

State:	Pennsylvania	Filing Company:	First Priority Life Insurance Company
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
Product Name:	2017 FPLIC Individual Rate Filing		
Project Name/Number:	1A-DP-16-FPLIC/1A-DP-16-FPLIC		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		1A-DP-16-FPLIC Rates		New		FPLIC Off Exchange 2017 2016-05-10.pdf, FPLIC Off Exchange 2017 2016-05-10.xls, 1A-DP-16-FPLIC Plan Design Summary and Rate Tables.pdf, 1A-DP-16-FPLIC Plan Design Summary and Rate Tables.xlsx,

SERFF Tracking #:	HGHM-130536965	State Tracking #:	HGHM-130536965	Company Tracking #:	1A-DP-16-FPLIC
<hr/>					
State:	Pennsylvania		Filing Company:	First Priority Life Insurance Compnay	
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense				
Product Name:	2017 FPLIC Individual Rate Filing				
Project Name/Number:	1A-DP-16-FPLIC/1A-DP-16-FPLIC				

Attachment FPLIC Off Exchange 2017 2016-05-10.xls is not a PDF document and cannot be reproduced here.

Attachment 1A-DP-16-FPLIC Plan Design Summary and Rate Tables.xlsx is not a PDF document and cannot be reproduced here.

2017 Rates Table Template v6.0	All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.				
	If you are a community rating state, select Family Option under Age and fill in all columns.				
	If you are not community rating state, select 0-20 under Age 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*	55957				
Federal TIN*	23-2905083				
Rate Effective Date*	01/01/2017				
Rate Expiration Date*	12/31/2017				
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	Require: 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
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	0-20	168.46	168.46
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	21	265.29	278.55
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	22	265.29	278.55
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	23	265.29	278.55
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	24	265.29	278.55
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	25	266.35	279.67
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	26	271.66	285.24
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	27	278.02	291.92
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	28	288.37	302.79
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	29	296.86	311.70
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	30	301.10	316.16
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	31	307.47	322.84
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	32	313.84	329.53
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	33	317.82	333.71
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	34	322.06	338.16
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	35	324.18	340.39
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	36	326.31	342.63
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	37	328.43	344.85
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	38	330.55	347.08
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	39	334.80	351.54
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	40	339.04	372.94
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	41	345.41	380.97
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	42	351.51	388.70
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	43	360.00	399.51
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	44	370.61	413.11
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	45	383.08	429.23
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	46	397.94	448.63
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	47	414.65	470.70
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	48	433.75	496.23
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	49	452.58	521.74
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	50	473.81	550.89
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	51	494.77	580.08
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	52	517.85	612.70
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	53	541.19	646.19
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	54	566.39	682.92
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	55	591.60	720.25
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	56	618.92	761.38
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	57	646.51	795.21
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	58	675.96	800.99
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	59	690.55	806.77
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	60	720.00	812.55
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	61	745.46	818.32
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	62	762.18	824.11
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	63	783.14	829.89
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	64	795.87	835.66
55957PA0350005	Rating Area 3	Tobacco User/Non-Tobacco User	65 and over	795.87	835.66

First Priority Life Insurance Company
Individual Market
Plan Design Summary

HIOS Plan ID	On/Off Exchange	Product	Metal	Plan Design Marketing Name	Network	Rating Area	Counties Excluded
55957PA0350005	Off	PPO	Bronze	myBlue Access \$6,000	2 Tier Custom Access	Rating Area 3	Bradford, Carbon, Lackawanna, Lycoming, Monroe, Luzerne

Company Name: First Priority Life Insurance Company

Market: Individual Market

Product: PPO

Effective Date of Rates: January 1, 2017

Ending date of Rates: 12/31/2017

HIOS Plan ID (On Exchange)=>										
HIOS Plan ID (Off Exchange)=>	55957PA0350005									
Form # =>	FP-1-I-ACCESS-1/1/17									
Rating Area =>	Rating Area 3									
Counties Excluded in Rating Area =>	Bradford, Carbon, Lackawanna, Lycoming, Monroe, Luzerne									
Network =>	2 Tier Custom Access									
Metal =>	Bronze									
Plan Name =>	myBlue Access \$6,000									
Deductible =>	\$6,000 (2x family)									
Coinsurance =>	30% in-network; 40% out-of-network									
Copays =>	N/A									
OOP Maximum =>	\$7,150 (2x family)									
Pediatric Dental (Yes/No) =>	Yes									
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 20	\$168.46	\$168.46								
21	\$265.29	\$278.55								
22	\$265.29	\$278.55								
23	\$265.29	\$278.55								
24	\$265.29	\$278.55								
25	\$266.35	\$279.67								
26	\$271.66	\$285.24								
27	\$278.02	\$291.92								
28	\$288.37	\$302.79								
29	\$296.86	\$311.70								
30	\$301.10	\$316.16								
31	\$307.47	\$322.84								
32	\$313.84	\$329.53								
33	\$317.82	\$333.71								
34	\$322.06	\$338.16								
35	\$324.18	\$340.39								
36	\$326.31	\$342.63								
37	\$328.43	\$344.85								
38	\$330.55	\$347.08								
39	\$334.80	\$351.54								
40	\$339.04	\$372.94								
41	\$345.41	\$380.97								
42	\$351.51	\$388.70								
43	\$360.00	\$399.51								
44	\$370.61	\$413.11								
45	\$383.08	\$429.23								
46	\$397.94	\$448.63								
47	\$414.65	\$470.70								
48	\$433.75	\$496.23								
49	\$452.58	\$521.74								
50	\$473.81	\$550.89								
51	\$494.77	\$580.08								
52	\$517.85	\$612.70								
53	\$541.19	\$646.19								
54	\$566.39	\$682.92								
55	\$591.60	\$720.25								
56	\$618.92	\$761.38								
57	\$646.51	\$795.21								
58	\$675.96	\$800.99								
59	\$690.55	\$806.77								
60	\$720.00	\$812.55								
61	\$745.46	\$818.32								
62	\$762.18	\$824.11								
63	\$783.14	\$829.89								
64+	\$795.87	\$835.66								

Silver Plan Rates for Age 21 Non-Smoker, by Geographic Area and Exchange Status

[illegible]

Silver Plan Rates for Age 21 Non-Smoker, by Geographic Area and Exchange Status

[illegible]

