expenses for Quality Improvement Initiatives are 0.25%.

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

The proposed rate development assumes an average broker commission of $0 for 2018. A schedule of the current broker commission amounts is included in Attachment D.

C. Normalized Market-Adjusted Projected Allowed Total Claims

The normalization factors presented in Table 7 are each determined from the underlying membership demographics expected in the projected rating period. The 2017 values are pulled from the prior year's filing, while the 2018 values represent our projection for 2018 assumed in the 2018 rate development.

D. Components of Rate Change

Table 8 presents the components of change in the proposed 2018 Calibrated Plan Adjusted Index Rate (PMPM). Cell C72 is populated with the base period allowed charges found in the 2017 plan year rate filing. This table does not populate with any meaningful data. The table relies on information that ultimately originates from Table 10. The information from Table 10 is unavailable as there are no members being mapped to these plans.

To the extent possible Table 9 is populated with the data elements supporting the calculations in Table 8. Many values were unable to be populated given that no members are being mapped into the new products.

3. Plan Rate Development

Table 10 shows the plan rate development for 2018. This table shows the plans that HCC intends to offer in 2018, as well as all plans offered in 2017 portfolio. The calibrated plan adjusted index rates for 2017 are calculated according to the instructions. The 2018 rating factors are consistent with the factors found in Exhibit II of the Part III URRT memorandum with the pricing effect further broken out into pricing AV and benefit richness. Additionally, the tobacco surcharge factor is broken out in Table 10 as requested. This surcharge factor is included as part of calibration in the URRT. Admin effect is broken into admin costs, taxes and fees, and profit or contingency.

The benefit richness factors in column L are populated with the factors found in Attachment C. The table in Attachment C can also be found in the attached spreadsheet. The derivation of the AV and Cost Sharing factors can also be found in Attachment C. Please note that the attachment includes the tobacco factor in the AV and Cost Sharing Factor as requested. This will make the values inconsistent with those found in the URRT as the URRT treats tobacco as a calibration factor. The values in column 9 of the attachment represent the pure induced utilization for each plan. HCC's utilization factors are consistent with those used in the Federal Risk Adjustment program. Each plan's factor was then normalized by the average utilization factor. The average is a weighted average using projected membership as the weight. After normalization the average factor as shown in Attachment C is 1.000.

Note that the HHS Actuarial Value Calculator was unable to accommodate all of HCC's benefit designs. Plans needing certification are marked in column I of Table 10. Screen shots of all of the AV calculations and the appropriate certifications are included in Attachment E.

Columns AG through AQ are populated with the February 1, 2017 enrollment by 2018 plan and rating area.

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

Table 11 presents HCC's 21-year-old non-tobacco premium in the Individual Market. As mentioned in Section 1.C above, the change in 21-year-old non-tobacco premium PMPM calculated in this table is 0%.

5. Plan Factors

A. Age and Tobacco Factors

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

B. Geographic Factors

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

C. Network Factors

Please see Table 14 for HCC's network rating factors.

D. Service Area Composition

HCC's is offering plans in only one service area. The Plan Design Summary exhibit uploaded as a separate document contains further information on this service area. As requested, service area maps are included.

6. Actuarial Certifications

I, [redacted], am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of HCC to accompany its rate filing (for calendar year 2018) for the Individual Market on and off the Pennsylvania Exchange.

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

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

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

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- The benefits provided under the plan that are in addition to the essential health benefits. These estimated benefits were pooled with similar benefits within the single risk pool and the claims experience from those benefits was utilized to determine rate variations.
- Administrative costs, excluding Exchange user fees.

I certify that all factors, benefit and other changes from the prior approved filing have been disclosed in the 2018 PA Actuarial Memorandum Rate Exhibits.

I certify that the benefits included in HCC's plans are substantially equivalent to the Essential Health Benefits (EHBs) in the State of Pennsylvania's benchmark plans. I certify that any benefit substitutions are:

- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and

- Are based on an analysis performed in accordance with generally accepted actuarial principles and methodologies.

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

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

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

I certify that the information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2018 Part II Rate Filing Justification.

[redacted]

Title: Manager, Actuarial Services

Date: 06/23/2017

Highmark Choice Company

Individual Market Product Portfolio

Supplemental Exhibits

Attachment A	Demographic and Morbidity Calculations
Attachment B	Risk Adjustment Calculation
Attachment C	Induced Demand Calculations
Attachment D	Broker Commission Schedule
Attachment E	Screenshots of HHS AV calculator and Actuarial Certification for Approach 1
Attachment F	Milliman Certification

Highmark Choice Company
Individual Market

Attachment A - Demographic and Morbidity Change Calculations

Population Source	2016 Member Distribution	2016 Normalized Allowed PMPM	2018 Member Distribution	2018 Normalized Allowed PMPM	Morbidity Change Relative to Total
HCC ACA	100.0%	$407.46	88.9%	$454.94	1.117
HCC Medically Underwritten			5.6%	$454.94	1.117
Uninsured & Employer Markets			5.6%	$454.94	1.117
Total	100.0%	$407.46	100.0%	$454.94	1.117

Component of Other	Factor
CY2016 Demographic Factor	1.743
CY2018 Demographic Factor	1.781
Change in Demographic	1.022
CY2016 Network Factor	0.816
CY2018 Network Factor	0.928
Change in Network	1.137
Change in Benefits	1.000
Table 5 - Change in Other's Other	0.995
URRT and Table 5 Change in Other	1.155

Highmark Choice Company
Individual Market

Attachment B - Risk Adjustment Calcuation

	Total State Development - 2018									Calculated Results - 2018			
	Average Premium	Market Share	Member Months	Billable Member Months	HHS Risk Score	Allowable Rating Factor	Geo Cost Factor	Induced Demand Factor	Actuarial Value	Factors incl. risk score	Factors excl. risk score	Transfer PMPM (Calc'd)	$ Transfer (Estimate)
Non-Catastrophic Pool													
HCC	[redacted]												
Other PA													
Total PA													

Highmark Choice Company
Individual Market

Attachment C - Induced Demand Calculations

Induced Utilization Exhibit								
Plan ID (1)	Metal Level (2)	Projected Membership (3)	Projected Allowed Claims (4)	Projected Paid Claims (5)	Paid to Allowed Factor (6)	Average Tobacco Factor (7)	AV & Cost Sharing Factor (8)	(8)/(6*7) (9)
38949PA0080001	Gold	14,019	10,755,623	8,777,338	0.816	0.992	0.850	1.050
38949PA0080002	Silver	44,736	32,733,251	23,714,159	0.724	0.992	0.720	1.002
38949PA0080004	Silver	300	219,509	142,653	0.650	0.992	0.646	1.002
38949PA0090001	Silver	300	219,509	157,453	0.717	0.992	0.713	1.002
38949PA0080006	Bronze	300	213,116	137,292	0.644	0.992	0.622	0.973
38949PA0080007	Bronze	28,677	20,371,757	12,016,898	0.590	0.992	0.569	0.973
Total		88,332	64,512,765	44,945,793	0.697	0.992	0.691	1.000

Components of AV & Cost Sharing Factor							
HIOS Plan ID	Metal Level	Paid-to-Allowed Ratio	Induced Utilization Factor	Avg. Benefit Richness	URRT Avg Cost Share Factor*	Avg. Tobacco Factor	AV & Cost Sharing Factor
38949PA0080001	Gold	0.816	1.080	1.028	0.857	0.992	0.850
38949PA0080002	Silver	0.724	1.030	1.028	0.726	0.992	0.720
38949PA0080004	Silver	0.650	1.030	1.028	0.651	0.992	0.646
38949PA0090001	Silver	0.717	1.030	1.028	0.719	0.992	0.713
38949PA0080006	Bronze	0.644	1.000	1.028	0.627	0.992	0.622
38949PA0080007	Bronze	0.590	1.000	1.028	0.574	0.992	0.569

*Ties to Exhibit II of URRT memorandum where tobacco is treated as calibration and not part of the Cost Share Factor

Highmark Choice Company
Individual Market

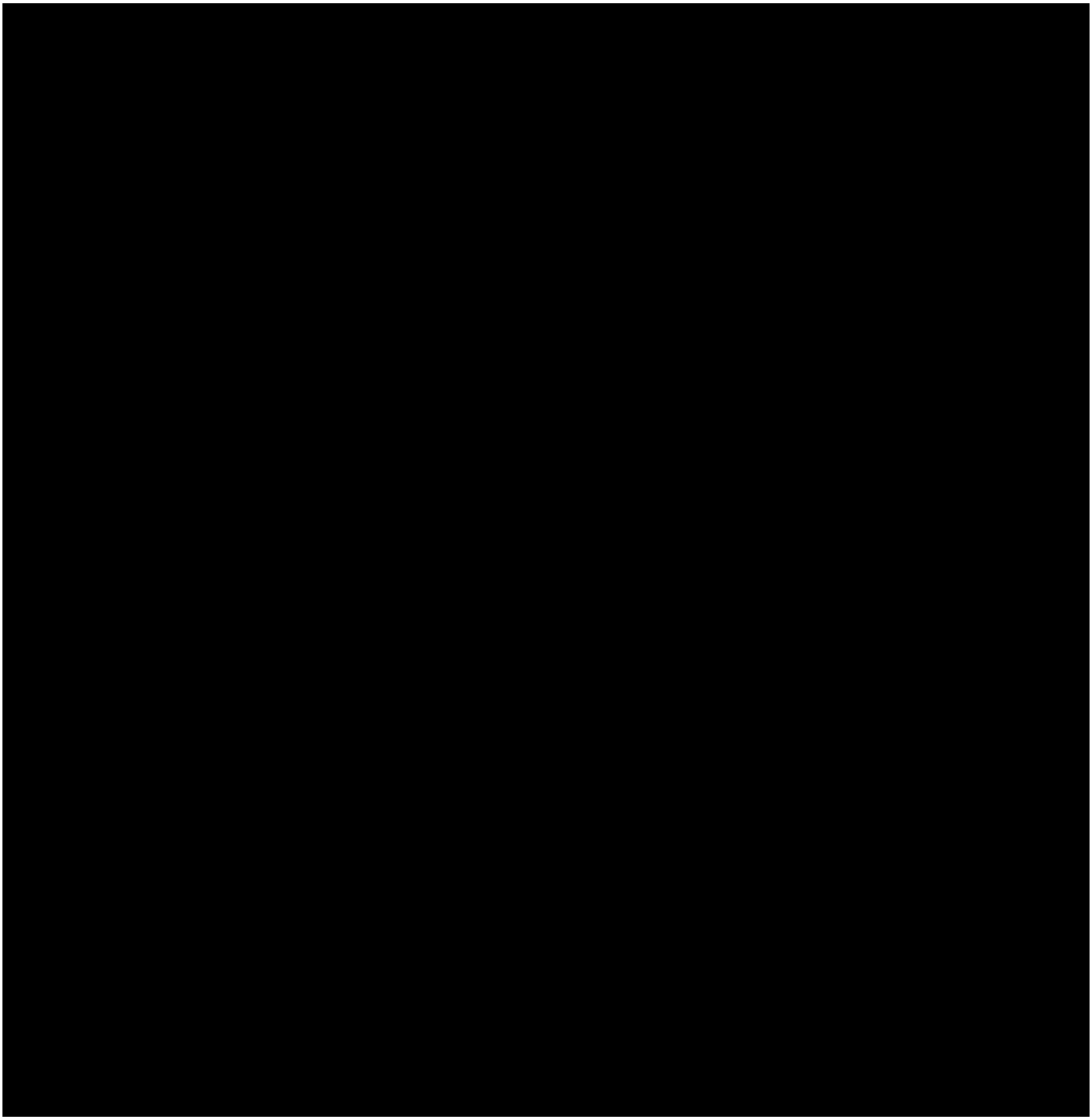
Attachment D - Broker Commission Schedule

Metal	Current Broker Commission Amount
[redacted]	

Attachment E - HCC

Screenshots of HHS AV calculator and Actuarial Certification for Approach 1

Highmark Choice Company
Individual Market Product Portfolio
Effective January 1, 2018



Actuarial Manager, Individual Markets
Highmark Inc.

Highmark Choice Company
Form Numbers

HIOS ID	Plan Name	Form Number
38949PA0080001	my Direct Blue HMO 1000G	DB/HMO/HCC/DP
38949PA0080002	my Direct Blue HMO 3750S	DB/HMO/HCC/DP
38949PA0080004	my Direct Blue HMO 7150S	DB/HMO/HCC/DP
38949PA0090001	my Direct Blue HMO 2850SQE	DB/HMO/HDHP/HCC/DP
38949PA0080006	my Direct Blue HMO 7000B	DB/HMO/HCC/DP
38949PA0080007	my Direct Blue HMO 6950B	DB/HMO/HCC/DP

1550 Liberty Ridge Drive, Suite 200
Wayne, PA 19087-5572
Tel + 610 687.5644
Fax + 610 687.4236
www.milliman.com

ACTUARIAL MEMORANDUM

Highmark Choice Company

Individual Rate Filing - January 1, 2018

I, [redacted], am a member of the American Academy of Actuaries and meet its qualification standards for preparing individual rate filings. As a consulting actuary, I was requested by Highmark Choice Company ("HCC") to review the development of the market-wide base rate for the individual market on and off the Pennsylvania Exchange. The confidential material presented in this filing was prepared for the specific purpose of submitting the rating formula for the Pennsylvania Insurance Department and may not be appropriate for other purposes. This filing represents premium rates for individuals sold or renewed effective January 1, 2018. The rates are guaranteed until December 31, 2018.

To the best of my knowledge and judgment, the following are true with respect to this filing:

1. Premium rates are established in accordance with generally accepted actuarial principles and the applicable Actuarial Standards of Practice. They are not excessive, inadequate, or unfairly discriminatory. Rates are reasonable in relationship to the benefits provided. However, it is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent that actual experience is different from the assumptions used in developing the rates, the actual results will also deviate from the projected amounts.

2. In compliance with all applicable Pennsylvania and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).

3. The rating factors and rating methodology are reasonable and consistent with HCC's business plan at the time of the filing.

[redacted]

Fellow, Society of Actuaries
Member, American Academy of Actuaries
June 22, 2017

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Highmark Choice Company		
Product(s):	HMO		
Market Segment:	Individual		
Rate Effective Date:	01/01/2018	to	12/31/2018
Base Period Start Date	01/01/2016	to	12/31/2016
Date of Most Recent Membership	02/01/2017		

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	**Current Period (as of 02-01-2017)**	**Projected Rating Period**
Average Age	33	38	44
Total	3,199	185	88,332
<18	643	25	7,521
18-24	357	15	6,191
25-29	398	26	7,735
30-34	251	15	6404
35-39	347	13	5693
40-44	253	12	5330
45-49	219	16	7565
50-54	251	18	9142
55-59	162	19	12568
60-63	250	18	14520
64+	68	8	5663

*Tables 1, 2 and 4 must include data for all non-grandfathered business (ACA compliant and Transitional)

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
$ 1,322,748.32	$ 1,419,622.02	$ 1,473,238.92	3,199	$ 367,921.14	$ 1,841,160.07	$ 4,911.94	$ (54,414.00)	$ 1,087.66	$ 1,535.52	$ 133,144.08	$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											**$ 557.34**
Loss Ratio											**97.63%**

**Express Prescription Drug Rebates as a negative number*

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite URRT Trend **	Weight*
Inpatient Hospital	5.00%	5.71%	-0.06%	10.94%	8.25%
Outpatient Hospital	5.00%	5.71%	-0.06%	10.94%	22.22%
Professional	5.00%	5.71%	-0.06%	10.94%	29.15%
Other Medical	5.00%	5.71%	-0.06%	10.94%	2.15%
Capitation				-11.59%	0.06%
Prescription Drugs	5.00%	5.71%	-0.06%	10.94%	38.17%
Total Annual Trend				10.92%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.230	

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

*** Should = URRT Trend*

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-14		$ 66,169.85	1.0000	$ 66,172.68	144	$ 459.53		$ (822.28)	$ 81,521.84	$ 566.12
Feb-14		$ 129,367.99	1.0000	$ 129,373.53	162	$ 798.60		$ (1,509.39)	$ 149,642.16	$ 923.72
Mar-14		$ 133,000.12	1.0000	$ 133,005.81	193	$ 689.15		$ (1,596.35)	$ 158,264.37	$ 820.02
Apr-14		$ 228,466.20	1.0000	$ 228,475.99	210	$ 1,087.98		$ (2,880.60)	$ 285,585.92	$ 1,359.93
May-14		$ 156,426.56	1.0000	$ 156,433.26	249	$ 628.25		$ (1,833.19)	$ 181,744.20	$ 729.90
Jun-14		$ 159,944.35	1.0000	$ 159,951.20	250	$ 639.80		$ (1,828.86)	$ 181,315.32	$ 725.26
Jul-14		$ 187,799.48	0.9998	$ 187,829.74	286	$ 656.75		$ (2,267.44)	$ 224,769.47	$ 785.91
Aug-14		$ 108,979.70	0.9998	$ 108,997.84	291	$ 374.56		$ (1,305.26)	$ 129,388.28	$ 444.63
Sep-14		$ 256,151.01	0.9998	$ 256,206.22	285	$ 898.97		$ (2,905.28)	$ 287,982.08	$ 1,010.46
Oct-14		$ 145,481.25	0.9998	$ 145,511.66	281	$ 517.84		$ (1,798.52)	$ 178,277.82	$ 634.44
Nov-14		$ 80,662.33	0.9998	$ 80,678.48	283	$ 285.08		$ (1,067.50)	$ 105,816.52	$ 373.91
Dec-14	$ 1,021,433.49	$ 123,212.70	0.9998	$ 123,235.40	287	$ 429.39	$ 358,228.05	$ (1,497.87)	$ 148,479.35	$ 517.35
Jan-15		$ 118,732.43	0.9999	$ 118,745.46	304	$ 390.61		$ (2,850.19)	$ 163,406.16	$ 537.52
Feb-15		$ 63,246.49	0.9999	$ 63,253.32	298	$ 212.26		$ (1,528.85)	$ 87,643.20	$ 294.10
Mar-15		$ 151,475.74	0.9999	$ 151,491.78	293	$ 517.04		$ (3,192.47)	$ 183,012.25	$ 624.62
Apr-15		$ 109,405.69	0.9999	$ 109,418.22	291	$ 376.01		$ (2,565.77)	$ 147,086.33	$ 505.45
May-15		$ 174,527.46	0.9996	$ 174,593.03	285	$ 612.61		$ (3,633.67)	$ 208,304.82	$ 730.89
Jun-15		$ 84,074.83	0.9998	$ 84,087.87	277	$ 303.57		$ (1,988.09)	$ 113,969.58	$ 411.44
Jul-15		$ 224,403.63	0.9998	$ 224,440.22	272	$ 825.15		$ (4,313.54)	$ 247,279.17	$ 909.11
Aug-15		$ 88,336.70	0.9998	$ 88,353.65	272	$ 324.83		$ (1,953.12)	$ 111,965.37	$ 411.64
Sep-15		$ 120,410.02	0.9998	$ 120,435.89	264	$ 456.20		$ (2,493.35)	$ 142,934.26	$ 541.42
Oct-15		$ 120,813.46	0.9996	$ 120,866.15	266	$ 454.38		$ (2,520.92)	$ 144,515.23	$ 543.29
Nov-15		$ 84,983.61	0.9993	$ 85,045.17	249	$ 341.55		$ (1,807.10)	$ 103,594.44	$ 416.04
Dec-15	$ 1,130,927.87	$ 66,832.74	0.9991	$ 66,895.64	243	$ 275.29	$ 359,267.34	$ (1,445.93)	$ 82,889.93	$ 341.11
Jan-16		$ 142,789.16	0.9938	$ 143,683.48	267	$ 538.14		$ (5,661.66)	$ 185,715.75	$ 695.56
Feb-16		$ 150,323.30	0.9932	$ 151,348.86	279	$ 542.47		$ (5,990.93)	$ 196,506.24	$ 704.32
Mar-16		$ 105,846.89	0.9927	$ 106,622.21	278	$ 383.53		$ (4,155.27)	$ 136,542.60	$ 491.16
Apr-16		$ 97,014.88	0.9901	$ 97,980.18	270	$ 362.89		$ (3,896.85)	$ 128,078.12	$ 474.36
May-16		$ 131,160.16	0.9911	$ 132,344.15	269	$ 491.99		$ (5,250.25)	$ 172,283.08	$ 640.46
Jun-16		$ 159,911.19	0.9887	$ 161,744.86	269	$ 601.28		$ (6,134.61)	$ 201,170.23	$ 747.84
Jul-16		$ 98,024.38	0.9858	$ 99,439.29	263	$ 378.10		$ (3,597.26)	$ 118,271.39	$ 449.70
Aug-16		$ 105,531.39	0.9817	$ 107,499.99	264	$ 407.20		$ (3,999.06)	$ 131,398.94	$ 497.72
Sep-16		$ 92,943.30	0.9713	$ 95,693.67	262	$ 365.24		$ (3,523.81)	$ 115,869.27	$ 442.25
Oct-16		$ 107,142.17	0.9544	$ 112,260.13	260	$ 431.77		$ (3,986.90)	$ 130,990.10	$ 503.81
Nov-16		$ 117,190.70	0.8987	$ 130,401.86	259	$ 503.48		$ (4,226.73)	$ 138,821.20	$ 535.99
Dec-16	$ 1,322,748.32	$ 111,744.48	0.8325	$ 134,220.23	255	$ 526.35	$ 367,921.14	$ (3,990.68)	$ 131,099.13	$ 514.11