State:	Pennsylvania	Filing Company:	First Priority Life Insurance Compnay
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense		
Product Name:	2017 FPLIC Individual Rate Filing		
Project Name/Number:	1A-DP-16-FPLIC/1A-DP-16-FPLIC		

Supporting Document Schedules

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	Unified_Rate_Review_Template_v3_3-FPLIC_20160510.xlsm Unified_Rate_Review_Template_v3_3-FPLIC_20160510.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Part II Justification
Comments:	The Part II Justification is attached.
Attachment(s):	Part II - FPLIC Individual 2017.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Part III Unified Rate Review Memorandum - Redacted
Comments:	A redacted version of the Part III Memo is attached for public disclosure.
Attachment(s):	FPLICURRTPartIIIREDACTED_v2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Rate Change Summary Request & PA Bulletin
Comments:	The Rate Change Summary Request and PA Bulletin notice are attached.
Attachment(s):	1A-DP-16-FPLIC Rate Change Request Summary.pdf 1A-DP-16-FPLIC PA Bulletin v2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	PA Actuarial Memorandum - Redacted
Comments:	A revised redacted version of the PA Actuarial Memo is attached for public disclosure.
Attachment(s):	1A-DP-16-FPLIC Cover Letter & PA Actuarial Memorandum v2 - Redacted v2.pdf 1A-DP-16-FPLIC Actuarial Memorandum Rate Exhibits v2.xlsx 1A-DP-16-FPLIC Actuarial Memorandum Rate Exhibits v2.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	HGHM-130536965	State Tracking #:	HGHM-130536965	Company Tracking #:	1A-DP-16-FPLIC
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State:	Pennsylvania		Filing Company:	First Priority Life Insurance Compnay	
TOI/Sub-TOI:	H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense				
Product Name:	2017 FPLIC Individual Rate Filing				
Project Name/Number:	1A-DP-16-FPLIC/1A-DP-16-FPLIC				

Attachment Unified_Rate_Review_Template_v3_3-FPLIC_20160510.xlsm is not a PDF document and cannot be reproduced here.

Attachment 1A-DP-16-FPLIC Actuarial Memorandum Rate Exhibits v2.xlsx is not a PDF document and cannot be reproduced here.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1				Unified Rate Review v3.3																					
2																									
3				Company Legal Name:		First Priority Life Insurance Co	State:	PA																	
4				HIOS Issuer ID:		55957	Market:	Individual																	
5				Effective Date of Rate Change(s):		01/01/2017																			
6																									
7																									
8				Market Level Calculations (Same for all Plans)																					
9																									
10																									
11				Section I: Experience period data																					
12				Experience Period:		01/01/2015	to	12/31/2015																	
13							<u>Experience Period</u>																		
14				Premiums (net of MLR Rebate) in Experience Period:		\$162,546,062		\$345.98		100.00%															
15				Incurred Claims in Experience Period		\$202,382,332		430.77		124.51%															
16				Allowed Claims:		\$248,363,722		528.65		152.80%															
17				Index Rate of Experience Period				\$527.00																	
18				Experience Period Member Months		469,811																			
19																									
20				Section II: Allowed Claims, PMPM basis																					
21							<u>Experience Period</u>																		
22							<u>on Actual Experience Allowed</u>																		
23				Benefit Category			<u>Utilization per</u>	<u>Average</u>																	
24				Inpatient Hospital		<u>Days</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
25				Outpatient Hospital		<u>Visits</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
26				Professional		<u>Visits</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
27				Other Medical		<u>Visits</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
28				Capitation		<u>Benefit Period</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
29				Prescription Drug		<u>Prescriptions</u>	<u>1,000</u>	<u>Cost/Service</u>	<u>PMPM</u>																
30				Total																					
31																									
32				Section III: Projected Experience:																					
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
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49				Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly 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.																					
50																									

Section III: Experience Period Information

Plan ID (Standard Component ID):	Total	55957PA0350005	55957PA0190001	55957PA0190002	55957PA0190003	55957PA0190004	55957PA0160001	55957PA0140001	55957PA0140002	55957PA0180001	55957PA0180002	55957PA0180003
Plan Adjusted Index Rate	\$373.30	\$306.63	\$355.18	\$399.74	\$454.52	\$196.10	\$354.09	\$469.26	\$510.78	\$444.12	\$508.76	\$603.41
Member Months	469,811	4,564	35,601	15,961	56,461	7,222	3,835	2,290	459	15,572	9,580	20,642
Total Premium (TP)	\$175,379,893	\$1,399,439	\$12,644,609	\$6,380,180	\$25,662,775	\$1,416,225	\$1,357,942	\$1,074,613	\$234,448	\$6,915,786	\$4,873,933	\$12,455,589
EHB Percent of TP, [see instructions]	99.58%	99.41%	99.60%	99.63%	99.66%	98.02%	99.59%	99.65%	99.71%	99.67%	99.70%	99.71%
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%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.42%	0.59%	0.40%	0.37%	0.34%	1.98%	0.41%	0.35%	0.29%	0.33%	0.30%	0.29%
Total Allowed Claims (TAC)	\$248,363,722	\$1,232,363	\$17,230,950	\$9,242,933	\$40,193,674	\$766,182	\$1,613,159	\$2,002,082	\$516,822	\$9,627,101	\$6,137,580	\$21,906,011
EHB Percent of TAC, [see instructions]	99.77%	99.55%	99.75%	99.79%	99.83%	98.86%	99.71%	99.86%	99.89%	99.80%	99.81%	99.89%
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%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.23%	0.45%	0.25%	0.21%	0.17%	1.14%	0.29%	0.14%	0.11%	0.20%	0.19%	0.11%
Allowed Claims which are not the issuer's obligation:	\$61,679,090	\$98,752	\$3,821,114	\$1,643,132	\$11,275,278	\$228,379	\$510,632	\$995,002	\$391,081	\$4,076,997	\$1,997,740	\$10,331,219
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$11,178,935	\$0	\$1,216,310	\$0	\$0	\$0	\$0	\$285,546	\$0	\$952,500	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	18.12%	0.00%	31.83%	0.00%	0.00%	0.00%	0.00%	28.70%	0.00%	23.36%	0.00%	0.00%
Total Incurred claims, payable with issuer funds	\$186,684,632	\$1,133,612	\$13,409,835	\$7,599,800	\$28,918,396	\$537,803	\$1,102,527	\$1,007,080	\$125,741	\$5,550,104	\$4,139,840	\$11,574,791
Net Amt of Rein	\$21,575,638.00	\$120,895.45	\$964,860.28	\$763,013.46	\$4,263,187.15	\$-16,835.26	\$199,007.88	\$319,128.84	\$137,063.68	\$1,005,938.54	\$766,509.20	\$3,233,777.04
Net Amt of Risk Adj	-\$7,209,254.79	-\$450,300.79	-\$1,523,185.52	-\$651,522.32	\$3,417,554.96	-\$130,914.31	-\$200,162.82	\$243,213.36	\$203,828.09	\$642,215.40	\$220,024.31	\$5,662,292.43
Incurred Claims PMPM	\$397.36	\$248.38	\$376.67	\$476.15	\$512.18	\$74.47	\$287.49	\$439.77	\$273.95	\$356.42	\$432.13	\$560.74
Allowed Claims PMPM	\$528.65	\$270.02	\$484.00	\$579.09	\$711.88	\$106.09	\$420.64	\$874.27	\$1,125.97	\$618.23	\$640.67	\$1,061.23
EHB portion of Allowed Claims, PMPM	\$527.44	\$268.81	\$482.79	\$577.89	\$710.68	\$104.88	\$419.43	\$873.06	\$1,124.77	\$617.02	\$639.46	\$1,060.01