** Express Completion Factor as a percentage*

Carrier Name:	Highmark Choice Company
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	01/01/2018

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
$ 73,785,798.91	$ 87,528,034.56	$ 90,964,929.36	243,688	$ 24,232,789.28	$ 115,197,718.64	$ 244,665.06	$ (2,230,132.33)	$ 82,853.92	$ 116,970.24		
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											**$ 462.91**
Loss Ratio											**120.53%**

**Express Prescription Drug Rebates as a negative number*

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Utilization*	Composite URRT Trend**	Weight*
Inpatient Hospital	5.00%	5.71%	-0.43%	10.53%	20.99%
Outpatient Hospital	5.00%	5.71%	-0.43%	10.53%	27.93%
Professional	5.00%	5.71%	-0.43%	10.53%	25.67%
Other Medical	5.00%	5.71%	-0.43%	10.53%	3.25%
Capitation				-9.67%	0.07%
Prescription Drugs	5.00%	5.71%	-0.43%	10.53%	22.08%
Total Annual Trend				10.51%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.221	

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

*** Should = URRT Trend*

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-14				#DIV/0!		#DIV/0!				#DIV/0!
Feb-14				#DIV/0!		#DIV/0!				#DIV/0!
Mar-14				#DIV/0!		#DIV/0!				#DIV/0!
Apr-14				#DIV/0!		#DIV/0!				#DIV/0!
May-14				#DIV/0!		#DIV/0!				#DIV/0!
Jun-14				#DIV/0!		#DIV/0!				#DIV/0!
Jul-14				#DIV/0!		#DIV/0!				#DIV/0!
Aug-14				#DIV/0!		#DIV/0!				#DIV/0!
Sep-14				#DIV/0!		#DIV/0!				#DIV/0!
Oct-14				#DIV/0!		#DIV/0!				#DIV/0!
Nov-14				#DIV/0!		#DIV/0!				#DIV/0!
Dec-14				#DIV/0!		#DIV/0!				#DIV/0!
Jan-15				#DIV/0!		#DIV/0!				#DIV/0!
Feb-15				#DIV/0!		#DIV/0!				#DIV/0!
Mar-15				#DIV/0!		#DIV/0!				#DIV/0!
Apr-15				#DIV/0!		#DIV/0!				#DIV/0!
May-15				#DIV/0!		#DIV/0!				#DIV/0!
Jun-15				#DIV/0!		#DIV/0!				#DIV/0!
Jul-15				#DIV/0!		#DIV/0!				#DIV/0!
Aug-15				#DIV/0!		#DIV/0!				#DIV/0!
Sep-15				#DIV/0!		#DIV/0!				#DIV/0!
Oct-15				#DIV/0!		#DIV/0!				#DIV/0!
Nov-15				#DIV/0!		#DIV/0!				#DIV/0!
Dec-15				#DIV/0!		#DIV/0!				#DIV/0!
Jan-16				#DIV/0!		#DIV/0!				#DIV/0!
Feb-16				#DIV/0!		#DIV/0!				#DIV/0!
Mar-16				#DIV/0!		#DIV/0!				#DIV/0!
Apr-16				#DIV/0!		#DIV/0!				#DIV/0!
May-16				#DIV/0!		#DIV/0!				#DIV/0!
Jun-16				#DIV/0!		#DIV/0!				#DIV/0!
Jul-16				#DIV/0!		#DIV/0!				#DIV/0!
Aug-16				#DIV/0!		#DIV/0!				#DIV/0!
Sep-16				#DIV/0!		#DIV/0!				#DIV/0!
Oct-16				#DIV/0!		#DIV/0!				#DIV/0!
Nov-16				#DIV/0!		#DIV/0!				#DIV/0!
Dec-16				#DIV/0!		#DIV/0!				#DIV/0!

** Express Completion Factor as a percentage*

PA Rate Template Part II

Rate Development and Change

Carrier Name:	**Highmark Choice Company**
Product(s):	**HMO**
Market Segment:	**Individual**
Rate Effective Date:	**01/01/2018**

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

Development of the Projected Index Rate	Actual Experience Data	Manual Data	
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	$ 557.34	$ 462.91	<- Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection Factor	1.230	1.221	
Unadjusted Projected Allowed EHB Claims PMPM	$ 685.74	$ 565.34	
Single Risk Pool Adjustment Factors			
Change in Morbidity		1.117	<- See URRT Instructions
Change in Other	0.000	1.155	
Change in Demographics		1.022	<- See URRT Instructions
Change in Network		1.137	<- See URRT Instructions
Change in Benefits		1.000	<- See URRT Instructions
Change in Other		0.995	<- See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	$ -	$ 729.34	
Credibidility Factors	0%	100%	<- See Instructions
Blended Projected EHB Claims PMPM		**$ 729.34**	**<- Projected Index Rate**
Development of the Market-Adjusted Index Rate and Total Allowed Claims			
Adjusted Projected Allowed EHB Claims PMPM	$ 729.34	<- Index Rate for Projection Period on URRT - Individual or First Quarter Small Group	
Adjusted Projected Allowed EHB Claims PMPM [will only populate for small group filings]	$ -	<- Index Rate for Projection Period on URRT - Small Group	
Projected Paid to Allowed Ratio	0.695	<- Paid to Allowed Average Factor in Projection Period on URRT	
Projected Paid EHB Claims PMPM	$ 507.13		
Market-wide Adjustments			
Projected Risk Adjustment PMPM	$ 36.74		
Projected Paid Exchange User Fees PMPM	$ 10.92		
Market-Adjusted Projected Paid EHB Claims PMPM	$ 481.30		
Market-Adjusted Projected Allowed EHB Claims PMPM	$ 692.20	<- Market-Adjusted Index Rate	
Projected Allowed Non-EHB Claims PMPM	$ 1.44		
Market-Adjusted Projected Paid Total Claims PMPM	$ 482.30		
Market-Adjusted Projected Allowed Total Claims PMPM	$ 693.64		

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	$ 462.91	**<- Index Rate of Experience Period on URRT**
Blended Earned Premium	**$ 73,785,798.91**	
Blended Loss Ratio	**120.53%**	

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

Effective Date	01/01/2018	04/01/2018	07/01/2018	10/01/2018	Total Single Risk Pool
# of Member Months Renewing in Quarter					-
Adjusted Projected Allowed EHB Claims PMPM Q1	$ 729.34	$ 729.34	$ 729.34	$ 729.34	$ 729.34
Months of Trend	-	3	6	9	
Annual Trend	10.51%	10.51%	10.51%	10.51%	
Single Risk Pool Projected Allowed Claims	$ 729.34	$ 747.80	$ 766.72	$ 786.12	$ -
Quarterly Trend Factor	100.0%	102.5%	105.1%	107.8%	0.0%
2018 Trend Factors by Quarter	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

Table 6. Retention

Retention Items - *Express in percentages*		
Administrative Expenses	#DIV/0!	
General and Claims	7.36%	
Agent/Broker Fees and Commissions	0.00%	
Quality Improvement Initiatives	0.25%	
Taxes and Fees	#DIV/0!	
PCORI Fees (enter $ amount here: $0.21)	0.04%	
Pa Premium Tax (if applicable)	0.00%	
Federal Income Tax	0.00%	
Health Insurance Providers Fee	0.00%	
Profit/Contingency (after tax)	#DIV/0!	
Total Retention	#DIV/0!	
Projected Required Revenue PMPM	#DIV/0!	<- **Single Pool Gross Premium Avg. Rate, PMPM on URRT**

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2017	2018
Average Age Factor	1.342	1.815
Average Geographic Factor	0.970	0.970
Average Tobacco Factor	1.004	1.008
Average Benefit Richness (induced demand)	1.080	1.028
Average Network Factor	0.965	0.928
Market-Adjusted Projected Allowed Total Claims PMPM	$ 714.16	$ 693.64
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	$ 524.39	$ 409.63

Table 8. Components of Rate Change

Rate Components	2017	2018	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B. Base period allowed claims before normalization	$ 893.87	$ 462.91	-$430.96	#DIV/0!
C. Normalization factor component of change	$ (237.52)	-189.5360314	$47.99	#DIV/0!
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	$ 656.35	$ 273.37	$ (382.97)	#DIV/0!
D2. URRT Trend	$ 172.61	$ 60.49	$ (112.12)	#DIV/0!
D3. URRT Morbidity	$ (51.28)	$ 38.91	$ 90.19	#DIV/0!
D4. URRT Other	$ (182.14)	$ 57.94	$ 240.09	#DIV/0!
D5. Normalized URRT RA/RI on an allowed basis	-69.24947656	-31.20665529	$ 38.04	#DIV/0!
D6. Normalized Exchange User Fee on an allowed basis	$ -	$ 9.27	$ 9.27	#DIV/0!
D7. Subtotal - Sum(D1:D6)	$ 526.28	$ 408.79	$ (117.50)	#DIV/0!
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	$ (526.28)	#DIV/0!	#DIV/0!	#DIV/0!
E2. Pricing AV	$ -	#DIV/0!	#DIV/0!	#DIV/0!
E3. Benefit Richness	$ -	#DIV/0!	#DIV/0!	#DIV/0!
E4. Catastrophic Eligibility	$ -	#DIV/0!	#DIV/0!	#DIV/0!
E5. Subtotal - Sum(E1:E4)	$ (526.28)	#DIV/0!	#DIV/0!	#DIV/0!
F. Change in Retention Components				
F1. Administrative Expenses	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
F2. Taxes and Fees	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
F3. Profit and/or Contingency	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
F4. Subtotal - Sum(F1:F3)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
G. Change in Miscellaneous Items			$ -	#DIV/0!
H. Sum of Components of Rate Change (should approximate the change shown in line A)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

	2017	2018	
Paid-to-Allowed	0.801	0.695	
URRT Trend (Total Applied Trend Factor)	1.263	1.221	<- URRT W1, S2
URRT Morbidity	0.938	1.117	<- URRT W1, S2
URRT "Other"	0.766	1.155	<- URRT W1, S2
Risk Adjustment	$ (75.55)	$ (36.74)	<- URRT W1, S3
Exchange User Fee	$ -	$ 10.92	<- URRT W1, S3
Capitation			<- URRT W1, S2
Network		#DIV/0!	
Pricing AV		#DIV/0!	
Benefit Richness		#DIV/0!	
Catastrophic Eligibility		#DIV/0!	
Administrative Expenses		#DIV/0!	
Taxes and Fees		#DIV/0!	
Profit and/or Contingency		#DIV/0!	

PA Rate Template Part III

Table 10. Plan Rates

Carrier Name:	Highmark Choice Company
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	01/01/2018
Base Period Start Date	01/01/2016
Date of Most Recent Membership	02/01/2017
Market Adjusted Index Rate	$ 692.20

Calibration	
Age Calibration Factor	1.815
Geographic Calibration Factor	0.970
Aggregate Calibration Factor	1.760

Total Covered Lives @ 02-01-2017
185

Plan Number	HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, EPO, Indemnity, Other)	Plan Marketing Name	Existing, Modified, New, Discontinued & Mapped, Discontinued & Not Mapped (E,M,N,DM, DNM) for 2018	1/1/18 Plan HIOS Plan ID (If 1/1/17 Plan Discontinued & Mapped)	Metallic Tier	Metallic Tier Actuarial Value	Standard AV, Approach (1), Approach (2)	Exchange On/Off or Off	45 CFR Part 156.8 (d) (2) Allowable Factors: Pricing AV (company-determined AV)	Benefit Richness (induced demand)	Benefits in addition to EHB	Provider Network	Catastrophic Eligibility	Tobacco Surcharge Adjustment	Pure Premium	Admin Costs	Taxes & Fees (not including Exchange fees)	Profit or Contingency	Total Covered Lives Mapped into 2018 Plans @ 02-01-2017	Total Policyholders @ 02-01-2017	2017 Calibrated Plan Adjusted Index Rate PMPM	2018 Calibrated Plan Adjusted Index Rate PMPM	Proposed Rate Change Compared to Prior 12 months
Totals							#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0	142	#DIV/0!	#DIV/0!	#DIV/0!
Plan 1	38949PA0080001	HMO	my Direct Blue HMO 1000G	N	38949PA0080001	Gold	0.7865	Approach (1)	On/Off	0.816	1.050	1.002	1.000	1.000	0.992	$589.80	7.6%	0.0%	0.0%	-	-	$ -	$ 362.79	0.0%
Plan 2	38949PA0070001	HMO	Care Guide Blue HMO 750	DNM	38949PA0070001											$0.00	0.0%	0.0%	0.0%	-	142	$ 481.01	$ -	-100.0%
Plan 3	38949PA0080002	HMO	my Direct Blue HMO 3750S	N	38949PA0080002	Silver	0.705	Approach (1)	On/Off	0.724	1.002	1.002	1.000	1.000	0.992	$499.36	7.6%	0.0%	0.0%	-	-	$ -	$ 307.16	0.0%
Plan 4	38949PA0080004	HMO	my Direct Blue HMO 7150S	N	38949PA0080004	Silver	0.6621	Approach (1)	On/Off	0.650	1.002	1.002	1.000	1.000	0.992	$447.94	7.6%	0.0%	0.0%	-	-	$ -	$ 275.53	0.0%
Plan 5	38949PA0090001	HMO	my Direct Blue HMO 2850QE	N	38949PA0090001	Silver	0.6817	Standard AV	On/Off	0.717	1.002	1.002	1.000	1.000	0.992	$494.42	7.6%	0.0%	0.0%	-	-	$ -	$ 304.11	0.0%
Plan 6	38949PA0080006	HMO	my Direct Blue HMO 7000B	N	38949PA0080006	Bronze	0.649	Approach (1)	On/Off	0.644	0.973	1.002	1.000	1.000	0.992	$431.11	7.6%	0.0%	0.0%	-	-	$ -	$ 265.17	0.0%
Plan 7	38949PA0080007	HMO	my Direct Blue HMO 6950B	N	38949PA0080007	Bronze	0.6144	Approach (1)	On/Off	0.590	0.973	1.002	1.000	1.000	0.992	$394.75	7.6%	0.0%	0.0%	-	-	$ -	$ 242.81	0.0%

% of Total Covered Lives	02-01-2017 Number of Covered Lives by Rating Area										2018 Continued/ Discontined Plans Indicator
	1	2	3	4	5	6	7	8	9	Total	
	26	3	-	121	35	-	-	-	-	**185**	
#DIV/0!	-	-	-		-	-	-	-	-	-	1
#DIV/0!	26	3	-	121	35	-	-	-	-	185	0
#DIV/0!	-	-	-		-	-	-	-	-	-	1
#DIV/0!	-	-	-		-	-	-	-	-	-	1
#DIV/0!	-	-	-		-	-	-	-	-	-	1
#DIV/0!	-	-	-		-	-	-	-	-	-	1
#DIV/0!	-	-	-		-	-	-	-	-	-	1

PA Rate Template Part IV A - Individual

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

Carrier Name:	Highmark Choice Company
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	01/01/2018

Plan Number	HIOS Plan ID (Standard Component)	1/1/17 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2018	1/1/18 Plan HIOS PLAN ID (If 1/1/17 Plan Discontinued)	Metallic Tier	Exchange On/Off or Off
Totals	**These cells auto-fill using the data entered in Table 10.**					
Plan 1	38949PA0080001	my Direct Blue HMO 1000	N	38949PA0080001	Gold	On/Off
Plan 2	38949PA0070001	Care Guide Blue HMO 750	DNM	38949PA0070001		
Plan 3	38949PA0080002	my Direct Blue HMO 3750	N	38949PA0080002	Silver	On/Off
Plan 4	38949PA0080004	my Direct Blue HMO 7150	N	38949PA0080004	Silver	On/Off
Plan 5	38949PA0090001	my Direct Blue HMO 2850	N	38949PA0090001	Silver	On/Off
Plan 6	38949PA0080006	my Direct Blue HMO 7000	N	38949PA0080006	Bronze	On/Off
Plan 7	38949PA0080007	my Direct Blue HMO 6950	N	38949PA0080007	Bronze	On/Off

2017 21-year-old, Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	(weighted by enrollment by rating area)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 466.58	$ -	$ -	$ 466.58	$ -	$ -	$ -	$ -	$ -	$ 370.74
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2018 21-year-old, Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	(weighted by enrollment by rating area)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 351.90	$ -	$ -	$ 351.90	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 297.94	$ -	$ -	$ 297.94	$ -	$ -	$ -	$ -	$ -	$ -
$ 267.26	$ -	$ -	$ 267.26	$ -	$ -	$ -	$ -	$ -	$ -
$ 294.99	$ -	$ -	$ 294.99	$ -	$ -	$ -	$ -	$ -	$ -
$ 257.22	$ -	$ -	$ 257.22	$ -	$ -	$ -	$ -	$ -	$ -
$ 235.53	$ -	$ -	$ 235.53	$ -	$ -	$ -	$ -	$ -	$ -