Section IV: Projected (12 months following effective date)

[illegible]



Terminated Products 55957PA017			Terminated Products 55957PA026		
Bronze	Silver	Gold	Silver	Platinum	Gold
0.594 0.010 Terminated PPO	0.701 0.010 Terminated PPO	0.806 0.010 Terminated PPO	0.713 0.010 Terminated PPO	0.900 0.010 Terminated PPO	0.793 0.010 Terminated PPO
myBlue Access LP \$4500	myBlue Access LP \$3000	myBlue Access LP \$1500	myBlue Care - Silver	myBlue Care - Platinum	myBlue Care - Gold
55957PA0170001	55957PA0170002	55957PA0170003	55957PA0260001	55957PA0260002	55957PA0260003
No	No	No	No	No	No
0.00%			0.00%		
0.00%			0.00%		
0.00%			0.00%		
01/01/2017	01/01/2017	01/01/2017	01/01/2017	01/01/2017	01/01/2017
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
0.00%			0.00%		

55957PA0170001	55957PA0170002	55957PA0170003	55957PA0260001	55957PA0260002	55957PA0260003
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	0	0	0	0	0

55957PA0170001	55957PA0170002	55957PA0170003	55957PA0260001	55957PA0260002	55957PA0260003
\$262.58	\$315.54	\$373.00	\$339.67	\$434.53	\$359.20
43,201	37,774	5,825	148,453	35,844	26,527
\$11,343,761	\$11,919,233	\$2,172,734	\$50,424,925	\$15,575,120	\$9,528,580
99.42%	99.53%	99.58%	99.55%	99.60%	99.53%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.58%	0.47%	0.42%	0.45%	0.40%	0.47%
\$10,258,703	\$17,975,183	\$3,926,048	\$68,880,415	\$26,041,204	\$10,813,312
99.49%	99.75%	99.82%	99.74%	99.83%	99.70%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.51%	0.25%	0.18%	0.26%	0.17%	0.30%
-\$1,433,859	\$5,548,447	\$1,124,140	\$15,021,471	\$5,661,176	\$388,388
\$5,952	\$2,293,782	\$0	\$6,424,846	\$0	\$0
-0.42%	41.34%	0.00%	42.77%	0.00%	0.00%
\$11,692,562	\$12,426,736	\$2,801,908	\$53,858,944	\$20,380,028	\$10,424,924
\$663,693.55	\$1,380,817.58	\$367,017.99	\$4,905,425.89	\$1,801,841.18	\$700,295.54
-\$6,421,334.46	-\$1,009,844.85	\$104,303.45	-\$6,754,224.41	\$1,902,588.11	-\$2,463,785.41
\$270.65	\$328.98	\$481.01	\$362.80	\$568.58	\$392.99
\$237.46	\$475.86	\$674.00	\$463.99	\$726.52	\$407.63
\$236.26	\$474.65	\$672.79	\$462.78	\$725.31	\$406.43

55957PA0170001	55957PA0170002	55957PA0170003	55957PA0260001	55957PA0260002	55957PA0260003
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-	-	-	-	-	-
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
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\$0	\$0	\$0	\$0	\$0	\$0
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Part II of the Preliminary Justification

First Priority Life Insurance Company – Individual Market

Scope and Range:

First Priority Life Insurance Company (FPLIC) is requesting an average rate increase of 38.8% for the 2017 ACA-qualifying individual products with effective dates from January 1, 2017 to December 31, 2017. This is projected to affect 833 members.

These premium rates are being set at a level that is required to adequately cover rising costs, primarily due to increasing use of medical and pharmacy services in the Individual market, the phase-out of the federal reinsurance program, and higher utilization of out-of-area providers.

Historical Financial Experience:

FPLIC incurred a substantial underwriting loss in its Individual ACA programs in 2015 and will again in 2016. This loss is net of the expected risk adjustment and federal reinsurance programs.

Change in Medical Service Costs:

The projected average cost of medical care for the projected population is expected to increase due to general medical and pharmacy cost and use trend, and increased use of out-of-area providers. The increase will emerge in utilization and average cost per service, and is spread across all types of services.

Change in Benefits:

No additional benefits were added for coverage beyond changes made to the 2017 EHB benchmark. The adult vision benefit was removed. Some cost sharing parameters were changed in order to maintain compliance with Federal AV requirements. Additionally, some out of pocket maximum parameters were changed to keep up with the rising cost of health care. These out of pocket maximum changes also aided in keeping the rate increase as low as possible.

Administrative Costs and Anticipated Operating Results:

Overall, administrative costs as a percentage of premium in 2017 are similar to 2016. The anticipated operating results are not excessive or unreasonable. In accordance with regulations, the projected medical loss ratio is over 80%.