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

PA Rate Quarterly Template Part V
Consumer Factors

Carrier Name:	**Highmark Choice Company**
Product(s):	**HMO**
Market Segment:	**Individual**
Rate Effective Date:	**01/01/2018**

Table 12. Age and Tobacco Factors

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

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1	Clarion, Crawford, Erie, Forest, McKean, Mercer, Venango, Warren	0.970	0.970
Rating Area 2			
Rating Area 3			
Rating Area 4	Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland	0.970	0.970
Rating Area 5			
Rating Area 6			
Rating Area 7			
Rating Area 8			
Rating Area 9			

Table 14. Network Factors

Projecion Period Network Factors				
Network Name	Rating Area	Current Factor	Proposed Factor	DOH Approval Date
ACA Narrow	Zone Z (see attached memo)	N/A	0.928	Filed April 201

Highmark Chioice Company
Individual Market

Plan Design Summary

HIOS Plan ID	Plan Design Marketing Name	Product	Metal	On/Off Exchange	Network Service Zone	Rating Area	Counties Covered
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off	Z	1,4	Allegheney, Crawford, Erie, Washington, Westmoreland

Company Name: Highmark Choice Company
Market: Individual
Product(s): HMO
Effective Date of Rates: January 1, 2018 - December 31, 2018

HIOS Plan ID (On Exchange) =>	38949PA0080001		38949PA0080002		38949PA0080004		38949PA0090001		38949PA0080006		38949PA0080007	
HIOS Plan ID (Off Exchange) =>	38949PA0080001		38949PA0080002		38949PA0080004		38949PA0090001		38949PA0080006		38949PA0080007	
Plan Name =>	my Direct Blue HMO 1000G		my Direct Blue HMO 3750S		my Direct Blue HMO 7150S		my Direct Blue HMO 2850SQE		my Direct Blue HMO 7000B		my Direct Blue HMO 6950B	
Form # =>	DB/HMO/HCC/DP		DB/HMO/HCC/DP		DB/HMO/HCC/DP		DB/HMO/HDHP/HCC/DP		DB/HMO/HCC/DP		DB/HMO/HCC/DP	
Rating Area =>	Area 1,4		Area 1,4		Area 1,4		Area 1,4		Area 1,4		Area 1,4	
Network / Service Zone =>	Z		Z		Z		Z		Z		Z	
Metal =>	Gold		Silver		Silver		Silver		Bronze		Bronze	
Deductible =>	$1,000		$3,750		$7,150		$2,850		$7,000		$6,950	
Coinsurance =>	80%		70%		70%		80%		70%		100%	
Copays =>	$0 PCP		$0 PCP		$70 PCP		N/A		$60 PCP		$50 PCP	
OOP Max =>	$6,500		$7,350		$7,350		$6,550		$7,350		$7,350	
Pediatric Dental =>	Yes		Yes		Yes		Yes		Yes		Yes	
Age Band	**Non-Tobacco**	**Tobacco**	**Non-Tobacco**	**Tobacco**	**Non-Tobacco**	**Tobacco**	**Non-Tobacco**	**Tobacco**	**Non-Tobacco**	**Tobacco**	**Non-Tobacco**	**Tobacco**
0-14	$269.20	$269.20	$227.92	$227.92	$204.45	$204.45	$225.67	$225.67	$196.77	$196.77	$180.18	$180.18
15	$293.13	$293.13	$248.18	$248.18	$222.63	$222.63	$245.73	$245.73	$214.26	$214.26	$196.20	$196.20
16	$302.28	$302.28	$255.93	$255.93	$229.58	$229.58	$253.40	$253.40	$220.95	$220.95	$202.32	$202.32
17	$311.43	$311.43	$263.68	$263.68	$236.53	$236.53	$261.07	$261.07	$227.64	$227.64	$208.44	$208.44
18	$321.28	$321.28	$272.02	$272.02	$244.01	$244.01	$269.33	$269.33	$234.84	$234.84	$215.04	$215.04
19	$331.14	$331.14	$280.36	$280.36	$251.49	$251.49	$277.59	$277.59	$242.04	$242.04	$221.63	$221.63
20	$341.34	$341.34	$289.00	$289.00	$259.24	$259.24	$286.14	$286.14	$249.50	$249.50	$228.46	$228.46
21	$351.90	$360.70	$297.94	$305.39	$267.26	$273.94	$294.99	$302.36	$257.22	$263.65	$235.53	$241.42
22	$351.90	$360.70	$297.94	$305.39	$267.26	$273.94	$294.99	$302.36	$257.22	$263.65	$235.53	$241.42
23	$351.90	$360.70	$297.94	$305.39	$267.26	$273.94	$294.99	$302.36	$257.22	$263.65	$235.53	$241.42
24	$351.90	$360.70	$297.94	$305.39	$267.26	$273.94	$294.99	$302.36	$257.22	$263.65	$235.53	$241.42
25	$353.31	$362.14	$299.13	$306.61	$268.33	$275.04	$296.17	$303.57	$258.25	$264.71	$236.47	$242.38
26	$360.35	$369.36	$305.09	$312.72	$273.67	$280.51	$302.07	$309.62	$263.39	$269.97	$241.18	$247.21
27	$368.79	$378.01	$312.24	$320.05	$280.09	$287.09	$309.15	$316.88	$269.57	$276.31	$246.84	$253.01
28	$382.52	$392.08	$323.86	$331.96	$290.51	$297.77	$320.65	$328.67	$279.60	$286.59	$256.02	$262.42
29	$393.78	$403.62	$333.39	$341.72	$299.06	$306.54	$330.09	$338.34	$287.83	$295.03	$263.56	$270.15
30	$399.41	$409.40	$338.16	$346.61	$303.34	$310.92	$334.81	$343.18	$291.94	$299.24	$267.33	$274.01
31	$407.85	$418.05	$345.31	$353.94	$309.75	$317.49	$341.89	$350.44	$298.12	$305.57	$272.98	$279.80
32	$416.30	$426.71	$352.46	$361.27	$316.17	$324.07	$348.97	$357.69	$304.29	$311.90	$278.63	$285.60
33	$421.58	$432.12	$356.93	$365.85	$320.18	$328.18	$353.40	$362.24	$308.15	$315.85	$282.16	$289.21
34	$427.21	$437.89	$361.70	$370.74	$324.45	$332.56	$358.12	$367.07	$312.27	$320.08	$285.93	$293.08
35	$430.02	$440.77	$364.08	$373.18	$326.59	$334.75	$360.48	$369.49	$314.32	$322.18	$287.82	$295.02
36	$432.84	$443.66	$366.47	$375.63	$328.73	$336.95	$362.84	$371.91	$316.38	$324.29	$289.70	$296.94
37	$435.65	$446.54	$368.85	$378.07	$330.87	$339.14	$365.20	$374.33	$318.44	$326.40	$291.59	$298.88
38	$438.47	$449.43	$371.23	$380.51	$333.01	$341.34	$367.56	$376.75	$320.50	$328.51	$293.47	$300.81
39	$444.10	$455.20	$376.00	$385.40	$337.28	$345.71	$372.28	$381.59	$324.61	$332.73	$297.24	$304.67
40	$449.73	$494.70	$380.77	$418.85	$341.56	$375.72	$377.00	$414.70	$328.73	$361.60	$301.01	$331.11
41	$458.17	$506.28	$387.92	$428.65	$347.97	$384.51	$384.08	$424.41	$334.90	$370.06	$306.66	$338.86
42	$466.27	$518.49	$394.77	$438.98	$354.12	$393.78	$390.86	$434.64	$340.82	$378.99	$312.08	$347.03
43	$477.53	$535.31	$404.30	$453.22	$362.67	$406.55	$400.30	$448.74	$349.05	$391.29	$319.61	$358.28
44	$491.60	$556.49	$416.22	$471.16	$373.36	$422.64	$412.10	$466.50	$359.34	$406.77	$329.04	$372.47
45	$508.14	$581.82	$430.23	$492.61	$385.92	$441.88	$425.97	$487.74	$371.43	$425.29	$340.11	$389.43
46	$527.85	$612.31	$446.91	$518.42	$400.89	$465.03	$442.49	$513.29	$385.83	$447.56	$353.30	$409.83
47	$550.02	$647.37	$465.68	$548.11	$417.73	$491.67	$461.07	$542.68	$402.03	$473.19	$368.13	$433.29
48	$575.36	$688.13	$487.13	$582.61	$436.97	$522.62	$482.31	$576.84	$420.55	$502.98	$385.09	$460.57
49	$600.34	$730.61	$508.29	$618.59	$455.95	$554.89	$503.25	$612.46	$438.82	$534.04	$401.81	$489.00
50	$628.49	$769.90	$532.12	$651.85	$477.33	$584.73	$526.85	$645.39	$459.39	$562.75	$420.66	$515.31
51	$656.29	$803.96	$555.66	$680.68	$498.44	$610.59	$550.16	$673.95	$479.72	$587.66	$439.26	$538.09
52	$686.91	$841.46	$581.58	$712.44	$521.69	$639.07	$575.82	$705.38	$502.09	$615.06	$459.75	$563.19
53	$717.88	$879.40	$607.80	$744.56	$545.21	$667.88	$601.78	$737.18	$524.73	$642.79	$480.48	$588.59
54	$751.31	$920.35	$636.10	$779.22	$570.60	$698.99	$629.80	$771.51	$549.16	$672.72	$502.86	$616.00
55	$784.74	$961.31	$664.41	$813.90	$595.99	$730.09	$657.83	$805.84	$573.60	$702.66	$525.23	$643.41
56	$820.98	$1,005.70	$695.09	$851.49	$623.52	$763.81	$688.21	$843.06	$600.09	$735.11	$549.49	$673.13
57	$857.58	$1,050.54	$726.08	$889.45	$651.31	$797.85	$718.89	$880.64	$626.85	$767.89	$573.99	$703.14
58	$896.64	$1,098.38	$759.15	$929.96	$680.98	$834.20	$751.63	$920.75	$655.40	$802.87	$600.13	$735.16
59	$916.00	$1,122.10	$775.54	$950.04	$695.68	$852.21	$767.86	$940.63	$669.54	$820.19	$613.08	$751.02
60	$955.06	$1,169.95	$808.61	$990.55	$725.34	$888.54	$800.60	$980.74	$698.10	$855.17	$639.23	$783.06
61	$988.84	$1,211.33	$837.21	$1,025.58	$751.00	$919.98	$828.92	$1,015.43	$722.79	$885.42	$661.84	$810.75
62	$1,011.01	$1,238.49	$855.98	$1,048.58	$767.84	$940.60	$847.51	$1,038.20	$738.99	$905.26	$676.68	$828.93
63	$1,038.81	$1,272.54	$879.52	$1,077.41	$788.95	$966.46	$870.81	$1,066.74	$759.31	$930.15	$695.28	$851.72
64	$1,055.70	$1,293.23	$893.82	$1,094.93	$801.78	$982.18	$884.97	$1,084.09	$771.66	$945.28	$706.59	$865.57
65+	$1,055.70	$1,293.23	$893.82	$1,094.93	$801.78	$982.18	$884.97	$1,084.09	$771.66	$945.28	$706.59	$865.57

Highmark Choice Company
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

					RATING AREA 1								RATING AREA 2		
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Crawford	Clarion	Erie	Forest	Mckean	Mercer	Venango	Warren	Elk	Cameron	Potter
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off	$351.90		$351.90								
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off	$297.94		$297.94								
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off	$267.26		$267.26								
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off	$294.99		$294.99								
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off	$257.22		$257.22								
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off	$235.53		$235.53								

Highmark Choice Company
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

RATING AREA 3

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Bradford	Carbon	Clinton	Lackawanna	Luzerne	Lycoming	Monroe	Pike	Sullivan	Susquehanna	Tioga	Wayne	Wyoming
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off													
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off													
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off													
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off													
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off													
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off													

Highmark Choice Company
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

					RATING AREA 4										RATING AREA 5						
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Allegheny	Armstrong	Beaver	Butler	Fayette	Greene	Indiana	Lawrence	Washington	Westmoreland	Bedford	Blair	Clearfield	Cambria	Huntingdon	Jefferson	Somerset
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off	$351.90								$351.90	$351.90							
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off	$297.94								$297.94	$297.94							
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off	$267.26								$267.26	$267.26							
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off	$294.99								$294.99	$294.99							
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off	$257.22								$257.22	$257.22							
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off	$235.53								$235.53	$235.53							

Highmark Choice Company
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

					RATING AREA 6										RATING AREA 7			
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union	Adams	Berks	Lancaster	York
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off														
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off														
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off														
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off														
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off														
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off														

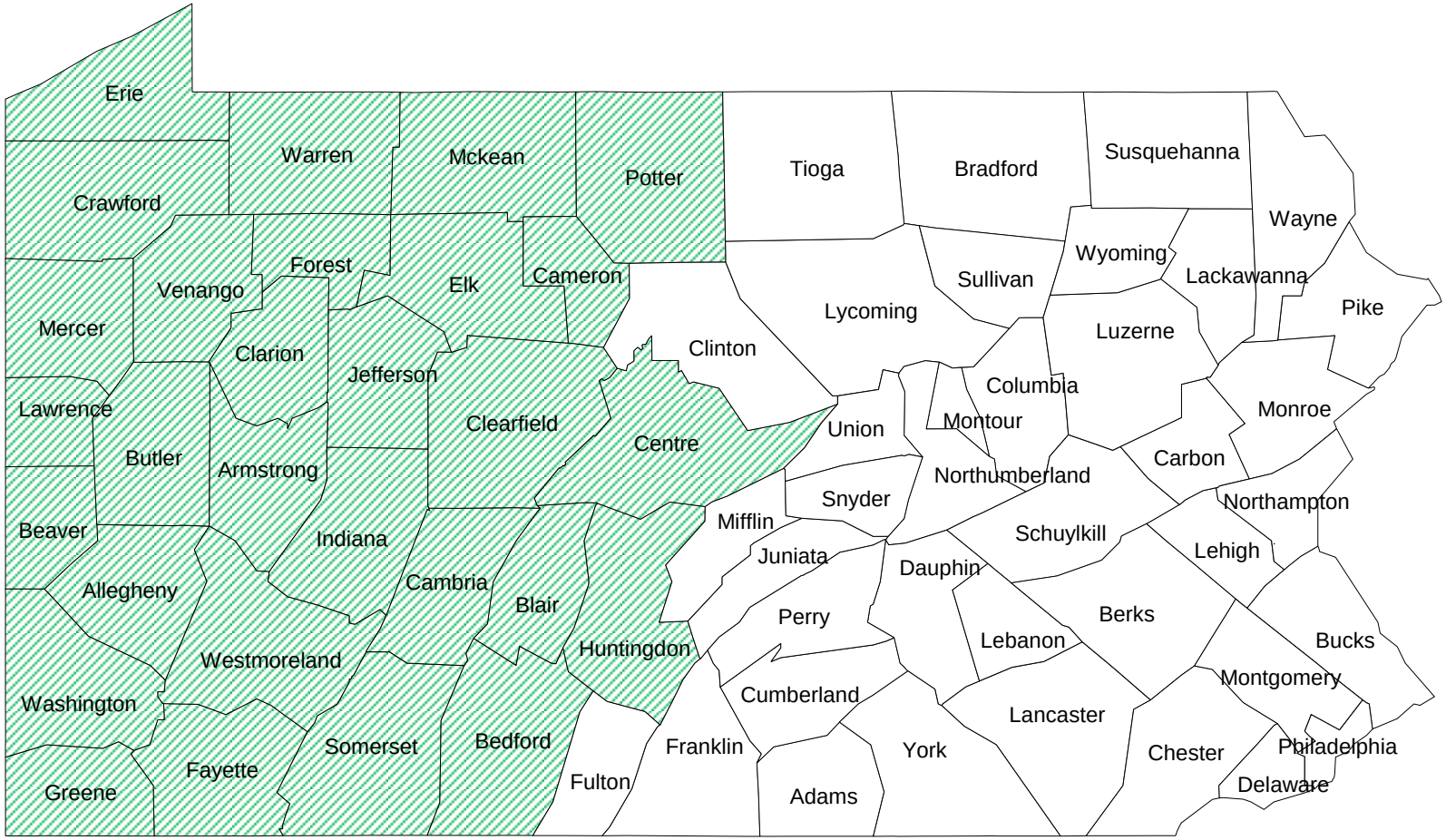
Highmark Choice Company
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

					RATING AREA 8					RATING AREA 9						
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Bucks	Chester	Delaware	Montogomery	Philadelphia	Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
38949PA0080001	my Direct Blue HMO 1000G	HMO	Gold	On & Off												
38949PA0080002	my Direct Blue HMO 3750S	HMO	Silver	On & Off												
38949PA0080004	my Direct Blue HMO 7150S	HMO	Silver	On & Off												
38949PA0090001	my Direct Blue HMO 2850SQE	HMO	Silver	On & Off												
38949PA0080006	my Direct Blue HMO 7000B	HMO	Bronze	On & Off												
38949PA0080007	my Direct Blue HMO 6950B	HMO	Bronze	On & Off												

2017 Service Area

Issuer: Highmark Choice Company (HCC)

Market: Individual



Key *(modify as needed)*

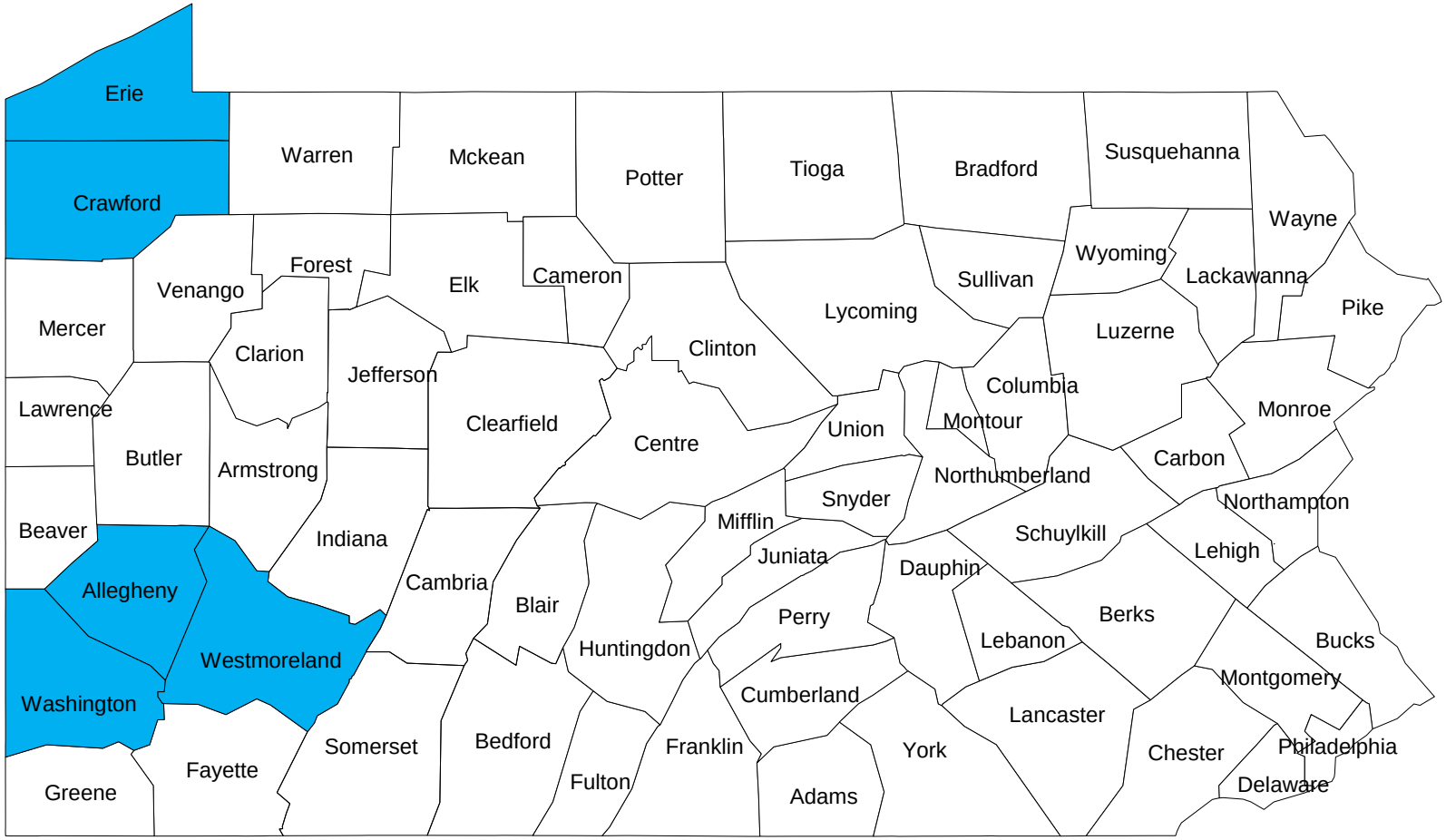
: 2017 on-exchange service area

: 2017 off-exchange only service area

2018 Service Area

Issuer: Highmark Choice Company (HCC)