REDACTED

Part III Actuarial Memorandum
First Priority Life Insurance Company
Individual Rate Filing
Effective January 1, 2017

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I. General Information

Document Overview

This document contains the Part III Actuarial Memorandum for First Priority Life Insurance Company's (FPLIC) individual block of business rate filing, for products with an effective date of January 1, 2017. 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 State of Pennsylvania Department of Insurance, the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of FPLIC's rate filing. However, we recognize that this certification may become a public document. Milliman 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 would result in the creation of any duty or liability under any theory of law by FPLIC or Milliman.

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: First Priority Life Insurance Company
- State: The State of Pennsylvania has regulatory authority over these policies.
- HIOS Issuer ID: 55957
- Market: Individual
- Effective Date: January 1, 2017

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 26 of the URRT.

FPLIC is terminating all plans in the Individual market, with the exception of "myBlue Access \$6,000." Therefore, the only 2016-2017 rate increase shown in the URRT is for this plan.

The primary drivers of the rate increase is deterioration in base year experience (relative to risk score and risk transfer) and the change in parameters of the Federal Reinsurance Program.

III. Experience Period Premium and Claims

III.1 Paid through Date:

Experience Period claims were based on incurred calendar year 2015, paid through January 2016. This experience reflects only Affordable Care Act compliant plans.

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

The premiums shown for the experience period were based on calendar 2015 actual revenues.

Based on preliminary information for calendar year 2015, no MLR rebates are anticipated to be refunded to enrollees. Therefore, we did not include an adjustment for MLR rebates in the 2015 premium amounts.

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

- Historical Experience: We chose FPLIC's current experience for the individual block of business for the period January 1, 2015 through December 31, 2015, with claims paid through January, 2016 as the basis for the 2017 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 FPLIC'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 FPLICs 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 FPLIC's detailed claim-level historical data. This experience includes 2015 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 2015 plan designs chosen by each member.
- **Incurred but Not Paid (IBNR) Claims Estimate:** FPLIC is using a completion factor of 0.972 to include IBNR claims in allowed charges. The IBNR completion factor was developed using the corporate reserving system for Highmark DE'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.

V. Projection Factors

V.1 Changes in the Morbidity of the Population Insured

We applied an adjustment of approximately -8% to reflect the anticipated changes in the average morbidity of the covered population (beyond allowable rating factors). This morbidity adjustment reflects that FPLIC offered all metal level options in the 2015 experience year but will only be offering a Bronze plan in 2017.

V.2 Changes in Demographics

We project that the average rating factor (age, tobacco load and area combined) will decrease by about 1.6% due to the change in the population. The projected demographics are based on current 2016 FPLIC experience.

V.3 Trend Factors (cost/utilization)

This development of the CY2017 rates reflects an annual trend rate of 11.5% (5.0% cost, 6.2% utilization). These trends reflect FPLIC'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.

We reflected anticipated changes in the average utilization of services due to differences in average cost sharing requirements during the experience period and average cost sharing requirements in the projection period: -4.6%.

VI. Credibility Manual Rate Development

VI.1 Source and Appropriateness of Experience Data Used

FPLIC's individual experience is fully credible. No manual rate is developed or used in this projection. The Credibility Manual section of the URRT has been populated with zeroes to allow for finalization of the URRT Workbook.

VI.1 Changes in Benefits

The following benefits were added to comply with the new state benchmark:

- Hospice – respite care of 7 days per six consecutive months
- Artificial Insemination and related medication
- Addition of visit limits on Habilitative Services

No explicit adjustments were made to the experience to account for these benefits.

Additionally, FPLIC is removing its Non-EHB Adult Dental and Adult Vision benefits.

VII. Credibility of Experience

The experience is from FPLIC's individual book of business in 2015. It is large enough to be fully credible. Our results are based 100% on the experience rate, as adjusted.

VIII. Paid to Allowed Ratio

The paid to allowed ratio of 0.662 is the 2017 plan level paid to allowed ratio for the "myBlue Access \$6,000" plan. This paid to allowed factor was developed using the Milliman Managed Care Rating Model[®], which contains detailed benefit pricing by service category.

IX. Risk Adjustment and Reinsurance

IX.1 Projected Risk Adjustments PMPM:

The estimated average risk score for FPLIC's projected 2017 population was developed by using FPLIC's 2015 claim diagnoses and the updated risk adjustment coefficients as finalized in the Notice of Benefit and Payment Parameters for 2017. Similarly, allowable rating factors, actuarial value factors, and induced demand factors were estimated for FPLIC based upon its projected 2017 population.

We estimated the statewide average risk transfer factors based on current market assumptions with adjustments for known changes such as the new model coefficients for 2017. We estimated the statewide average premium using current market premium assumptions with adjustments for anticipated rate changes for 2017.

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

The analysis resulted in FPLIC paying into the risk adjuster pool. This value is reflected in worksheet 1 net of the risk adjuster fee (\$0.13 PMPM) consistent with the single risk pool regulations.

IX.2 Projected ACA Reinsurance Recoveries Net of Reinsurance:

The Federal reinsurance program will be terminated prior to the start of plan year 2017.

X. Non-Benefit Expenses and Profit & Risk

X.1 Administrative Expense Load:

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

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

The proposed rates reflect a 3% risk/contribution to surplus margin for all products and plans.

X.3 Taxes and Fees:

The following fees were added:

- \$0.20 Per Member Per Month for the Patient Centered Outcomes Research Fee.
- 0.0% for the Health Insurance Provider Fee
- 0% Exchange Fee

XI. Projected Loss Ratio

The anticipated medical loss ratio is about 86.9% 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 FPLIC 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 2017.

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 FPLIC. For the experience period, only non-grandfathered plans are included. For the projection period Index Rate, there are no benefits in addition to Essential Health Benefits. The 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 adding the risk adjustment user fee PMPM to incurred claims and dividing by the projected incurred claims. The Federal Reinsurance Program factor is 1.0 because the program will end prior to 2017. The Exchange User Fee is \$0 because the plan is offered off-exchange only. 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 the plan's actuarial value, relative benefit richness, any non EHB benefits, and retention. Please see Exhibit II for the development of the Plan Adjusted Index Rate. Only EHB benefits are offered.

XVI. Calibration

XV.1 Age Curve Calibration:

The projected weighted average age factor for billable members is 1.758. This factor is calculated by dividing the all members age factor of 1.760 by the ratio of all members to billable members (1.001). The Plan Adjusted Index Rate represents the rate for an average member with an age factor of 1.758. Please note that no member will pay these rates because

the age factor of 1.758 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.