Market: Individual



Key *(modify as needed)*

: 2018 on-exchange service area

: 2018 off-exchange only service area

Unified Rate Review v4.2

Company Legal Name:	**HCC**	State:	**PA**
HIOS Issuer ID:	**38949**	Market:	**Individual**
Effective Date of Rate Change(s):	**01/01/2018**		

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period: 01/01/2016 to 12/31/2016

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	$1,322,748	$413.49	100.00%
Incurred Claims in Experience Period	$1,421,448	444.34	107.46%
Allowed Claims:	$1,789,369	559.35	135.28%
Index Rate of Experience Period		$557.34	
Experience Period Member Months	3,199		

Section II: Allowed Claims, PMPM basis

Projection Period: 01/01/2018 to 12/31/2018 Mid-point to Mid-point, Experience to Projection: 24 months

	Experience Period on Actual Experience Allowed				Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections, before credibility Adjustment			Credibility Manual		
Benefit Category	**Utilization Description**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Pop'l risk Morbidity**	**Other**	**Cost**	**Util**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**
Inpatient Hospital	Admits	93.70	$5,891.54	$46.00	1.304	1.050	1.050	1.057	136.49	$6,821.13	$77.58	103.79	$17,705.04	$153.13
Outpatient Hospital	Visits	2,859.60	519.61	123.82	1.304	1.050	1.050	1.057	4,165.45	601.60	208.83	3437.18	711.47	203.79
Professional	Visits	21,028.80	92.72	162.48	1.304	1.050	1.050	1.057	30,631.71	107.35	274.02	18450.82	121.81	187.29
Other Medical	Visits	643.40	223.30	11.97	1.304	1.050	1.050	1.057	937.21	258.53	20.19	861.99	330.01	23.71
Capitation	Benefit Period	12,000.00	2.36	2.36	1.000	1.000	0.893	1.000	12,000.00	1.88	1.88	12000.00	1.34	1.34
Prescription Drug	Prescriptions	17,725.80	144.00	212.72	1.304	1.050	1.050	1.057	25,820.38	166.73	358.74	17241.42	112.12	161.09
Total				$559.35							$941.25			$730.34

Section III: Projected Experience:

			After Credibility	Projected Period Totals
Projected Allowed Claims PMPM (w/applied credibility if applicable)	0.00%	100.00%	$730.34	$64,512,765
Paid to Allowed Average Factor in Projection Period			0.696	
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			$508.13	$44,884,249
Projected Risk Adjustments PMPM			36.74	3,245,551
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			$471.39	$41,638,698
Projected ACA reinsurance recoveries, net of rein prem, PMPM			0.00	0
Projected Incurred Claims			$471.39	$41,638,698
Administrative Expense Load		7.61%	39.74	3,510,345
Profit & Risk Load		0.00%	0.00	0
Taxes & Fees		2.13%	11.12	982,606
Single Risk Pool Gross Premium Avg. Rate, PMPM			$522.25	$46,131,649
Index Rate for Projection Period			$729.34	
% increase over Experience Period			26.30%	
% Increase, annualized:			12.39%	
Projected Member Months				88,332

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:	**HCC**	State:	**PA**
HIOS Issuer ID:	**38949**	Market:	**Individual**
Effective Date of Rate Change(s):	**01/01/2018**		

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product		My Direct Blue HMO					Direct Blue HDHP HMO
Product ID:		38949PA008					38949PA009
Metal:		Gold	Silver	Silver	Bronze	Bronze	Silver
AV Metal Value		0.787	0.705	0.662	0.649	0.614	0.682
AV Pricing Value		0.930	0.788	0.706	0.680	0.623	0.780
Plan Category		Renewing	New	New	New	New	New
Plan Type:		HMO	HMO	HMO	HMO	HMO	HMO
Plan Name		my Direct Blue HMO 1000G	my Direct Blue HMO 3750S	my Direct Blue HMO 7150S	my Direct Blue HMO 7000B	my Direct Blue HMO 6950B	my Direct Blue HMO 2850SQE
Plan ID (Standard Component ID):		38949PA0080001	38949PA0080002	38949PA0080004	38949PA0080006	38949PA0080007	38949PA0090001
Exchange Plan?		Yes	Yes	Yes	Yes	Yes	Yes
Historical Rate Increase - Calendar Year - 2		5.84%					0.00%
Historical Rate Increase - Calendar Year - 1		26.72%					0.00%
Historical Rate Increase - Calendar Year 0		51.79%					0.00%
Effective Date of Proposed Rates		01/01/2018	01/01/2018	01/01/2018	01/01/2018	01/01/2018	01/01/2018
Rate Change % (over prior filing)		-24.58%	0.00%	0.00%	0.00%	0.00%	0.00%
Cum'tive Rate Change % (over 12 mos prior)		-24.58%	0.00%	0.00%	0.00%	0.00%	0.00%
Proj'd Per Rate Change % (over Exper. Period)		47.31%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Product Rate Increase %		-24.58%					0.00%

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

Plan ID (Standard Component ID):	Total	38949PA0080001	38949PA0080002	38949PA0080004	38949PA0080006	38949PA0080007	38949PA0090001
Inpatient	-$49.51	-$49.51	$0.00	$0.00	$0.00	$0.00	$0.00
Outpatient	-$84.54	-$84.54	$0.00	$0.00	$0.00	$0.00	$0.00
Professional	-$44.72	-$44.72	$0.00	$0.00	$0.00	$0.00	$0.00
Prescription Drug	-$71.60	-$71.60	$0.00	$0.00	$0.00	$0.00	$0.00
Other	-$3.81	-$3.81	$0.00	$0.00	$0.00	$0.00	$0.00
Capitation	$0.75	$0.75	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	-$27.42	-$27.42	$0.00	$0.00	$0.00	$0.00	$0.00
Taxes & Fees	$71.03	$71.03	$0.00	$0.00	$0.00	$0.00	$0.00
Risk & Profit Charge	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Rate Increase	-$209.83	-$209.83	$0.00	$0.00	$0.00	$0.00	$0.00
Member Cost Share Increase	-$76.35	-$76.35	$0.00	$0.00	$0.00	$0.00	$0.00

Average Current Rate PMPM	$135.49	$853.72					
Projected Member Months	88,332	14,019	44,736	300	300	28,677	300

Section III: Experience Period Information

	Plan ID (Standard Component ID):	Total	38949PA0080001	38949PA0080002	38949PA0080004	38949PA0080006	38949PA0080007	38949PA0090001
Premium Information	Plan Adjusted Index Rate	$437.09	$437.09	$0.00	$0.00	$0.00	$0.00	$0.00
	Member Months	3,199	3,199	0	0	0	0	0
	Total Premium (TP)	$1,322,748	$1,322,748	$0	$0	$0	$0	$0
	EHB Percent of TP, [see instructions]	99.66%	99.66%	100.00%	100.00%	100.00%	100.00%	100.00%
	state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other benefits portion of TP	0.34%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%
Claims Information	Total Allowed Claims (TAC)	$1,789,369	$1,789,369	$0	$0	$0	$0	$0
	EHB Percent of TAC, [see instructions]	99.73%	99.73%	100.00%	100.00%	100.00%	100.00%	100.00%
	state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other benefits portion of TAC	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
	Allowed Claims which are not the issuer's obligation:	$499,795	$499,795	$0	$0	$0	$0	$0
	Portion of above payable by HHS's funds on behalf of insured person, in dollars	$0	$0	$0	$0	$0	$0	$0
	Portion of above payable by HHS on behalf of insured person, as %	0.00%	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Total Incurred claims, payable with issuer funds	$1,289,574	$1,289,574	$0	$0	$0	$0	$0
	Net Amt of Rein	-$7,197.75	-$7,197.75	$0.00	$0.00	$0.00	$0.00	$0.00
	Net Amt of Risk Adj	$132,664.23	$132,664.23	$0.00	$0.00	$0.00	$0.00	$0.00

Incurred Claims PMPM	$403.12	$403.12	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Allowed Claims PMPM	$559.35	$559.35	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EHB portion of Allowed Claims, PMPM	$557.84	$557.84	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Section IV: Projected (12 months following effective date)

	Plan ID (Standard Component ID):	Total	38949PA0080001	38949PA0080002	38949PA0080004	38949PA0080006	38949PA0080007	38949PA0090001
Premium Information	Plan Adjusted Index Rate	$523.28	$643.89	$545.15	$489.02	$470.64	$430.95	$539.76
	Member Months	88,332	14,019	44,736	300	300	28,677	300
	Total Premium (TP)	$46,222,726	$9,026,707	$24,387,891	$146,706	$141,192	$12,358,304	$161,927
	EHB Percent of TP, [see instructions]	99.79%	99.82%	99.80%	99.78%	99.78%	99.76%	99.80%
	state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other benefits portion of TP	0.21%	0.18%	0.20%	0.22%	0.22%	0.24%	0.20%
Claims Information	Total Allowed Claims (TAC)	$64,512,765	$10,755,623	$32,733,251	$219,509	$213,116	$20,371,757	$219,509
	EHB Percent of TAC, [see instructions]	99.86%	99.86%	99.86%	99.86%	99.86%	99.86%	99.86%
	state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Other benefits portion of TAC	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
	Allowed Claims which are not the issuer's obligation	$22,824,890	$2,614,514	$10,738,024	$87,197	$85,776	$9,225,909	$73,469
	Portion of above payable by HHS's funds on behalf of insured person, in dollars	$2,074,508	$0	$2,048,583	$12,323	$0	$0	$13,602
	Portion of above payable by HHS on behalf of insured person, as %	9.09%	0.00%	19.08%	14.13%	0.00%	0.00%	18.51%
	Total Incurred claims, payable with issuer funds	$41,687,875	$8,141,108	$21,995,227	$132,313	$127,340	$11,145,847	$146,040
	Net Amt of Rein	$0	$0	$0	$0	$0	$0	$0
	Net Amt of Risk Adj	$3,245,551	$634,267	$1,712,669	$10,298	$9,910	$867,036	$11,371

Incurred Claims PMPM	$471.95	$580.72	$491.67	$441.04	$424.47	$388.67	$486.80
Allowed Claims PMPM	$730.34	$767.22	$731.70	$731.70	$710.39	$710.39	$731.70
EHB portion of Allowed Claims, PMPM	$729.32	$766.14	$730.67	$730.67	$709.39	$709.39	$730.67

Part III Actuarial Memorandum

Highmark Choice Company

Individual Rate Filing

Effective January 1, 2018

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I. General Information

Document Overview

This document contains the Part III Actuarial Memorandum for Highmark Choice Company's (HCC) individual block of business rate filing, for products with an effective date of January 1, 2018. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

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

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

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

I.1 Company Identifying Information:

- Company Legal Name: Highmark Choice Company
- State: The Commonwealth of Pennsylvania has regulatory authority over these policies.
- HIOS Issuer ID: 38949
- Market: Individual
- Effective Date: January 1, 2018

I.2 Company Contact Information:

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

II. Proposed Rate Increase(s)

For all rate increases by plan see the 'Cum'tive Rate Change % (over 12 mos prior)' found in Worksheet 2 Row 27 of the URRT. The rate increase varies by plan due to an update in several of our pricing factors and changes in cost sharing required to meet Actuarial Value and other cost sharing restrictions under the Affordable Care Act as well as mappings between discontinued and new plans.

The primary drivers of the rate increase are increasing medical and pharmacy services in the Individual market and the re-introduction of the federal insurer fee.

In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. Most notably, these assumption include that CSR payments and advance payment of premium credits (APTCs) will continue until the end of 2018, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2018. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. One of these uncertainties includes the prospective enforcement of the ACA individual mandate. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, HCC reserves the right to submit a revised filing.

III. Experience Period Premium and Claims

III.1 Paid through Date:

Experience Period claims were based on incurred calendar year 2016, paid through January 2017. This includes 2016 experience in Affordable Care Act compliant plans. HCC did not offer any transitional plans in 2016.

III.2 Premiums (net of MLR Rebate) in Experience Period:

The premiums shown for the experience period were based on calendar year 2016 actual revenues.

Based on preliminary information for calendar year 2016, no MLR rebates are anticipated to be refunded to enrollees. Therefore, we did not include an adjustment for MLR rebates in the 2016 premium amounts.

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

- Historical Experience: We chose HCC's current experience for the individual block of business for the period January 1, 2016 through December 31, 2016, with

claims paid through January, 2017 as the basis for the 2018 projected individual market pricing.

- Claims Incurred During the 12-month Experience Period: Worksheet 1, Section I shows our best estimate of the amount of claims that were incurred during the 12-month experience period for HCC's individual book-of-business. This section includes:
  - The amount of claims which were processed through Company's claims system,
  - Claims processed outside of the Company's claims system, and
  - Our best estimate of claims incurred but not paid as of the paid through date stated above.
- Method for Determining Allowed Claims: For non-capitated claims, the allowed charges are summarized from HCC's detailed claim-level historical data. This experience includes 2016 claims for Affordable Care Act compliant business. For capitated and other off-system claims, historical capitations and experience were tabulated and added to the claims.
- Paid Claims: We also summarized the paid claims from detailed member records. The paid-to-allowed ratio for the experience period reflects the 2016 plan designs chosen by each member.
- Incurred but Not Paid (IBNR) Claims Estimate: HCC is using a completion factor of 0.963 to include IBNR claims in allowed charges. The IBNR completion factor was developed using our corporate reserving system for HCC's individual business. We applied it equally to both paid and allowed total claims (as a change to utilization) to complete the experience.

IV. Benefit Categories

Historical cost and utilization data was summarized at the defined benefit categories included in Worksheet 1, Section II of the URRT. This data was used to allocate total claims into its components on the URRT.

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

V. Projection Factors

The experience data for HCC is not credible. Factors have been entered for Pop'l risk Morbidity, Other, Cost, and Util however, these factors were given no credibility in the rate development.

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

VI. Credibility Manual Rate Development

VI. 1 Source and Appropriateness of Experience Data Used

HCC has chosen to combine its experience with the experience from another company within the Highmark family, Highmark, to develop a manual rate. HCC feels that this experience most accurately represents the risk pool for HCC and includes a large enough number of members to be relied upon as credible. The experience period for the manual rates is January 1, 2016 through December 31, 2016, paid through January 31, 2017. While this experience is a reasonable representation of the expected HCC population, adjustments are required.

VI. 2 Adjustments Made to the Data

- **Population Morbidity**

We applied an adjustment of approximately 11.7% to reflect the anticipated changes in the average morbidity of the covered population (beyond allowable rating factors). This morbidity adjustment reflects multiple changes including blending of the ACA business with new members from multiple sources including uninsured and the employer markets and a change in the footprint in which HCC will be offering plans.

- **Demographics**

We project that the average rating factor (age, tobacco load and area combined) will increase by about 2.2% due to the change in the population. This is primarily due to the expectation that the new members from the group and/or uninsured populations to be slightly older than the population in the underlying experience. This increases the projected allowed claims (utilization) by the same amount.

VI.3 Trend Factors (cost/utilization)

This development of the CY2018 rates reflects an annual trend rate of 11.0% (5% cost, 5.7% utilization). These trends reflect HCC's expectations regarding increases in in-network contractual reimbursement. The annual trend estimates include the impact of trends in both projected in-network and out-of-network costs. These estimates measure and normalize for benefit leverage, population aging, and historical changes for fee schedules, as well as company-wide utilization management programs, and external trend drivers.

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

HCC has also included an adjustment of -0.4% per year for the anticipated change in utilization due to cost sharing requirements.

VII. Credibility of Experience

The experience from HCC's individual book of business in 2016 is not credible due to low enrollment. HCC has chosen to treat the credibility manual rates as 100% credible.

VIII. Paid to Allowed Ratio

The paid to allowed ratio of 0.696 is a weighted average of the 2018 plan level paid to allowed ratios. Plan level paid to allowed factors were developed using an internal model based on HCC individual claims experience.

IX. Risk Adjustment and Reinsurance

IX.1 Projected Risk Adjustments PMPM:

The estimated average risk score for HCC's projected 2018 population was developed by using HCC/Highmark's 2016 claim diagnoses and the risk adjustment coefficients as finalized in the Notice of Benefit and Payment Parameters. Similarly, allowable rating factors, actuarial value factors, and induced demand factors were estimated for HCC based upon its projected 2018 population.

We estimated the statewide average risk transfer factors based on current market assumptions. We estimated the statewide average premium using current market premium assumptions with adjustments for anticipated rate changes for 2018.

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

The analysis resulted in HCC receiving payments from the risk adjustment pool. This value is reflected in worksheet 1 net of the risk adjuster fee ($0.14 PMPM) consistent with the single risk pool regulations.

IX.2 Projected ACA Reinsurance Recoveries Net of Reinsurance:

The Federal Reinsurance Program was terminated in 2017 resulting in projected 2018 reinsurance of $0.

X. Non-Benefit Expenses and Profit & Risk

X.1 Administrative Expense Load:

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

X.2 Profit (or Contribution to Surplus) & Risk Margin:

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

X.3 Taxes and Fees:

The following fees were added:

- $0.21 Per Member Per Month for the Patient Centered Outcomes Research Fee.
- 3.5% Exchange Fee x 59.7% assumed on exchange percentage (= 2.1% included in the single risk pool base rate)
- 0% Pennsylvania Premium Tax

XI. Projected Loss Ratio

The anticipated medical loss ratio is about 92.2% relative to total premium less taxes and fees. This loss ratio is calculated consistently with the federally prescribed MLR methodology.