XV.2 Geographic Factor Calibration:

FPLIC's service area is entirely contained within one rating area. Therefore, no calibration is necessary.

XVII. Consumer Adjusted Premium Rate Development

The plan adjusted index rate represents the rate for a non-smoker average age and average geographic member. Multiplying by the Combined Calibration Factor found in Exhibit I results in the value for a 50 year old non-smoker 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 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.

XIX. AV Pricing Values

Please see Exhibit II for the portion of the 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 are based on FPLIC's early 2016 off-exchange enrollment in the "myBlue Access \$4,000" plan.

XXI. Terminated Pland and Products

All terminated plans are listed in Exhibit III.

XXII. Plan Type

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

XXIII. Warning Alerts

The following validation warnings occurred when finalizing the URRT workbook:

- Worksheet 2, Line 57: This represents the difference between the average Plan Adjusted Index Rate of the experience period on Worksheet 2 and the experience period premium on Worksheet 1. The Plan Adjusted Index Rates are based on member mix by age and area assumed in the 2015 rate filing, and is compared to experience using the actual 2015 age/area distribution in Worksheet 1, which causes this mismatch.

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 FPLIC's rate filing for the Pennsylvania individual market.

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)),
- 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 per cent 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 FPLIC's plan is substantially equivalent to the Essential Health Benefits (EHBs) in the State of Pennsylvania's benchmark plan. 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 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 Milliman 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:



Principal and Consulting Actuary

Date: May 10, 2016

I, [REDACTED] 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.

Signed:

[REDACTED]

[REDACTED]

Actuarial Manager, Individual Markets

[REDACTED]

[REDACTED]

Date: May 10, 2016

Exhibit I
First Priority Life Insurance Company

Market Adjusted Index Rate (effective January 1, 2017)

CY2017 Projected Period Average Members	413
CY2017 Projected Allowed Claims	\$562.96
CY2017 Index Rate (Allowed Claims for EHB Only)	\$562.96
Market-Wide Adjustment	
Risk Adjustment (Net of Risk Adjuster Fee)	1.059
Transitional Reinsurance Program (Net of Reinsurance Premium)	1.000
Exchange User Fee	1.000
CY2017 Market Adjusted Index Rate	\$596.37
Calibration	
Calibration from Plan Adjusted Index Rate to Age 50, 1.0 Area, Non-Smoker	
(a) Average Age Factor	1.758
(b) Age 50 (Nearest Age on HHS Age Curve) Age Factor	1.786
(c) Average Tobacco Factor	1.011
(d) Average Geographic Factor	1.000
Combined Calibration Factor $1/[(a/b)*c]$	1.004

Exhibit II
First Priority Life Insurance Company

Unified Rate Review Template (URRT) AV Pricing Value Development
Market Adjusted Index Rate PMPM = \$596.37

HIOS Plan ID	Metal Level	Plan Design Marketing Name	Plan Premium PMPM	URRT AV Pricing Value	Portion of URRT AV Pricing Value Attributable to each Allowable Modifier ⁽¹⁾					
					(i)	(ii)	(iii)	(iv)	(v)	(vi)
55957PA0350005	Bronze	myBlue Access \$6,000	\$466.50	0.782	0.662	1.000	1.000	1.194	1.000	0.989

⁽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.
- (vi) Removal of tobacco load.

Exhibit III

Terminated Plans

Terminating Plan		Mapped Plan	
HIOS Plan ID	Plan Name	HIOS Plan ID	Plan Name
55957PA0350001	myBlue Access \$1500	55957PA0350005	myBlue Access \$6,000
55957PA0350004	myBlue Access \$6850	55957PA0350005	myBlue Access \$6,000
55957PA0360003	myBlue Care - Gold		
55957PA0320001	myBlue Choice LP \$5500		
55957PA0330001	myBlue Access LP \$4600		
55957PA0330002	myBlue Access LP \$3500		
55957PA0330003	myBlue Access LP \$1500		
55957PA0180003	myBlue Choice \$250		
55957PA0190003	myBlue Access \$500		
55957PA0180002	myBlue Choice \$1000		
55957PA0190002	myBlue Access \$750		
55957PA0140002	myBlue Multi-State Plan \$2000		
55957PA0180001	myBlue Choice \$2500		
55957PA0190001	myBlue Access \$1500		
55957PA0140001	myBlue Multi-State Plan \$2500		
55957PA0260001	myBlue Care - Silver		
55957PA0160001	myBlue Choice LP \$5500		
55957PA0170001	myBlue Access LP \$4500		
55957PA0190004	myBlueAccess \$6350		
55957PA0170002	myBlue Access LP \$3000		
55957PA0170003	myBlue Access LP \$1500		
55957PA0260003	myBlue Care - Gold		
55957PA0260002	myBlue Care - Platinum		

First Priority Life Insurance Company – Individual Plans

Rate request filing ID 1A-DP-16-FPLIC, # HGHM-130536965 - 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

Requested average rate change:	38.8%
Range of requested rate change:	38.8%
Effective date:	1/1/17
People impacted:	833
Available in:	Rating Area 3

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$157,787,475*
Claims	\$175,061,001*
Administrative expenses	\$23,552,518
Company made (before taxes)	(\$40,826,044)**

*Does not include reinsurance ceded.

**Includes transitional ACA reinsurance receivable.

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2017:

Claims:	84%
Administrative:	11%
Taxes & fees:	2%
Profit:	3%

The company expects its annual medical costs to increase **11.5%**.

Explanation of requested rate change

These premium rates are being set at a level that is required to adequately cover rising costs, primarily due to increasing use of medical and pharmacy services in the Individual market, the phase-out of the federal reinsurance program, and higher utilization of out-of-area providers.

Pennsylvania Bulletin Information - FPLIC

First Priority Life Insurance Company (HGHEM-130536965); Proposed Rate Increase for the Individual ACA Product Portfolio in Northeastern Pennsylvania Region

By Filing # 1A-DP-16-FPLIC (SERFF # HGHEM-130536965), First Priority Life Insurance Company (FPLIC), NAIC # 60147, requests approval to adjust rates for its ACA-compliant individual market PPO plans in the northeastern Pennsylvania region. The filing requests an average rate change on one renewing plan of 38.8% or \$132 per member per month. This will affect 833 members or 608 policyholders and will increase annual premium income by an estimated \$1.3 million. For the calendar year 2015 experience period, FPLIC collected roughly \$170 million in revenue on 39,000 members. The rate change will be effective on January 1, 2017.