XII. Single Risk Pool

As described above the base experience used includes all HCC individual members in accordance with the Single Risk Pool regulations. The projected membership and their corresponding premiums and claims only include those members who will be enrolled in a fully ACA-compliant plan in 2018.

XIII. Index Rate

Please see Exhibit I for the numerical development of the projected index rate. The index rates as shown on Worksheet 1 of the URRT are simply the average allowed claims for the Essential Health Benefits for the experience and projected populations, respectively, for HCC. For the experience period, only non-grandfathered plans are included. The projection

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

XIV. Market Adjusted Index Rate

Please see Exhibit I for a numerical demonstration of the Market Adjusted Index Rate development. The Market Adjusted Index Rate is the Index Rate further adjusted for risk adjustment, reinsurance, and the exchange fee. The Risk Adjustment factor is developed by taking one minus the expected risk transfer (net of the fee) and dividing by the projected incurred claims before reinsurance and risk adjustment. The Federal Reinsurance Program factor is developed by taking one minus the expected reinsurance recovery (net of the reinsurance premium) and dividing by the projected incurred claims, before reinsurance recoveries, net of reinsurance premium. The Exchange User Fee factor is developed by adding the expected average exchange fee PMPM and the projected incurred claims after risk adjuster and reinsurance, then dividing by the projected incurred claims after risk adjuster and reinsurance. These adjustments were developed as factors in accordance with the Part III instructions.

XV. Plan Adjusted Index Rates

A Plan Adjusted Index Rate is developed by taking the Market Adjusted Index Rate and adding a plan's actuarial value, relative benefit richness, relative network, any non EHB benefits, and retention. Please see Exhibit II for the development of the Plan Adjusted Index Rate for each plan.

XVI. Calibration

XVI.1 Age Curve Calibration:

The projected weighted average age factor for billable members is 1.815. This factor is calculated by dividing the all members age factor of 1.821 by the ratio of all members to billable members (1.003). Each Plan Adjusted Index Rate represents the rate for an average member with an age factor of 1.815. Please note that no member will pay these rates because the age factor of 1.815 is not found on the HHS Age Curve. It only represents the average age factor of the projected population. The nearest age to that factor is for age 50, which has a factor of 1.786. Please see Exhibit I for the development of the calibration factor.

XVI.2 Geographic Factor Calibration:

The projected weighted average geographic factor is 0.970. Each Plan Adjusted Index Rate represents the rate for an average member with a geographic factor of 0.970. Please see Exhibit I for the development of the calibration factor.

XVI.3 Tobacco Factor Calibration:

The projected weighted average tobacco factor is 1.008. Each Plan Adjusted Index Rate represents the rate for an average member with a tobacco factor of 1.008. Please see Exhibit I for the development of the calibration factor.

XVII. Consumer Adjusted Premium Rate Development

The plan adjusted index rate represents the rate for an average age and average geographic member with a mix of tobacco users and non-tobacco users. Multiplying by the Combined Calibration Factor found in Exhibit I results in the value for a 50 year old non-tobacco user in a 1.0 geographical area. The standard HHS Age Curve along with the filed tobacco factors and geography factors can be used to calculate any rate found in the QHP rate template.

XVIII. AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review Template were based the Federal AV Calculator. Some plans did require an adjustment to the inputs entered into the AV calculator. Screen shots and certifications for these plans were submitted as part of HCC's QHP application.

XIX. AV Pricing Values

Please see Exhibit II for the portion of each AV pricing value that is attributable to each of the allowable modifiers. The utilization due to differences in cost sharing is based on the factors adopted by the risk adjustment methodology. No differences due to health status are in these adjustments.

XX. Membership Projections

Membership projections reflect HCC's expectations for 2018. These projections reflect expected changes in market share due to market competition and changes in HCC's plan offerings.

HCC expects membership in 2018 to follow a similar metal level distribution as the Individual ACA experience period in the markets where plans will continue to be offered.

For the Silver level plans, the projected membership by cost sharing subsidy levels is based on the observed distribution of ACA members that were eligible under the federal poverty levels as determined by the federal health insurance exchange. The projected enrollment by plan and subsidy level is as follows:

CSR Silver Plan Membership Distribution			
FPL	Subsidy Level	% of Silver Membership	% of Total Membership
<150%	94%	15.0%	7.7%
150%-200%	87%	23.6%	12.1%
200%-250%	73%	11.4%	5.9%
>250%	70%	50.0%	25.7%
Total		100.0%	51.4%

XXI. Terminated Plans and Products

In 2016 and 2017 HCC offered only one plan (HIOS ID 38949PA0070001) and it was available only off of the exchange. This plan will be terminated for 2018. In accordance with CMS guidelines HCC is subjecting its newly offered gold plan (HIOS ID 38949PA0080001) to rate review. While HCC does not intend to map members from the terminating plan to the new plan it is believed that many of the members from the current plan will purchase the new option given that it is still a gold level HMO, offered through the same company, and will have a cheaper rate than their current option. Therefore, the new gold plan has been marked as a renewing product with the rate change from the discontinuing plan to the new plan shown in the rate change portions of the memorandum and the experience period information from the terminating plan shown in the experience period section.

XXII. Plan Type

The Plan types listed in Worksheet 2, Section I of the Part I Unified Rate Review Template describe HCC's plans adequately. No differences are needed.

XXIII. Warning Alerts

Section III – Experience Period Total Incurred Claims Payable with Issuer Funds and the Incurred Claims PMPM do no match Worksheet1: Worksheet2 removes reinsurance and risk adjustment from paid claims. The cell it points to in Worksheet1 does not.

XXIV. Actuarial Certification

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

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

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

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

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- The benefits provided under the plan that are in addition to the essential health benefits. These estimated benefits were pooled with similar benefits within the single risk pool and the claims experience from those benefits was utilized to determine rate variations.
- Administrative costs, excluding Exchange user fees.
- With respect to catastrophic plans, the expected impact of the specific eligibility categories for those plans.

I certify that the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

I certify that the benefits included in HCC's plans are substantially equivalent to the Essential Health Benefits (EHBs) in the Commonwealth of Pennsylvania's benchmark plans. I certify that any benefit substitutions are:

- Actuarially equivalent to the benefits being replaced,
- Are made within only the same essential health benefit category,
- Are based on a standardized plan population,
- Are determined regardless of cost-sharing,
- Are not prescription drug benefits, and
- Are based on an analysis performed in accordance with generally accepted actuarial principles and methodologies.

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. The AV Metal

Values included in Worksheet 2 of the Part I Unified Rate Review Template were based on the Federal AV Calculator. If any adjustments were required outside of the AV Calculator, appropriate certification has been provided to CMS through the QHP application process.

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

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

Signed: [redacted]

Title: [redacted]

Date: June 23, 2017

Exhibit I
Highmark Choice Company

HCC Individual Market Adjusted Index Rate (effective January 1, 2018)

CY2018 Projected Period Average Members	7,361
CY2018 Projected Allowed Claims	$730.34
Non-EHB Allowed Claims	$1.00
CY2018 Index Rate (Allowed Claims for EHB Only)	$729.34
Market-Wide Adjustment	
Risk Adjustment (Net of Risk Adjuster Fee)	0.928
Transitional Reinsurance Program (Net of Reinsurance Premium)	1.000
Exchange User Fee	1.023
CY2018 Market Adjusted Index Rate	$692.20
Calibration	
Calibration from Plan Adjusted Index Rate to Age 50, 1.0 Area, Non-Smoker	
(a) Average Age Factor	1.815
(b) Age 50 (Nearest Age on HHS Age Curve) Age Factor	1.786
(c) Average Geographic Factor	0.970
(d) Average Tobacco Load Factor	1.008
Combined Calibration Factor 1/[(a/b)*c*d]	1.006

Exhibit II
Highmark Choice Company
Western PA Region

Unified Rate Review Template (URRT) AV Pricing Value Development
Market Adjusted Index Rate PMPM = $692.20

HIOS Plan ID	Exchange Status	Metal Level	Plan Design Marketing Name	Premium PMPM	AV Value	Portion of URRT AV Pricing Value[1] (i)	(ii)	(iii)	(iv)	(v)
38949PA0080001	On & Off	Gold	my Direct Blue HMO 1000G	$643.89	0.930	0.857	1.000	1.002	1.083	1.000
38949PA0080002	On & Off	Silver	my Direct Blue HMO 3750S	$545.15	0.788	0.726	1.000	1.002	1.083	1.000
38949PA0080004	On & Off	Silver	my Direct Blue HMO 7150S	$489.02	0.706	0.651	1.000	1.002	1.083	1.000
38949PA0090001	On & Off	Silver	my Direct Blue HMO 2850SQE	$539.76	0.780	0.719	1.000	1.002	1.083	1.000
38949PA0080006	On & Off	Bronze	my Direct Blue HMO 7000B	$470.64	0.680	0.627	1.000	1.002	1.083	1.000
38949PA0080007	On & Off	Bronze	my Direct Blue HMO 6950B	$430.95	0.623	0.574	1.000	1.002	1.083	1.000

[1] **Permitted Plan-Level Adjustments to the Index Rate as prescribed in 45 CFR Part 156, §156.80(d)(2):**

(i) The actuarial value and cost-sharing design of the plan.

(ii) The plan's provider network, delivery system characteristics, and utilization management practices.

(iii) The benefits provided under the plan that are in addition to the essential health benefits.

(iv) Administrative costs, excluding Exchange user fees.

(v) With respect to catastrophic plans, the expected impact of the specific eligibility categories for those plans.

Milliman

1550 Liberty Ridge Drive, Suite 200
Wayne, PA 19087-5572
Tel + 610 687.5644
Fax + 610 687.4236
www.milliman.com

ACTUARIAL MEMORANDUM

Highmark Choice Company

Individual Rate Filing - January 1, 2018

I, [redacted], am a member of the American Academy of Actuaries and meet its qualification standards for preparing individual rate filings. As a consulting actuary, I was requested by Highmark Choice Company ("HCC") to review the development of the market-wide base rate for the individual market on and off the Pennsylvania Exchange. The confidential material presented in this filing was prepared for the specific purpose of submitting the rating formula for the Pennsylvania Insurance Department and may not be appropriate for other purposes. This filing represents premium rates for individuals sold or renewed effective January 1, 2018. The rates are guaranteed until December 31, 2018.

To the best of my knowledge and judgment, the following are true with respect to this filing:

1. Premium rates are established in accordance with generally accepted actuarial principles and the applicable Actuarial Standards of Practice. They are not excessive, inadequate, or unfairly discriminatory. Rates are reasonable in relationship to the benefits provided. However, it is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent that actual experience is different from the assumptions used in developing the rates, the actual results will also deviate from the projected amounts.

2. In compliance with all applicable Pennsylvania and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).

3. The rating factors and rating methodology are reasonable and consistent with HCC's business plan at the time of the filing.

[redacted]

[redacted]
Fellow, Society of Actuaries
Member, American Academy of Actuaries
June 22, 2017

2018 Rates Table Template v7.1

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

If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.

If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an Individual Rate for every age band.

If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.

To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.

HIOS Issuer ID*	38949
Federal TIN*	23-1294723
Rate Effective Date*	01/01/2018
Rate Expiration Date*	12/31/2018
Rating Method*	Age-Based Rates

Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
Required: Enter the 14-character Plan ID	**Required:** Select the Rating Area ID	**Required:** Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	**Required:** Select the age of a subscriber eligible for the rate	**Required:** Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	**Required:** Enter the rate of an Individual tobacco enrollee on a plan
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	269.20	269.20
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	15	293.13	293.13
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	16	302.28	302.28
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	17	311.43	311.43
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	18	321.28	321.28
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	19	331.14	331.14
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	20	341.34	341.34
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	21	351.90	360.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	22	351.90	360.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	23	351.90	360.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	24	351.90	360.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	25	353.31	362.14
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	26	360.35	369.36
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	27	368.79	378.01
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	28	382.52	392.08
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	29	393.78	403.62
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	30	399.41	409.40
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	31	407.85	418.05
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	32	416.30	426.71
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	33	421.58	432.12
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	34	427.21	437.89
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	35	430.02	440.77
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	36	432.84	443.66
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	37	435.65	446.54
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	38	438.47	449.43
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	39	444.10	455.20
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	40	449.73	494.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	41	458.17	506.28
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	42	466.27	518.49
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	43	477.53	535.31
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	44	491.60	556.49
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	45	508.14	581.82
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	46	527.85	612.31
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	47	550.02	647.37
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	48	575.36	688.13
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	49	600.34	730.61
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	50	628.49	769.90
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	51	656.29	803.96
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	52	686.91	841.46
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	53	717.88	879.40
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	54	751.31	920.35
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	55	784.74	961.31
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	56	820.98	1005.70
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	57	857.58	1050.54
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	58	896.64	1098.38
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	59	916.00	1122.10
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	60	955.06	1169.95
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	61	988.84	1211.33
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	62	1011.01	1238.49
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	63	1038.81	1272.54
38949PA0080001	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1055.70	1293.23
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	269.20	269.20
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	15	293.13	293.13
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	16	302.28	302.28
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	17	311.43	311.43
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38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	41	458.17	506.28
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	42	466.27	518.49
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	43	477.53	535.31
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38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	45	508.14	581.82
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	46	527.85	612.31
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	47	550.02	647.37
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	48	575.36	688.13
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	49	600.34	730.61
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	50	628.49	769.90
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	51	656.29	803.96
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	52	686.91	841.46
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38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	55	784.74	961.31
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	56	820.98	1005.70
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	57	857.58	1050.54
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	58	896.64	1098.38
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38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	61	988.84	1211.33
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	62	1011.01	1238.49
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	63	1038.81	1272.54
38949PA0080001	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	1055.70	1293.23
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	227.92	227.92
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	15	248.18	248.18
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	16	255.93	255.93
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	17	263.68	263.68
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	18	272.02	272.02
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	19	280.36	280.36
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	20	289.00	289.00
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	21	297.94	305.39
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	22	297.94	305.39
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	23	297.94	305.39

38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	24	297.94	305.39
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	25	299.13	306.61
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	26	305.09	312.72
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	27	312.24	320.05
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	28	323.86	331.96
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	29	333.39	341.72
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	30	338.16	346.61
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	31	345.31	353.94
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	32	352.46	361.27
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	33	356.93	365.85
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	34	361.70	370.74
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	35	364.08	373.18
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	36	366.47	375.63
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	37	368.85	378.07
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	38	371.23	380.51
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	39	376.00	385.40
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	40	380.77	418.85
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	41	387.92	428.65
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	42	394.77	438.98
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	43	404.30	453.22
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	44	416.22	471.16
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	45	430.23	492.61
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	46	446.91	518.42
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	47	465.68	548.11
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	48	487.13	582.61
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	49	508.29	618.59
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	50	532.12	651.85
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	51	555.66	680.68
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	52	581.58	712.44
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	53	607.80	744.56
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	54	636.10	779.22
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	55	664.41	813.90
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	56	695.09	851.49
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	57	726.08	889.45
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	58	759.15	929.96
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	59	775.54	950.04
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	60	808.61	990.55
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	61	837.21	1025.58
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	62	855.98	1048.58
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	63	879.52	1077.41
38949PA0080002	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	893.82	1094.93
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	227.92	227.92
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	15	248.18	248.18
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	16	255.93	255.93
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	17	263.68	263.68
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	18	272.02	272.02
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	19	280.36	280.36
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	20	289.00	289.00
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	21	297.94	305.39
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	22	297.94	305.39
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	23	297.94	305.39
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	24	297.94	305.39
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	25	299.13	306.61
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	26	305.09	312.72
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	27	312.24	320.05
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	28	323.86	331.96
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	29	333.39	341.72
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	30	338.16	346.61
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	31	345.31	353.94
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	32	352.46	361.27
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	33	356.93	365.85
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	34	361.70	370.74
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	35	364.08	373.18
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	36	366.47	375.63
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	37	368.85	378.07
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	38	371.23	380.51
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	39	376.00	385.40
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	40	380.77	418.85
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	41	387.92	428.65
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	42	394.77	438.98
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	43	404.30	453.22
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	44	416.22	471.16
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	45	430.23	492.61
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	46	446.91	518.42
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	47	465.68	548.11
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	48	487.13	582.61
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	49	508.29	618.59
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	50	532.12	651.85
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	51	555.66	680.68
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	52	581.58	712.44
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	53	607.80	744.56
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	54	636.10	779.22
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	55	664.41	813.90
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	56	695.09	851.49
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	57	726.08	889.45
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	58	759.15	929.96
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	59	775.54	950.04
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	60	808.61	990.55
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	61	837.21	1025.58
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	62	855.98	1048.58
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	63	879.52	1077.41
38949PA0080002	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	893.82	1094.93
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	204.45	204.45
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	15	222.63	222.63
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	16	229.58	229.58
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	17	236.53	236.53
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	18	244.01	244.01
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	19	251.49	251.49
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	20	259.24	259.24
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	21	267.26	273.94
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	22	267.26	273.94
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	23	267.26	273.94
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	24	267.26	273.94
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	25	268.33	275.04
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	26	273.67	280.51
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	27	280.09	287.09
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	28	290.51	297.77
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	29	299.06	306.54
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	30	303.34	310.92
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	31	309.75	317.49
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	32	316.17	324.07
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	33	320.18	328.18

38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	34	324.45	332.56
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	35	326.59	334.75
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	36	328.73	336.95
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	37	330.87	339.14
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	38	333.01	341.34
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	39	337.28	345.71
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	40	341.56	375.72
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	41	347.97	384.51
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	42	354.12	393.78
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	43	362.67	406.55
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	44	373.36	422.64
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	45	385.92	441.88
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	46	400.89	465.03
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	47	417.73	491.67
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	48	436.97	522.62
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	49	455.95	554.89
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	50	477.33	584.73
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	51	498.44	610.59
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	52	521.69	639.07
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	53	545.21	667.88
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	54	570.60	698.99
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	55	595.99	730.09
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	56	623.52	763.81
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	57	651.31	797.85
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	58	680.98	834.20
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	59	695.68	852.21
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	60	725.34	888.54
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	61	751.00	919.98
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	62	767.84	940.60
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	63	788.95	966.46
38949PA0080004	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	801.78	982.18
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	204.45	204.45
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	15	222.63	222.63
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	16	229.58	229.58
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	17	236.53	236.53
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	18	244.01	244.01
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	19	251.49	251.49
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	20	259.24	259.24
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	21	267.26	273.94
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	22	267.26	273.94
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	23	267.26	273.94
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	24	267.26	273.94
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	25	268.33	275.04
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	26	273.67	280.51
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	27	280.09	287.09
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	28	290.51	297.77
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	29	299.06	306.54
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	30	303.34	310.92
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	31	309.75	317.49
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	32	316.17	324.07
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	33	320.18	328.18
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	34	324.45	332.56
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	35	326.59	334.75
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	36	328.73	336.95
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	37	330.87	339.14
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	38	333.01	341.34
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	39	337.28	345.71
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	40	341.56	375.72
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	41	347.97	384.51
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	42	354.12	393.78
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	43	362.67	406.55
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	44	373.36	422.64
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	45	385.92	441.88
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	46	400.89	465.03
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	47	417.73	491.67
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	48	436.97	522.62

38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	49	455.95	554.89
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	50	477.33	584.73
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	51	498.44	610.59
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	52	521.69	639.07
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	53	545.21	667.88
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	54	570.60	698.99
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	55	595.99	730.09
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	56	623.52	763.81
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	57	651.31	797.85
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	58	680.98	834.20
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	59	695.68	852.21
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	60	725.34	888.54
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	61	751.00	919.98
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	62	767.84	940.60
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	63	788.95	966.46
38949PA0080004	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	801.78	982.18
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	225.67	225.67
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	15	245.73	245.73
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	16	253.40	253.40
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	17	261.07	261.07
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	18	269.33	269.33
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	19	277.59	277.59
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	20	286.14	286.14
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	21	294.99	302.36
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	22	294.99	302.36
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	23	294.99	302.36
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	24	294.99	302.36
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	25	296.17	303.57
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	26	302.07	309.62
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	27	309.15	316.88
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	28	320.65	328.67
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	29	330.09	338.34
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	30	334.81	343.18
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	31	341.89	350.44
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	32	348.97	357.69
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	33	353.40	362.24
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	34	358.12	367.07
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	35	360.48	369.49
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	36	362.84	371.91
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	37	365.20	374.33
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	38	367.56	376.75
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	39	372.28	381.59
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	40	377.00	414.70
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	41	384.08	424.41
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	42	390.86	434.64
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	43	400.30	448.74
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	44	412.10	466.50
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	45	425.97	487.74
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	46	442.49	513.29
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	47	461.07	542.68
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	48	482.31	576.84
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	49	503.25	612.46
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	50	526.85	645.39
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	51	550.16	673.95
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	52	575.82	705.38
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	53	601.78	737.18
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	54	629.80	771.51
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	55	657.83	805.84
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	56	688.21	843.06
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	57	718.89	880.64
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	58	751.63	920.75
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	59	767.86	940.63
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	60	800.60	980.74
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	61	828.92	1015.43
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	62	847.51	1038.20
38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	63	870.81	1066.74

38949PA0090001	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	884.97	1084.09
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	225.67	225.67
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	15	245.73	245.73
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	16	253.40	253.40
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	17	261.07	261.07
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	18	269.33	269.33
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	19	277.59	277.59
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	20	286.14	286.14
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	21	294.99	302.36
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	22	294.99	302.36
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	23	294.99	302.36
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	24	294.99	302.36
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	25	296.17	303.57
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	26	302.07	309.62
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	27	309.15	316.88
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	28	320.65	328.67
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	29	330.09	338.34
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	30	334.81	343.18
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	31	341.89	350.44
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	32	348.97	357.69
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	33	353.40	362.24
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	34	358.12	367.07
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	35	360.48	369.49
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	36	362.84	371.91
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	37	365.20	374.33
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	38	367.56	376.75
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	39	372.28	381.59
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	40	377.00	414.70
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	41	384.08	424.41
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	42	390.86	434.64
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	43	400.30	448.74
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	44	412.10	466.50
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	45	425.97	487.74
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	46	442.49	513.29
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	47	461.07	542.68
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	48	482.31	576.84
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	49	503.25	612.46
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	50	526.85	645.39
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	51	550.16	673.95
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	52	575.82	705.38
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	53	601.78	737.18
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	54	629.80	771.51
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	55	657.83	805.84
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	56	688.21	843.06
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	57	718.89	880.64
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	58	751.63	920.75
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	59	767.86	940.63
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	60	800.60	980.74
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	61	828.92	1015.43
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	62	847.51	1038.20
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	63	870.81	1066.74
38949PA0090001	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	884.97	1084.09
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	196.77	196.77
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	15	214.26	214.26
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	16	220.95	220.95
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	17	227.64	227.64
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	18	234.84	234.84
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	19	242.04	242.04
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	20	249.50	249.50
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	21	257.22	263.65
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	22	257.22	263.65
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	23	257.22	263.65
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	24	257.22	263.65
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	25	258.25	264.71
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	26	263.39	269.97
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	27	269.57	276.31

38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	28	279.60	286.59
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	29	287.83	295.03
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	30	291.94	299.24
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	31	298.12	305.57
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	32	304.29	311.90
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	33	308.15	315.85
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	34	312.27	320.08
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	35	314.32	322.18
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	36	316.38	324.29
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	37	318.44	326.40
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	38	320.50	328.51
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	39	324.61	332.73
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	40	328.73	361.60
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	41	334.90	370.06
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	42	340.82	378.99
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	43	349.05	391.29
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	44	359.34	406.77
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	45	371.43	425.29
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	46	385.83	447.56
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	47	402.03	473.19
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	48	420.55	502.98
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	49	438.82	534.04
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	50	459.39	562.75
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	51	479.72	587.66
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	52	502.09	615.06
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	53	524.73	642.79
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	54	549.16	672.72
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	55	573.60	702.66
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	56	600.09	735.11
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	57	626.85	767.89
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	58	655.40	802.87
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	59	669.54	820.19
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	60	698.10	855.17
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	61	722.79	885.42
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	62	738.99	905.26
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	63	759.31	930.15
38949PA0080006	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	771.66	945.28
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	196.77	196.77
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	15	214.26	214.26
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	16	220.95	220.95
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	17	227.64	227.64
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	18	234.84	234.84
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	19	242.04	242.04
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	20	249.50	249.50
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	21	257.22	263.65
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	22	257.22	263.65
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	23	257.22	263.65
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	24	257.22	263.65
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	25	258.25	264.71
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	26	263.39	269.97
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	27	269.57	276.31
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	28	279.60	286.59
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	29	287.83	295.03
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	30	291.94	299.24
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	31	298.12	305.57
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	32	304.29	311.90
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	33	308.15	315.85
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	34	312.27	320.08
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	35	314.32	322.18
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	36	316.38	324.29
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	37	318.44	326.40
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	38	320.50	328.51
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	39	324.61	332.73
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	40	328.73	361.60
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	41	334.90	370.06
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	42	340.82	378.99

38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	43	349.05	391.29
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	44	359.34	406.77
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	45	371.43	425.29
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	46	385.83	447.56
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	47	402.03	473.19
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	48	420.55	502.98
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	49	438.82	534.04
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	50	459.39	562.75
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	51	479.72	587.66
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	52	502.09	615.06
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	53	524.73	642.79
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	54	549.16	672.72
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	55	573.60	702.66
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	56	600.09	735.11
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	57	626.85	767.89
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	58	655.40	802.87
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	59	669.54	820.19
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	60	698.10	855.17
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	61	722.79	885.42
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	62	738.99	905.26
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	63	759.31	930.15
38949PA0080006	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	771.66	945.28
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	180.18	180.18
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	15	196.20	196.20
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	16	202.32	202.32
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	17	208.44	208.44
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	18	215.04	215.04
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	19	221.63	221.63
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	20	228.46	228.46
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	21	235.53	241.42
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	22	235.53	241.42
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	23	235.53	241.42
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	24	235.53	241.42
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	25	236.47	242.38
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	26	241.18	247.21
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	27	246.84	253.01
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	28	256.02	262.42
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	29	263.56	270.15
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	30	267.33	274.01
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	31	272.98	279.80
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	32	278.63	285.60
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	33	282.16	289.21
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	34	285.93	293.08
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	35	287.82	295.02
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	36	289.70	296.94
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	37	291.59	298.88
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	38	293.47	300.81
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	39	297.24	304.67
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	40	301.01	331.11
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	41	306.66	338.86
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	42	312.08	347.03
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	43	319.61	358.28
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	44	329.04	372.47
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	45	340.11	389.43
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	46	353.30	409.83
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	47	368.13	433.29
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	48	385.09	460.57
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	49	401.81	489.00
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	50	420.66	515.31
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	51	439.26	538.09
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	52	459.75	563.19
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	53	480.48	588.59
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	54	502.86	616.00
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	55	525.23	643.41
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	56	549.49	673.13
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	57	573.99	703.14

38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	58	600.13	735.16
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	59	613.08	751.02
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	60	639.23	783.06
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	61	661.84	810.75
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	62	676.68	828.93
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	63	695.28	851.72
38949PA0080007	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	706.59	865.57
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	0-14	180.18	180.18
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	15	196.20	196.20
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	16	202.32	202.32
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	17	208.44	208.44
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	18	215.04	215.04
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	19	221.63	221.63
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	20	228.46	228.46
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	21	235.53	241.42
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	22	235.53	241.42
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	23	235.53	241.42
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	24	235.53	241.42
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	25	236.47	242.38
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	26	241.18	247.21
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	27	246.84	253.01
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	28	256.02	262.42
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	29	263.56	270.15
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	30	267.33	274.01
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	31	272.98	279.80
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	32	278.63	285.60
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	33	282.16	289.21
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	34	285.93	293.08
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	35	287.82	295.02
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	36	289.70	296.94
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	37	291.59	298.88
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	38	293.47	300.81
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	39	297.24	304.67
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	40	301.01	331.11
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	41	306.66	338.86
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	42	312.08	347.03
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	43	319.61	358.28
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	44	329.04	372.47
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	45	340.11	389.43
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	46	353.30	409.83
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	47	368.13	433.29
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	48	385.09	460.57
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	49	401.81	489.00
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	50	420.66	515.31
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	51	439.26	538.09
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	52	459.75	563.19
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	53	480.48	588.59
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	54	502.86	616.00
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	55	525.23	643.41
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	56	549.49	673.13
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	57	573.99	703.14
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	58	600.13	735.16
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	59	613.08	751.02
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	60	639.23	783.06
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	61	661.84	810.75
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	62	676.68	828.93
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	63	695.28	851.72
38949PA0080007	Rating Area 4	Tobacco User/Non-Tobacco User	64 and over	706.59	865.57

TO: Ms. Rashmi Mathur, ASA, MAAA, Actuary
Bureau of Life, Accident & Health Insurance
Pennsylvania Insurance Department

FROM: [redacted]
Highmark Inc.

DATE: June 23, 2017

SUBJECT: Highmark Choice Company 2018 Individual Market Rates
Response to June 16, 2017 Objection Letter
Filing Number: 1A-DP-17-HCC
SERFF Tracking Number: HGHM-131020696

Below are Highmark Choice Company's responses to your objection letter dated June 16, 2017. We have included the questions along with the responses for your convenience.

1. Page 9 of the actuarial memorandum indicates that the Company only offered one plan in 2016 and 2017, which was a gold HMO plan. The Company is terminating that plan, but is offering one gold plan in 2018.

a) Please provide plan descriptions that compare and contrast the previous gold plan with the proposed gold plan.

b) Normalizing for benefit and demographic differences, what rate increase would the 2017 plan have had if it were offered in 2018?

Responses:
Please see worksheet "PID Response – Q1" in the attached workbook for a comparison of the key components of the 2017 and 2018 plans as well as the rate increase calculation. Please note that the rate increase is based on the updated filing which excludes the proposed Pennsylvania premium tax expansion.

2. The underlying annual trend supporting the filing is 11.0%, which is further adjusted by an induced utilization adjustment of -0.43% per year, to develop the overall trend assumption of 10.51% per year.

a) Please provide quantitative support for the 11.0% trend assumption (e.g. demonstrate that it is reasonably consistent with recent historical changes in claim costs).

b) Please provide quantitative support for the annual induced utilization adjustment of -0.43%.

Responses:

a) Due to the significant change in the make-up of the ACA population over the past few years, alternative approaches were necessary to develop the trend. A separate regression study was developed that analyzed the ACA trend levels of cohorts of PA ACA members that were continuously enrolled in 2015 and thru 2016 in the same metal level. The analysis took into consideration seasonality in order to determine the regression trend. Resulting r-squared levels were compared to determine confidence levels of the resulting regression trends to develop a reasonable range of trend assumptions. The assumed pricing trend of 11% fell within the range of the regression study. This assumed trend was further compared to the group business and any industry available ACA data for

reasonability. The graphs from the regression study are included in the attachment (see worksheet name "PID Response – Q2a").

b) Please see worksheet name "PID Response – Q2b" for the development.

3. The actuarial memorandum states that "the $36.74 PMPM projected risk adjustment assumption is comprised of an expected risk transfer receivable of $36.88 PMPM, less the $0.14 PMPM risk adjustment user fee."

a) Please provide the sources for all risk adjustment input values provided in Attachment B.

b) In calculating the $36.88 PMPM expected receivable please demonstrate quantitatively how the prescribed 0.86 factor, which is to be applied to statewide average premium for 2018, was incorporated into the risk adjustment calculation.

Responses:

a) The projection of the 2018 risk adjustment transfer component of the rate development utilizes separate projections of the Pennsylvania Individual Market statewide factors and internal Highmark company factors. We are expecting the Individual ACA market to experience volatility between the experience period and the projection period. This volatility is caused by a changing competitive landscape, overall market contraction, membership churn between carriers, and changes in plan/service area offerings. As such, we have used historical market data, with adjustments where appropriate, and our internal company data to develop the risk adjustment transfer components used in the rate development.

The data sources for the market components include the PA Insurance Department's calculation of 2016 risk adjustment transfer amounts using the 5/1/2017 RATEE files and the PA Insurance Department's Q1 2017 Enrollment by Metal Level survey. These sources provided data on the size of the marketplace, the average actuarial value, the average induced demand, and the overall risk of the 2016 market. Given the aforementioned volatility, this data was supplemented with additional insights into the expected 2018 market size, risk transfer component profile, and average premium levels for the total PA market.

For the Company's risk transfer component profile, the Company used 2016 experience data for the Individual ACA risk pool and adjusted the experience results for anticipated lapses and new business.

b) The Company calculated a statewide average premium assumption of [redacted] PMPM for the 2018 Pennsylvania Individual Non-Catastrophic market. The [redacted] PMPM was multiplied by the 0.86 factor to arrive at the [redacted] PMPM value shown in Attachment B.

4. With respect to the demographic adjustment equal to 1.022, please provide the distribution of membership by age and gender for the following:

- **Projected for 2018**
- **Currently inforce in 2017**
- **Underlying the 2016 base experience**

Responses:

The projected 2018 demographic factor is assumed to be similar to the 2017 demographics of the population used to develop the manual rate as described in the Actuarial Memorandum in aggregate. Thus, this 2017 demographic factor is used as the best estimate for 2018 ACA projected enrollment.

Please see worksheet name "PID Response – Q4" for the development of the 2017 and 2016 factors.

5. In developing the morbidity adjustment equal to 1.117, per Attachment A, a mix of membership from the HCC ACA, HCC Medically Underwritten, and the Uninsured & Employer Markets segments is assumed to make up the projected 2018 HCC ACA membership. However, the 2018 Normalized Allowed PMPM shown in Attachment A appears to be the same for each of these member segments. Please describe and demonstrate quantitatively how the 2018 Normalized Allowed PMPM was calculated for each member segment.

Responses:
For the HCC 2018 projection, we assumed that the allowed PMPMs from the HCC MU and the Uninsured & Employer Markets to be the same as the ACA retained segment itself since it is the majority (almost 90%) the enrollment.

See worksheet name "PID Response – Q5" for the PMPMs development.

The 2016 Normalized Allowed PMPM is calculated using the 2016 ACA BEP claims for the population used to develop the manual rate as described in the Actuarial Memorandum and adjusting the demographic factor and trend for the 2018 rating period.

The 2018 Normalized Allowed PMPM is calculated using the 2017 February snapshot ACA members consistent with the population used to develop the manual rate as the proxy for the 2018 retained ACA members. Underlying 2016 allowed claims of these members are then adjusted for demographic, trend, and projected risks for the 2018 rating period.

The morbidity is then calculated by comparing the 2018 normalized allowed PMPM to the 2016 normalized allowed PMPM.

6. Please explain the discrepancy in the following:

a) Morbidity factor of 1.117 in Table 5 and 1.304 in URRT
b) Total Other factor of 1.115 in Table 5 and 1.05 in URRT
c) Administrative expenses of 7.61% in Table 6 and 7.45% on URRT
d) Paid-to-allowed ratio of 0.695 in Table 5, 0.697 in Support Attachment C and 0.696 on URRT
e) Estimated Cost Sharing in Tables 2 and 4 of the AM exhibits.

Responses:
The morbidity factor of 1.117 and the Total Other factor of 1.115 in Table 5 are applied to the manual experience used to develop the rate. The factors in the URRT are demonstrative only as the resulting PMPMs were given no credibility.

The Administrative Expenses for HCC on a PMPM basis are $39.74. The 7.61% in Table 6 reflects this PMPM as a percentage of premium after removing premium tax from the filing. The 7.45% in the URRT is the same PMPM as a percentage of premium prior to removing premium tax. In conjunction with its response to these questions HCC will be submitting an updated version of all filing documents consistent with the removal of the premium tax.

All three paid to allowed values are correct as displayed:

1. The paid to allowed ratio of .695 in Table 5 is a member weighted average of the plan level factors.

2. The .697 factor in Attachment C is calculated by dividing the sum of the paid claims resulting from each plans paid to allowed ratio by the sum of the allowed charges for each plan. This results in a different weighting than a straight member weighted average.

3. The paid to allowed ratio of .696 in the URRT is applied to all claims including Non-EHB claims which HCC has added in as a fixed PMPM. Table 5 applies the paid to allowed factor to EHB claims only and then adds the fixed Non-EHB claims PMPM in a later step. The higher paid to allowed ratio is needed to account for this difference in methodology.

The cost sharing value in Table 4 was incorrect and has been corrected in the new version of the filing submitted with these responses.

7. Please explain why the Health Insurance Tax of 3.4% was not included in the Taxes & Fees on Table 6.

Responses:
HCC meets the qualifications of an entity that is excluded from having to pay the Health Insurance Tax because (i) it is a nonprofit corporation, (ii) no part of its earnings inures to the benefit of any private shareholder, and no substantial part of its activities involve propaganda or political activities, and (iii) more than 80 percent of its gross revenues is received from government program business that targets low-income, elderly, and disabled populations. Since we expect this business to remain the dominant business in the Company through the 2018 rating period, we do not expect the Company to be charged this tax in 2018, and so do not apply the Health Insurance Tax in the rate development.

8. Please demonstrate how the proposed demographic and morbidity adjustments were taken into account in calculating the projected 2018 HCC Non-Catastrophic Pool risk score of [redacted] used in the development of the projected 2018 risk adjustment transfer.

Responses:
HCC used the same projected population that was used to develop the morbidity and demographic factors to develop the risk score of [redacted]. Since this risk score already reflects the expected population, no explicit adjustments for morbidity or demographics are required.

9. Please demonstrate quantitatively how the CY2018 Network Factor in Attachment A equal to 0.928 was developed and describe what specific network contracting changes are expected to result in a 13.7% increase in projected costs relative to the base experience.

Responses:
In attachment A, the 1.137 change in network reflected a change in the network value for 2016 versus 2018. The network values for 2016 and 2018 were set relative to the expected claims level for each respective period. For 2016, the claims level was at the broad network level so the network factor relative to 2016 is more (that is, a smaller factor vs 2018) since it was applied to a broad network claims level. For the projected 2018 period, it is expected to be less than the broad network level, so the 2018 network factor does not need to be as steep versus the 2016 network factor. Thus, this is not an increase in network cost, just a difference of relative factors since the claims base for the factors are not equivalent.

10. Please provide the workbook with support data and calculations for the following:

a) Age calibration factor or 1.815
b) Geographic calibration factor of 0.970
c) Tobacco factor of 0.992

Responses:
Please see the response to question 4 above for the development.