Independent Licensee of the Blue Cross and Blue Shield Association.

May 11, 2016

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

Re: First Priority Life Insurance Filing # 1A-DP-16-FPLIC (SERFF # HGHM-130536965)
2017 Individual Market Rates

This constitutes Notice pursuant to Section 707 of the Pennsylvania Right-to-Know Law that the attached First Priority Life Insurance Company (FPLIC) 2017 Individual Market Rates contains Trade Secret and Confidential Proprietary Information. Therefore, FPLIC 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 FPLIC should be redacted before release.

Dear Ms. Fabian-Marks:

This Filing includes the First Priority Life Insurance Company ("FPLIC") Individual Market rates and the supporting rate development for policies with effective dates on or after January 2017.

Company Name & NAIC #: First Priority Life Insurance Company NAIC #60147

Market (Individual or Small Group): Individual

On or Off Exchange: FPLIC will sell plans off of the exchange.

Effective date of coverage: January 1, 2017

Average rate change requested: 38.8%

Range of rate change requested: FPLIC will offer only one plan in 2017. The rate increase for this plan is 38.8%.

Product(s) (Indemnity, HMO, POS (HMOs only), PPO, or EPO): PPO

Rating Areas: FPLIC will offer products in rating area 3

Metal Levels and Catastrophic Plans: FPLIC will sell a bronze plan in the Individual Market.

Current number of covered lives and of policyholders: 833 lives, 608 policyholders in the renewing plan

Number of plans offered in 2017: 1

Corresponding contract form #, SERFF and Binder ID#s:

The corresponding SERFF binder number is HGHM-PA17-125061874 affecting the following FPLIC products and forms:

Product Name / Type	Contract Form & SERFF#
my Blue Access	FP-1-I-ACCESS-1/1/17; HGHM-130536967

HIOS Issuer ID # and submission tracking #: HIOS Issuer ID #55957, FPLIC Filing #1A-DP-16-FPLIC (SERFF Filing # HGHM-130536965)

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 FPLIC if disclosed to the public.

Public disclosure of any information contained in this Filing would allow FPLIC 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 FPLIC's business. Therefore, FPLIC 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"), FPLIC 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, FPLIC asserts its right to release a redacted version of the Filing. In accordance with the RTKL, please contact the FPLIC RTKL representative identified below prior to release of any information contained in this Filing:

Lisa Martinelli, Esq.
FPLIC RTKL Representative
Chief Privacy Officer
Highmark Health
120 Fifth Avenue, Suite 1814
Pittsburgh, PA 15222

Furthermore, it should be noted that FPLIC 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.

U.S. House of Representatives v. Burwell

Please note that the rate development in this filing is contingent upon the continued availability of federal cost-sharing subsidies under the ACA in 2017. If federal cost-sharing subsidies in their current form are not available, substantial changes to this filing may be required.

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

Actuarial Memorandum

1. Basic Information and Data

A. Company Information

1. Company Name & NAIC #: First Priority Life Insurance Company, NAIC #60147 ("Company")
2. Market (Individual or Small Group): Individual ("Market")
3. On or Off Exchange: This Company sells Off Exchange in the Individual Market
4. Effective date of coverage: January 1, 2017
5. Average rate change requested: 38.8% increase
6. Range of rate change requested:

FPLIC will offer only one plan in 2017. This rate increase for this plan is 38.8%.
7. Product(s): PPO
8. Rating Areas: Rating Area 3
9. Metal Levels and Catastrophic Plans: This Company sells the following Metal Levels of coverage in the Individual Market: Bronze
10. Current number of covered lives and of policyholders: 833 covered lives and 608 policyholders in the renewing plan
11. Number of plans offered in 2017: 1
12. Corresponding contract form #, SERFF and Binder ID#s:

The corresponding SERFF binder number is HGHM-PA17-125061874 affecting the following Highmark products and forms:

Product Name / Type	Contract Form & SERFF#
myBlue Access	Contract Form #: FP-1-I-ACCESS-1/1/17; SERFF Form Filing #: HGHM-130536967

13. HIOS Issuer ID # and submission tracking #: HIOS Issuer ID #55957, FPLIC Filing #1A-DP-16-FPLIC; SERFF Rate Filing # HGHM-130536965.

B. Rate History and Proposed Variations in Rate Changes

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

Year	Avg. Increase	SERFF ID#
2016	21.5%	BCNP-130071834
2015	6.9%	BCNP-129632010
2014	n/a – initial ACA rate filing	BCNP-129018017

For 2017, only one plan will be sold.

C. Average Rate Change

The SERFF Rate Review Detail Screen presents the “percent rate change requested” as 38.8%. This value is consistent with Table 10 cell AC13.

For comparison, the change in 21-year-old non-tobacco premium PMPM calculated in Table 11, cell AZ13, is the same 38.8% increase.

D. Membership Count

Please see Table 1 for the age breakdown and total number of members for the periods shown. Note that the February 2016 membership count differs from the February members for renewing plans shown in Table 10.

E. Benefit Changes

Benefit changes were required because of the new Actuarial Value (AV) calculator released for 2017 effective dates. The plan changes were mostly required so that the plans remained within the defined metal level AV requirements, and were enacted by increasing the deductible and the maximum out of pocket level.

The following were changes to the Essential Health Benefits due to the 2017 Benchmark Plan:

- Hospice Benefit – addition of respite care for 7 days per six months
- Coverage for Artificial Insemination, including specific related medications
- Added visits for Habilitative Therapy Services

In addition, the non-EHB Adult Dental and Adult Vision Eye exam were removed from plan coverage.

The screenshots from the HHS AV calculator, showing the plan benefits and the resulting actuarial value, are in Attachment A. 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, for the Company and Market. The experience period paid claims data represents the 2015 calendar year results for all non-grandfathered policies (including transitional policies) in the single risk pool, with run out through January 2016. This data is consistent with the data reported in Section I of Worksheet I of the URRT (see below commentary).