For the geographic calibration factor of 0.970, all rating areas in the HCC marketing region have the same 0.970 factor. So no additional development is needed.

11. For the expanded Bronze plans, please demonstrate that the copay is less than or equal to 50% coinsurance for that category.

Responses:
The Prescription Drug Benefit Plan provides three major services, as defined on page 94142 of the Federal Register, of coverage that are less than or equal to 50% coinsurance and available prior to any deductible. These services include: generic drugs, specialty drugs, and preferred branded drugs. The coinsurance percentages corresponding to these categories can be found in the AV screenshots provided as part of the Actuarial Memorandum. A certification of the coinsurance values used can also be found in the Actuarial Memorandum.

12. The average age in Table 1 should be the true age based on single year bands distribution. If not, please revise Table 1.

Responses:
There were errors in the experience period and February 1 snapshot average ages as well as the February 1 age distribution submitted in the original filing. The values are corrected in the update submitted with these responses. Please see the tab "PID Response – Q12" for the calculation of the average ages.

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

Responses:
An error was found in the 21 year old rates by county found in the Plan Design and Rate Tables. This error has been corrected as part of the update submitted with these responses. After this correction all presented rates are consistent.

Response to Objection 1 - Question 1

Part a) - Plan Comparison

	2017	2018
Plan Name	Care Guide HMO 750	my Direct Blue HMO 1000G
Deductible	$750	$1,000
Coinsurance	80%	80%
Outo of Pocket	$5,750	$6,500
PCP Copay	$15	$20
Specialist Copay	$50	$50
ER Copay	$250	$500
Basic (lab a& Path) Copay	$20	$25
Basic (imaging) Copay	$50	$45
MH/SA Copay	$50	$50
Network	KHPW	ACA Narrow

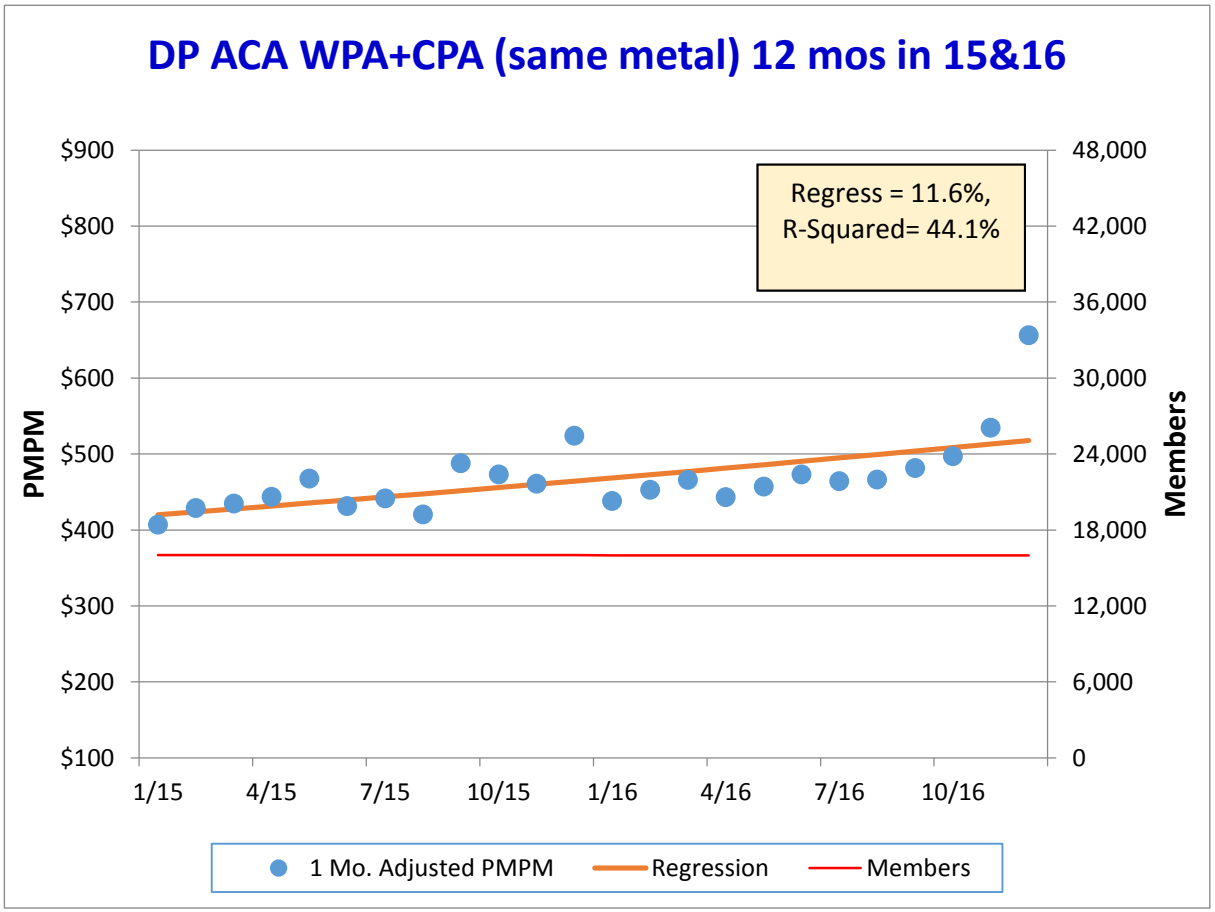
Part b) - Approximated Rate Increase

Market Adjusted Index Rate	$692.20
Pricing AV	0.836
Richness	1.050
Benefits in Addition to EHB	1.002
Network	1.063
Specific Eligibility	1.000
Tobacco Surcharge	0.992
Pure Premium	$641.82
Admin	7.6%
Taxes and Fees	0.0%
Profit/Contingency	0.0%
Average Rate	$694.97
Calibration Factor	1.760
Calibrated 2018 Index Rate	$394.78
Calibrated 2017 Index Rate	$481.01
Rate Increase	**-17.9%**

Regression Analysis

DP ACA

Valuation Date: January 31, 2017



Incur Month	Memb	1 Mo. Adj. PMPM	Regress.
1/15	16,017	$406.95	$419.94
2/15	16,014	$428.84	$423.79
3/15	16,010	$434.79	$427.67
4/15	16,013	$443.24	$431.59
5/15	16,011	$467.40	$435.54
6/15	16,011	$431.33	$439.53
7/15	16,011	$441.38	$443.56
8/15	16,011	$420.21	$447.62
9/15	16,011	$487.73	$451.72
10/15	16,013	$472.86	$455.86
11/15	16,009	$460.83	$460.04
12/15	16,009	$523.77	$464.25
1/16	16,000	$437.85	$468.50
2/16	16,002	$452.52	$472.80
3/16	16,000	$465.73	$477.13
4/16	16,001	$442.95	$481.50
5/16	15,999	$456.95	$485.91
6/16	15,999	$472.88	$490.36
7/16	16,001	$464.04	$494.85
8/16	16,000	$466.02	$499.39
9/16	16,000	$481.29	$503.96
10/16	16,001	$496.88	$508.58
11/16	16,002	$534.42	$513.24
12/16	16,002	$655.98	$517.94

REGRESSION	
Slope:	1.009
Regress:	11.6%
R-Square	44.1%
Intercept:	$372.99

Notes:

PMPM scale (on left) is allowed charges. Enrollment scale (on right) is monthly membership.

Regression uses data from CY15 and CY16.

Cohorts, by segment, are all members with exactly 12 months in each of 2015 and 2016 and no metal level changes.

Response to Objection 1 - Question 2b

CY2016 Benefit Richness	1.0372
CY2018 Benefit Richness	1.0283
Projected Change in Benefit Richness	0.9915
Induced Demand Factor Adjustment for URRT	-0.43%

HHS Age Curve and Tobacco Load Factors

Age Band	Age Factor 2018	Age Factor Pre2018	Tobacco Factor 2015	Non-Tobacco Member	Tobacco Member	All Members 2017	Billable Members 2017	Non-Tobacco Member	Tobacco Member	All Members 2016
0	0.765	0.635	1.000	0.42%	0.00%	0.42%	0.40%	0.78%	0.00%	0.78%
1	0.765	0.635	1.000	0.42%	0.00%	0.42%	0.42%	0.46%	0.00%	0.46%
2	0.765	0.635	1.000	0.39%	0.00%	0.39%	0.37%	0.43%	0.00%	0.43%
3	0.765	0.635	1.000	0.35%	0.00%	0.35%	0.33%	0.47%	0.00%	0.47%
4	0.765	0.635	1.000	0.33%	0.00%	0.33%	0.31%	0.50%	0.00%	0.50%
5	0.765	0.635	1.000	0.46%	0.00%	0.46%	0.45%	0.48%	0.00%	0.48%
6	0.765	0.635	1.000	0.41%	0.00%	0.41%	0.40%	0.45%	0.00%	0.45%
7	0.765	0.635	1.000	0.40%	0.00%	0.40%	0.35%	0.45%	0.00%	0.45%
8	0.765	0.635	1.000	0.43%	0.00%	0.43%	0.42%	0.44%	0.00%	0.44%
9	0.765	0.635	1.000	0.45%	0.00%	0.45%	0.45%	0.47%	0.00%	0.47%
10	0.765	0.635	1.000	0.45%	0.00%	0.45%	0.43%	0.51%	0.00%	0.51%
11	0.765	0.635	1.000	0.38%	0.00%	0.38%	0.36%	0.56%	0.00%	0.56%
12	0.765	0.635	1.000	0.54%	0.00%	0.54%	0.50%	0.51%	0.00%	0.51%
13	0.765	0.635	1.000	0.49%	0.00%	0.49%	0.48%	0.54%	0.00%	0.54%
14	0.765	0.635	1.000	0.55%	0.00%	0.55%	0.56%	0.56%	0.00%	0.56%
15	0.833	0.635	1.000	0.64%	0.00%	0.64%	0.62%	0.61%	0.00%	0.61%
16	0.859	0.635	1.000	0.68%	0.00%	0.68%	0.67%	0.71%	0.00%	0.71%
17	0.885	0.635	1.000	0.70%	0.00%	0.70%	0.70%	0.70%	0.00%	0.70%
18	0.913	0.635	1.000	0.83%	0.00%	0.83%	0.83%	0.67%	0.00%	0.67%
19	0.941	0.635	1.000	0.90%	0.02%	0.93%	0.92%	1.05%	0.00%	1.05%
20	0.970	0.635	1.000	1.15%	0.01%	1.16%	1.16%	1.01%	0.00%	1.01%
21	1.000	1.000	1.025	0.98%	0.01%	0.99%	0.99%	1.13%	0.02%	1.16%
22	1.000	1.000	1.025	1.13%	0.02%	1.15%	1.15%	0.81%	0.03%	0.85%
23	1.000	1.000	1.025	0.86%	0.02%	0.88%	0.89%	0.94%	0.03%	0.97%
24	1.000	1.000	1.025	1.00%	0.07%	1.07%	1.07%	0.78%	0.03%	0.82%
25	1.004	1.004	1.025	1.06%	0.04%	1.09%	1.10%	0.85%	0.06%	0.92%
26	1.024	1.024	1.025	1.78%	0.15%	1.93%	1.94%	2.37%	0.16%	2.53%
27	1.048	1.048	1.025	1.88%	0.13%	2.01%	2.02%	1.71%	0.15%	1.86%
28	1.087	1.087	1.025	1.73%	0.15%	1.87%	1.88%	1.46%	0.15%	1.60%
29	1.119	1.119	1.025	1.63%	0.22%	1.85%	1.85%	1.31%	0.13%	1.44%
30	1.135	1.135	1.025	1.48%	0.13%	1.61%	1.62%	1.32%	0.14%	1.46%
31	1.159	1.159	1.025	1.35%	0.16%	1.51%	1.51%	1.27%	0.12%	1.39%
32	1.183	1.183	1.025	1.24%	0.14%	1.38%	1.38%	1.23%	0.11%	1.35%
33	1.198	1.198	1.025	1.27%	0.11%	1.38%	1.38%	1.17%	0.17%	1.34%
34	1.214	1.214	1.025	1.24%	0.15%	1.39%	1.40%	1.18%	0.15%	1.33%
35	1.222	1.222	1.025	1.34%	0.16%	1.49%	1.50%	1.17%	0.13%	1.30%
36	1.230	1.230	1.025	1.18%	0.12%	1.30%	1.30%	1.26%	0.17%	1.43%
37	1.238	1.238	1.025	1.12%	0.20%	1.32%	1.33%	1.10%	0.12%	1.23%
38	1.246	1.246	1.025	1.02%	0.18%	1.20%	1.21%	1.23%	0.17%	1.39%
39	1.262	1.262	1.025	1.01%	0.14%	1.15%	1.16%	0.91%	0.11%	1.02%
40	1.278	1.278	1.100	0.94%	0.10%	1.04%	1.05%	1.07%	0.13%	1.20%
41	1.302	1.302	1.105	1.02%	0.13%	1.15%	1.16%	0.88%	0.13%	1.01%
42	1.325	1.325	1.112	0.96%	0.16%	1.12%	1.12%	1.16%	0.12%	1.28%
43	1.357	1.357	1.121	1.24%	0.08%	1.32%	1.33%	1.18%	0.13%	1.31%
44	1.397	1.397	1.132	1.31%	0.09%	1.40%	1.40%	1.35%	0.10%	1.45%
45	1.444	1.444	1.145	1.49%	0.08%	1.57%	1.58%	1.53%	0.15%	1.68%
46	1.500	1.500	1.160	1.66%	0.18%	1.84%	1.85%	1.47%	0.17%	1.64%
47	1.563	1.563	1.177	1.43%	0.11%	1.54%	1.54%	1.40%	0.13%	1.53%
48	1.635	1.635	1.196	1.52%	0.11%	1.63%	1.63%	1.53%	0.10%	1.63%
49	1.706	1.706	1.217	1.84%	0.14%	1.98%	1.99%	1.62%	0.15%	1.76%
50	1.786	1.786	1.225	1.74%	0.11%	1.85%	1.85%	1.88%	0.15%	2.03%
51	1.865	1.865	1.225	1.88%	0.17%	2.06%	2.06%	2.01%	0.15%	2.16%
52	1.952	1.952	1.225	2.01%	0.15%	2.15%	2.16%	1.98%	0.22%	2.20%
53	2.040	2.040	1.225	1.90%	0.18%	2.07%	2.08%	2.10%	0.16%	2.26%
54	2.135	2.135	1.225	2.12%	0.10%	2.23%	2.23%	2.38%	0.16%	2.54%
55	2.230	2.230	1.225	2.01%	0.20%	2.20%	2.21%	2.70%	0.16%	2.86%
56	2.333	2.333	1.225	2.63%	0.16%	2.79%	2.80%	2.50%	0.26%	2.76%
57	2.437	2.437	1.225	2.68%	0.15%	2.83%	2.84%	2.98%	0.18%	3.16%
58	2.548	2.548	1.225	3.00%	0.16%	3.17%	3.18%	3.14%	0.21%	3.35%
59	2.603	2.603	1.225	2.99%	0.24%	3.23%	3.24%	3.25%	0.15%	3.40%
60	2.714	2.714	1.225	3.48%	0.10%	3.58%	3.59%	3.47%	0.17%	3.64%
61	2.810	2.810	1.225	3.51%	0.16%	3.68%	3.69%	3.85%	0.29%	4.14%
62	2.873	2.873	1.225	3.99%	0.22%	4.21%	4.22%	4.53%	0.27%	4.81%
63	2.952	2.952	1.225	4.71%	0.26%	4.97%	4.99%	5.17%	0.25%	5.43%
64	3.000	3.000	1.225	6.17%	0.24%	6.42%	6.44%	2.92%	0.13%	3.05%
				93.87%	6.13%	100.00%	100.00%	93.62%	6.38%	100.00%
				15,392	1,005	16,397	16,344	23,348	1,591	24,939

Response to Objection 1 - Question 10

Part a)	
Average Age Factor	1.821
Child Cap Adjustment	1.003
Average Age Factor - Adjusted	1.815
Part b)	
Average Area Factor	0.970
Part c)	
Average Tobacco Factor	1.008
	0.992

Response to Objection 1 - Question 4

Projected for 2018	
Average Age Factor	1.821
Average Area Factor	0.970
Average Tobacco Factor	1.008
Average Demographic Factor	1.781
Currerntly inforce in 2017	
Average Age Factor	1.821
Average Area Factor	0.970
Average Tobacco Factor	1.008
Average Demographic Factor	1.781
2016 Base Experience	
Average Age Factor	1.781
Average Area Factor	0.970
Average Tobacco Factor	1.009
Average Demographic Factor	1.743
Projected vs Base Experience	1.022

Response to Objection 1 - Question 5

2016 PMPM Development	
BEP Member Months	243,688
Projected Normalized Allowed Claims	$99,292,178
Projected Normalized Allowed PMPM	$407.46
2018 PMPM Development	
Member Months (Feb 2017 Snapshot)	195,407
Projected Normalized Allowed Claims	$88,898,962
Projected Normalized Allowed PMPM	$454.94
2018 Morbidity Factor	1.117

HHS Age Curve

Age Band	Age Factor 2018	Age Factor Pre2018	Projection	Snapshot	Base Period
0	0.765	0.635	0.42%	1.07%	2.00%
1	0.765	0.635	0.42%	0.53%	0.56%
2	0.765	0.635	0.39%	1.07%	1.50%
3	0.765	0.635	0.35%	0.53%	1.03%
4	0.765	0.635	0.33%	0.53%	1.03%
5	0.765	0.635	0.46%	1.07%	1.84%
6	0.765	0.635	0.41%	0.00%	0.38%
7	0.765	0.635	0.40%	0.00%	0.38%
8	0.765	0.635	0.43%	1.07%	1.38%
9	0.765	0.635	0.45%	0.53%	0.56%
10	0.765	0.635	0.45%	0.53%	0.47%
11	0.765	0.635	0.38%	1.07%	1.56%
12	0.765	0.635	0.54%	0.53%	1.16%
13	0.765	0.635	0.49%	0.53%	1.19%
14	0.765	0.635	0.55%	0.53%	1.13%
15	0.833	0.635	0.64%	1.07%	1.25%
16	0.859	0.635	0.68%	0.53%	0.44%
17	0.885	0.635	0.70%	1.60%	2.25%
18	0.913	0.635	0.83%	1.60%	1.91%
19	0.941	0.635	0.93%	2.67%	3.66%
20	0.970	0.635	1.16%	1.07%	1.13%
21	1.000	1.000	0.99%	1.60%	2.22%
22	1.000	1.000	1.15%	0.53%	0.75%
23	1.000	1.000	0.88%	1.07%	1.13%
24	1.000	1.000	1.07%	0.53%	0.38%
25	1.004	1.004	1.09%	1.60%	1.50%
26	1.024	1.024	1.93%	4.28%	4.00%
27	1.048	1.048	2.01%	2.14%	1.72%
28	1.087	1.087	1.87%	4.28%	3.78%
29	1.119	1.119	1.85%	1.60%	1.44%
30	1.135	1.135	1.61%	1.07%	1.13%
31	1.159	1.159	1.51%	3.21%	3.31%
32	1.183	1.183	1.38%	1.07%	1.09%
33	1.198	1.198	1.38%	1.60%	1.50%
34	1.214	1.214	1.39%	1.07%	0.81%
35	1.222	1.222	1.49%	1.07%	1.47%
36	1.230	1.230	1.30%	2.67%	4.03%
37	1.238	1.238	1.32%	1.07%	1.78%
38	1.246	1.246	1.20%	1.07%	1.75%
39	1.262	1.262	1.15%	1.07%	1.81%
40	1.278	1.278	1.04%	1.60%	1.72%
41	1.302	1.302	1.15%	0.53%	0.75%
42	1.325	1.325	1.12%	1.07%	1.44%
43	1.357	1.357	1.32%	1.60%	1.84%
44	1.397	1.397	1.40%	1.60%	2.16%
45	1.444	1.444	1.57%	2.67%	2.34%
46	1.500	1.500	1.84%	1.07%	0.81%
47	1.563	1.563	1.54%	2.14%	1.72%
48	1.635	1.635	1.63%	1.07%	0.84%
49	1.706	1.706	1.98%	1.60%	1.13%
50	1.786	1.786	1.85%	1.60%	1.47%
51	1.865	1.865	2.06%	1.60%	1.50%
52	1.952	1.952	2.15%	1.07%	0.88%
53	2.040	2.040	2.07%	3.74%	2.94%
54	2.135	2.135	2.23%	1.07%	1.06%
55	2.230	2.230	2.20%	3.21%	1.50%
56	2.333	2.333	2.79%	3.21%	1.47%
57	2.437	2.437	2.83%	0.00%	0.00%
58	2.548	2.548	3.17%	2.67%	1.28%
59	2.603	2.603	3.23%	1.60%	0.81%
60	2.714	2.714	3.58%	4.28%	3.16%
61	2.810	2.810	3.68%	2.14%	1.84%
62	2.873	2.873	4.21%	2.67%	2.09%
63	2.952	2.952	4.97%	1.07%	0.72%
64	3.000	3.000	6.42%	4.28%	2.13%
			100.00%	100.00%	100.00%
			16,397	187	267

Response to Objection 1 - Question 12

Experience Period Average Age	33
Snapshot Average Age	38
Projected Average Age	44

TO: Ms. Rashmi Mathur, ASA, MAAA, Actuary
Bureau of Life, Accident & Health Insurance
Pennsylvania Insurance Department

FROM: [redacted]
Highmark Inc.