The components of this exhibit were developed as follows:

- The Earned Premium represents actual revenues earned in the experience period. Unlike the Premiums shown in the URRT, the Earned Premiums in Table 2 have not been adjusted for anticipated risk adjustment transfer payments. The sum of the Earned Premium and Estimated Risk Adjustment from Table 2 total the Premiums in the URRT.
- Incurred Claims represent claims paid by FPLIC 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 the Incurred Claims and Allowed Claims presented in the URRT are net of the Prescription Drug Rebates, while Table 2 has the Prescription Drug Rebates separately identified.

- There are no non-EHB benefits or costs in the experience period.
- Prescription Drug Rebates are used to reduce the level of Incurred Claims in the experience period.

- The Estimated Risk Adjustment represents our best estimate of the year end risk adjustment transfer payment that the Company will incur based on the results in the experience period. This amount is developed based on an analysis of Company 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 transfer component profile. This Market-wide 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.

G. Credibility of Data

The experience period data for this Company is large enough to be fully credible. The results are based 100% on the experience period data, adjusted as described herein.

H. Trend Identification

Table 3 identifies the proposed annual medical and prescription drug allowed claims cost and utilization trends. The definitions of service categories, cost, and utilization in Table 3 are consistent with the URRT instructions. The numbers entered in the Cost and Utilization columns are consistent with those entered in Worksheet I, Section 2 of the URRT, except as noted below.

The cost trends presented in Table 3 reflect the Company'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 2 shows the same trend components for each service category. Due to the significant change in the make-up of the ACA population in the first two years, the data included in table 4 was not used in the development of the projected trend. A separate regression study was developed by the Highmark valuation team that analyzed the ACA trend levels of cohorts of ACA members that were continuously enrolled in a significant portion of 2014 and through 2015 in the same metal level. 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.

The URRT instructions require that anticipated changes in the average utilization of services due to differences in average cost sharing requirements from the experience period to the projection period be reflected in the Utilization trend component shown in Worksheet I, Section 2. Table 3 is populated consistent with this requirement.

I. Historical Experience

Table 4 presents the most recent 36 months (3 calendar years) of Company data with run-out through January 2016.

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 that utilized the development presented in Worksheet 1 of the URRT, a discussion of which can be found in the Part III Actuarial Memorandum submitted in the Rate Filing Justification. 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.
- The Change in Benefits adjustment reflects the change in the EHB benefits (autism and pediatric benefits) we anticipate between the experience period and the projection period.
- The Change in Other adjustment reflects the change in the utilization of services due to benefit elections we anticipate between the experience period and the projection period.

B. Retention Items

Table 6 has been completed with the requested retention elements for the proposed rates for the rating period. The amounts presented separately sum to the total administrative expenses and taxes and fees presented in the rate development. Administrative costs reflect internal costs that the Company is projected to incur in the projected experience period, and are developed from standard expense allocation methods. Agent/broker fees and commissions reflect our anticipated costs for these items in the experience period.

Note the following regarding plan level retention items:

- The margin is set at 3%.
- The Health Insurer Provider Fee is set at 0%.
- The administrative expenses are 11.2% of premium.
- 2.0% Pennsylvania Premium Tax was included.
- The \$0.20 PMPM PCORI fee was factored into the administrative expense percentage of premium.
- Expenses for Quality Improvement Initiatives are included in the general and claims admin percentage and were not broken out separately.

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 2016 values are pulled from the prior year's filing, while the 2017 values represent our projection for 2017 assumed in the 2017 rate development.

D. Components of Rate Change

Table 8 presents the components of change in the proposed 2017 Calibrated Plan Adjusted Index Rate (PMPM). The 2016 base period allowed claims as developed from the 2016 rate filing. Row H of Table 8 may differ from Row A due to the detailed breakdown of all the components of the increases in rows B through G not calculating exactly to the change in the calibrated plan adjusted index rate in Row A, which is the correct percentage change based on the rate development.

Table 9 presents the data elements supporting the calculations in Table 8.

3. Plan Rate Development

Table 10 showing the plan rate development has been completed following the instructions in the Health Insurance Rate Filing Guidance. This table shows the plan that the Company intends to offer in 2017, as well as plans recently discontinued from the 2016 portfolio for 2017 or the 2015 portfolio as members still exist in 2015 plans as of February 1, 2016. The calibrated plan adjusted index rates for 2017 and 2016, and all of the supporting factors, are calculated according to the instructions.

Note that the HHS Actuarial Value Calculator was unable to accommodate FPLIC's benefit design. The plans needing certification is marked in column I of Table 10. Screen shots of the AV calculations and the appropriate certifications are included in Attachment A.

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

Table 11 presents the Company's 21-year-old non-tobacco premium in the Market, premium weighted for quarterly trend and the prorated quarterly insurer fee. As mentioned in Section 1.C above, the change in 21-year-old non-tobacco premium PMPM calculated in this table is 38.8%, which is consistent with the SERFF Rate Review Detail Screen "percent rate change requested" of 38.8%.

5. Plan Factors

A. Age and Tobacco Factors

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

B. Geographic Factors

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

C. Network Factors

Please see Table 14 for the Company's network rating factors.

D. Service Area Composition

The Company's service area consists of the following counties for 2017: Clinton, Pike, Sullivan, Susquehanna, Tioga, Wayne, and Wyoming.

E. Composite Rating

Not applicable to the Individual market.

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 the Company to accompany its rate filing (for calendar year 2017) for the small group combined Market on and off the Pennsylvania Exchange.

I am affiliated with Milliman, an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by the Company.

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)),
- 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 factor, benefit and other changes from the prior approved filing have been disclosed in the 2017 PA Actuarial Memorandum Rate Exhibits.

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 the Company'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 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.

The Part I Unified Rate Review Template does not demonstrate the process used by Highmark 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.

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 2017 Rate Filing Justification.


Signed:



Principal and Consulting Actuary



Date: 5/10/2016

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.