DATE: July 14, 2017

SUBJECT: Highmark Choice Company 2018 Individual Market Rates
Response to July 7, 2017 Objection Letter
Filing Number: 1A-DP-17-HCC
SERFF Tracking Number: HGHM-131020696

Below are Highmark Choice Company's responses to your objection letter dated July 7, 2017. We have included the questions along with the responses for your convenience.

1. Regarding the response to Question 2:
a) The December 2016 estimated adjusted PMPM provided in the response to Question 2a appears quite high relative to the other months provided and appears to show a seasonality impact far greater than was observed in December 2015. Please provide updated estimated adjusted PMPMs by incurral month and regression results using at least three months of run-out (e.g. a Valuation Date equal to March 31, 2017 or later).
b) With respect to the December 2016 adjusted PMPM, please provide the component of the $655.98 value which is associated with paid claims (as of January 31, 2017) and that which is associated with IBNR.
c) Please provide the development of the CY2016 and CY2018 Benefit Richness factors provided in the response to Question 2b.

a) We agree that December is the highest adjusted PMPM for both years and that a seasonality factor definitely occurs due to that. In general, the primary drivers include members reaching calendar year out-of-pockets, anticipated changes of coverage for the upcoming renewal year, anticipation changes in members switching markets, and the amount of retroactive cancelations that occur in the month of December.

   Please see exhibit named "Response Q1a – Exhibit 1" for the revised regression with run-out thru March. Additionally, "Response Q1a – Exhibit 2" was included as an additional regression based on CY2016 only rather than a two-year period for reference

b) The completion factor used in the original regression study for December was 0.835.

c) The CY2016 and CY2018 benefit richness factors were calculated by applying the metal level distribution of the each year to the following factors: Gold = 1.08, Silver = 1.03, Bronze = 1.00, and Catastrophic = 0.92.

2. Regarding the response to Question 4:
a) In the calculation being used to develop the demographic adjustment equal to 1.022, please explain why the 2016 Base Experience factors are calculated using the 2016 age factors instead of the 2018 age factors.

b) By using two different sets of rating factors for the calculation, the demographic adjustment appears to not only measure the anticipated impact to costs due to the change in projected demographic mix between the base period and 2018, but also the change in proposed rating factors. Please confirm and clarify why it is appropriate to incorporate the change in proposed rating factors (age and tobacco) in the development of the projected Index Rate.

Response:

a) In order to capture the rate impact of all rating factors, the pre-2018 age curve was used in the base period and the 2018 age curve was used in the 2018 rating period.
b) We agreed. The overall rate increase should reflected the impact of change in the age curve as well as the change in the demographic mixed.

3. Regarding the response to Question 5:
a) Please provide numerical support for the $99,292,178 2016 "Projected Normalized Allowed Claims" and the $88,898,962 2018 "Projected Normalized Allowed Claims" from the tab "PID Response - Q5" from the provided file "1A-DP-17-HCC Objection 1 Response Exhibits.xlsx), including the following items for each of the two figures referenced in your response:
 Starting non-normalized allowed claims and membership volumes
 Demographic normalization factor
 Trend normalization factor
 Projected risk normalization factor
 Any other normalization factors which were applied
b) Please reconcile the 195,407 "Member Months (Feb 2017 Snapshot)" with the provided February 1, 2017 membership equal to 185.

Response:

a) The development can be found in the "Response – Q3" tab of the attached worksheet.
b) The February 1, 2017 membership of 185 represents the total number of members enrolled as of that point in time. Due to plan discontinuations within the Highmark Inc. entity, the HCC membership is expected to grow in 2018. Therefore, the 195,407 member months represents a blend of both the HCC membership and a subset of the Highmark Inc. membership.

4. Regarding the response to Question 9:
a) It is our understanding that the network adjustment equal to 1.137 reflects that, on a normalized basis, costs associated with the network for HCC are expected to be approximately 14% higher than for those associated with the network underlying the manual rate. Please confirm that this understanding is correct. If it is not correct, please clarify.
b) Please demonstrate quantitatively how the CY2018 Network Factor of 0.928 and the CY2016 Network Factor of 0.816 were developed.

Response:
The CY2016 and CY2018 average network factors were calculated by applying the enrollment distribution percentages at the network level to the factors in Table 14 for each respective year.

5. If you wish to make adjustments to the projected RA amount included in this rate filing and the URRT, based on the June 30, 2017 Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers, please do so in this submission. Provide narrative and an Excel spreadsheet demonstrating the development and assumptions.

Response:
The Company does not wish to make adjustments to its projected RA amount for the 2018 rating year.

6. Please note that all revisions must be reflected in this resubmission. The Department shall not allow any changes to the rates after this submission.

Response:
In accordance with the filing instructions specified by the Pennsylvania Insurance Department, the rate development in this filing is based on certain assumptions we have had to make at this point in time. Most notably, these assumptions include that CSR payments and advance payment of premium credits (APTCs) will continue until the end of 2018, there will be no significant changes in legislation, regulations or otherwise (i.e. rules, regulatory guidance, etc.) impacting the ACA market, and all Pennsylvania QHP issuers currently participating on the Marketplace will continue to do so throughout 2018. In addition, there are other uncertainties that may directly or indirectly affect an already unstable insurance market and ultimately, rates. One of these uncertainties includes the prospective enforcement of the ACA individual mandate. If any of these assumptions are ultimately incorrect or additional developments occur that similarly have a detrimental impact to the market, modifications to the rate development may be necessary. As a result, the Company reserves the right to submit a revised filing.

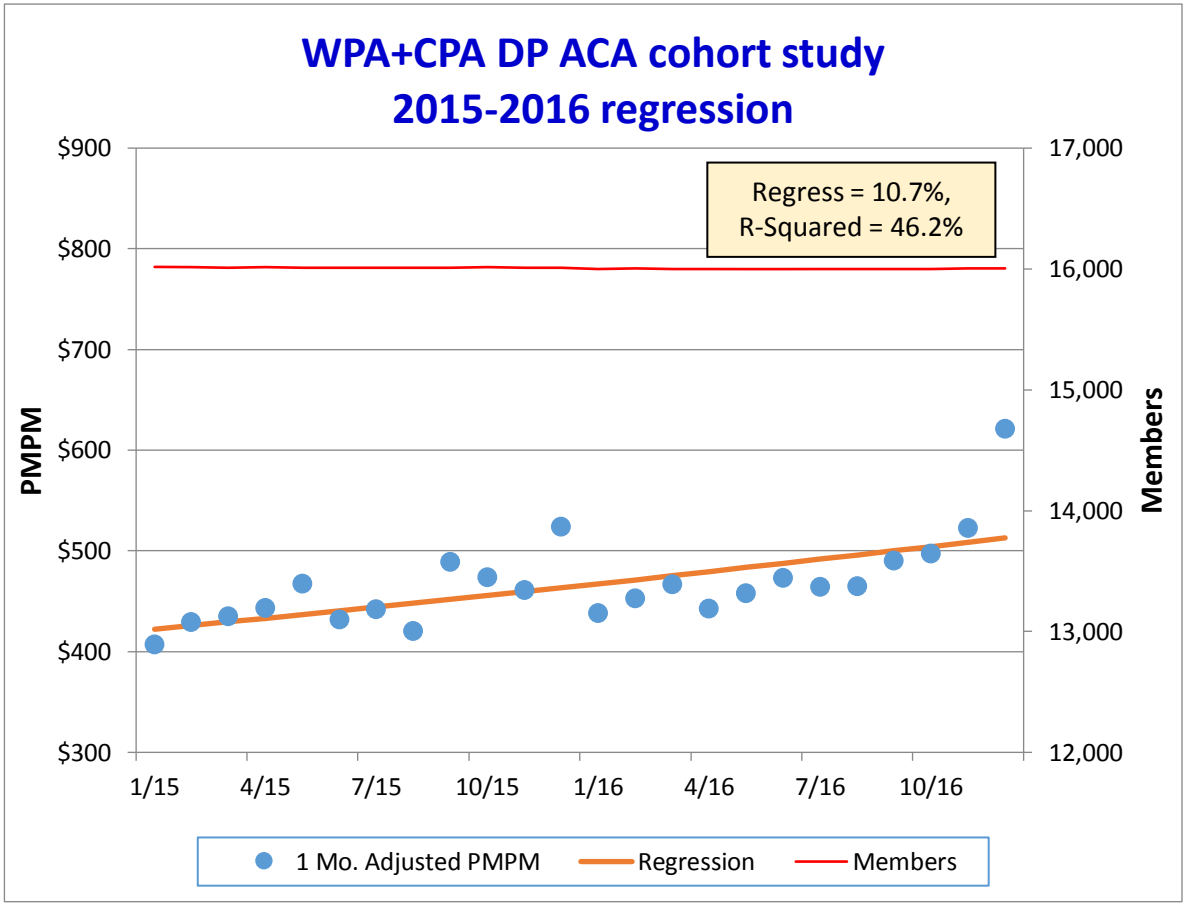
7. Please provide a PDF file for public review (Public Rate Filing PDF) in SERFF to show the updated rate request. The following updated supporting items must be included:
• Cover Letter
• Rate Change Request Summary (Attachment 1)
• Part 1 - Unified Rate Review Template (URRT)
• Part II - Consumer Friendly Justification
• Part III - Federal Actuarial Memorandum (redacted)
• PA Actuarial Memorandum (redacted)
• PA Actuarial Memorandum Rate Exhibits
• PA Plan Design Summary and Rate Tables
• Federal Rates Templates
• Service Area Maps
• Correspondence - Q&A's
Please remain cognizant of the limited redactions as outlined on pages 3 and 4 of the 2018 Guidance. Only those specific items may be redacted. Since AV screenshots and commission schedules are proprietary, they should not be included in this public PDF. Additionally, please ensure that documents and spreadsheets are internally consistent and that the Excel exhibit with formula corrections emailed to you on June 6, 2017 is used. The deadline for the revised PDF is COB July 18, 2017.

Response:
The Company will provide the requested PDF file for public review by July 18, 2017, through its SERFF rate submission. This document will contain all the supporting items referenced above, although due to SERFF file size limitations, the Public Rate Filing PDF may need to be split into two files. Please note that since Question #3 & #8 from the Department's Rate Filing Objection Letter dated 06/16/2017 pertained to relative risk levels (i.e. the risk adjustment development), the Company included a redacted response to the 06/16/2017 Rate Filing Objection Letter in its Public Rate Filing PDF.

Regression Analysis

DP ACA by region

Valuation Date: March 31, 2017



Incur Month	Memb	1 Mo. Adj. PMPM	Regress.
1/15	16,017	$407.13	$422.26
2/15	16,014	$429.03	$425.85
3/15	16,010	$435.06	$429.47
4/15	16,013	$443.37	$433.12
5/15	16,011	$467.58	$436.80
6/15	16,011	$431.61	$440.51
7/15	16,011	$441.64	$444.25
8/15	16,011	$420.54	$448.03
9/15	16,011	$488.60	$451.84
10/15	16,013	$473.30	$455.68
11/15	16,009	$461.05	$459.55
12/15	16,009	$524.13	$463.45
1/16	16,000	$438.05	$467.39
2/16	16,002	$452.55	$471.36
3/16	16,000	$466.79	$475.37
4/16	16,001	$442.31	$479.41
5/16	15,999	$457.99	$483.48
6/16	15,999	$473.10	$487.59
7/16	16,001	$464.22	$491.74
8/16	16,000	$464.56	$495.91
9/16	16,000	$490.37	$500.13
10/16	16,001	$496.92	$504.38
11/16	16,002	$522.42	$508.66
12/16	16,002	$621.12	$512.99

REGRESSION	
Slope:	1.008
Regress:	10.7%
R-Square	46.2%
Intercept:	$378.28

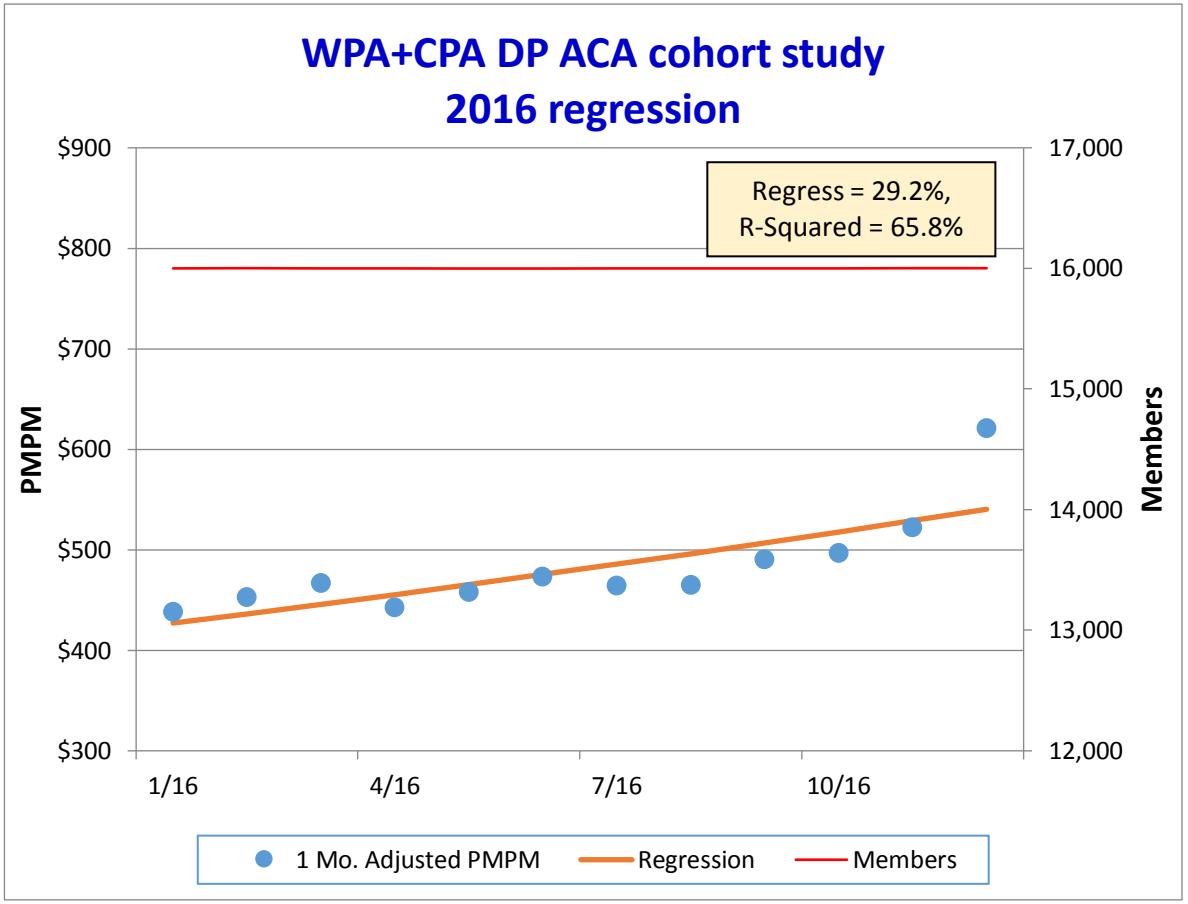
Notes:

PMPM scale (on left) is allowed charges. Enrollment scale (on right) is monthly membership. Regression uses data from CY15 and CY16. Cohorts, by segment, are all members with exactly 12 months in each of 2015 and 2016. Monthly PMPMs restated from Jan-17 valuation using an adjustment factor to make comparable to Mar-17 valuation.

Regression Analysis

DP ACA by region

Valuation Date: March 31, 2017



Incur Month	Memb	1 Mo. Adj. PMPM	Regress.
1/16	16,000	$438.05	$427.17
2/16	16,002	$452.55	$436.39
3/16	16,000	$466.79	$445.82
4/16	16,001	$442.31	$455.45
5/16	15,999	$457.99	$465.28
6/16	15,999	$473.10	$475.33
7/16	16,001	$464.22	$485.59
8/16	16,000	$464.56	$496.08
9/16	16,000	$490.37	$506.79
10/16	16,001	$496.92	$517.74
11/16	16,002	$522.42	$528.92
12/16	16,002	$621.12	$540.34

Notes:

PMPM scale (on left) is allowed charges. Enrollment scale (on right) is monthly membership. Regression uses data from CY16. Cohorts, by segment, are all members with exactly 12 months in each of 2015 and 2016. Monthly PMPMs restated from Jan-17 valuation using an adjustment factor to make comparable to Mar-17 valuation.

REGRESSION	
Slope:	1.022
Regress:	29.2%
R-Square	65.8%
Intercept:	$250.39

Morbidity Factor Development	2016	2018
Member Months	243,688	195,407
Medical Allowed Claims	$140,449,199	$111,077,046
2018 Morbidity Adjustment		1.1589
2018 Non-EHB		0.9980
2018 Trend Factor @ 11% Trend	1.2321	1.2321
Demographic Factor	1.7428	1.7806
Projected Normalized Allowed Claims	$99,292,178	$88,898,962
Projected Normalized Allowed PMPM	$407.46	$454.94
2018 Morbidity Factor		1.117