Signed:



Actuarial Manager, Individual Markets



Date: 5/10/2016

First Priority Life Insurance Company

Individual Market

Supplemental Exhibits

Attachment A Screenshots of HHS AV calculator and Actuarial Certification for Approach 1
[Redacted]

PA Rate Template Part I

Data Relevant to the Rate Filing

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (as of Feb. 1, 2016)	Projected Rating Period
Total	469,811	37,565	4,954
<18	42,463	3,540	467
18-24	34,559	2,692	355
25-29	36,536	3,142	414
30-34	30,678	2,477	326.6571148
35-39	27,909	2,320	305.9525662
40-44	31,982	2,601	343.009752
45-49	43,288	3,433	452.7306723
50-54	54,144	4,404	580.7823713
55-59	68,774	5,535	729.9342473
60-63	67,672	5,643	744.1768668
64+	31,806	1,778	234.4757167

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
\$ 169,717,732.00	\$ 199,967,378.99	\$ 205,707,541.10	469,811	\$ 46,314,110.03	\$ 251,248,313.63	\$ -	\$ (3,648,384.56)	\$ 196,193.13	\$ 567,599.40	\$ (7,171,669.91)	\$ 22,869,370.00
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 527.44
Loss Ratio											110.71%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital	5.59%	3.15%	8.92%	20.68%
Outpatient Hospital	5.59%	3.15%	8.92%	36.83%
Professional	5.59%	3.15%	8.92%	22.33%
Other Medical	874.91%	2231.15%	22626.61%	0.00%
Capitation			-100.00%	0.31%
Prescription Drugs	5.59%	3.15%	8.92%	19.86%
Total Annual Trend			8.59%	100.00%
2 Year Trend Projection Factor			1.179	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

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-13				#DIV/0!		#DIV/0!				#DIV/0!
Feb-13				#DIV/0!		#DIV/0!				#DIV/0!
Mar-13				#DIV/0!		#DIV/0!				#DIV/0!
Apr-13				#DIV/0!		#DIV/0!				#DIV/0!
May-13				#DIV/0!		#DIV/0!				#DIV/0!
Jun-13				#DIV/0!		#DIV/0!				#DIV/0!
Jul-13				#DIV/0!		#DIV/0!				#DIV/0!
Aug-13				#DIV/0!		#DIV/0!				#DIV/0!
Sep-13				#DIV/0!		#DIV/0!				#DIV/0!
Oct-13				#DIV/0!		#DIV/0!				#DIV/0!
Nov-13				#DIV/0!		#DIV/0!				#DIV/0!
Dec-13				#DIV/0!		#DIV/0!				#DIV/0!
Jan-14	\$ 83,685,265.58	\$ 4,560,685.72	1.0000	\$ 4,560,721.20	8,812	\$ 517.56	\$ 24,026,866.97	\$ (65,843.53)	\$ 5,672,958.06	\$ 643.78
Feb-14		\$ 5,965,106.65	1.0000	\$ 5,965,395.28	10,819	\$ 551.38		\$ (71,992.07)	\$ 7,011,587.13	\$ 648.08
Mar-14		\$ 7,268,410.95	1.0000	\$ 7,268,624.05	13,115	\$ 554.22		\$ (83,454.37)	\$ 8,564,639.03	\$ 653.04
Apr-14		\$ 8,337,674.19	1.0001	\$ 8,337,208.95	16,726	\$ 498.46		\$ (106,577.40)	\$ 9,892,265.28	\$ 591.43
May-14		\$ 8,462,499.09	0.9998	\$ 8,464,005.37	21,079	\$ 401.54		\$ (124,497.49)	\$ 9,977,669.42	\$ 473.35
Jun-14		\$ 8,187,410.56	0.9998	\$ 8,188,792.97	21,312	\$ 384.23		\$ (137,551.47)	\$ 9,682,527.02	\$ 454.32
Jul-14		\$ 10,577,527.79	1.0000	\$ 10,577,047.14	22,573	\$ 468.57		\$ (149,935.24)	\$ 12,215,197.02	\$ 541.14
Aug-14		\$ 9,753,131.37	0.9997	\$ 9,756,366.46	22,852	\$ 426.94		\$ (140,450.95)	\$ 11,164,389.96	\$ 488.55
Sep-14		\$ 11,349,734.46	0.9992	\$ 11,358,933.15	23,252	\$ 488.51		\$ (151,790.87)	\$ 12,921,581.47	\$ 555.72
Oct-14		\$ 12,888,487.40	0.9988	\$ 12,904,120.91	23,315	\$ 553.47		\$ (169,942.58)	\$ 14,392,914.16	\$ 617.32
Nov-14		\$ 10,648,375.93	0.9988	\$ 10,661,671.07	23,186	\$ 459.83		\$ (170,718.22)	\$ 11,918,423.37	\$ 514.04
Dec-14		\$ 12,142,806.48	0.9976	\$ 12,172,437.52	22,993	\$ 529.40		\$ (207,644.77)	\$ 13,327,200.10	\$ 579.62
Jan-15	\$ 169,717,732.00	\$ 14,042,752.99	0.9981	\$ 14,069,819.97	35,252	\$ 399.12	\$ 46,314,110.03	\$ (242,664.51)	\$ 18,336,171.63	\$ 520.14
Feb-15		\$ 14,854,437.97	0.9974	\$ 14,892,785.91	37,380	\$ 398.41		\$ (238,585.47)	\$ 18,544,882.07	\$ 496.12
Mar-15		\$ 17,768,118.63	0.9998	\$ 17,772,161.42	41,116	\$ 432.25		\$ (334,392.33)	\$ 22,092,838.50	\$ 537.33
Apr-15		\$ 17,526,111.54	0.9971	\$ 17,576,728.83	40,961	\$ 429.10		\$ (333,199.41)	\$ 21,493,222.00	\$ 524.72
May-15		\$ 16,501,106.97	0.9937	\$ 16,605,064.03	40,610	\$ 408.89		\$ (293,815.54)	\$ 20,169,804.11	\$ 496.67
Jun-15		\$ 17,041,108.37	0.9740	\$ 17,496,621.50	40,309	\$ 434.06		\$ (342,566.16)	\$ 21,030,240.94	\$ 521.73
Jul-15		\$ 17,507,500.57	0.9901	\$ 17,682,358.79	40,005	\$ 442.01		\$ (318,276.66)	\$ 21,124,979.57	\$ 528.06
Aug-15		\$ 16,610,911.14	0.9830	\$ 16,898,796.32	39,664	\$ 426.05		\$ (315,569.07)	\$ 20,048,402.76	\$ 505.45
Sep-15		\$ 16,577,640.48	0.9737	\$ 17,026,245.75	39,400	\$ 432.14		\$ (313,466.71)	\$ 20,148,756.54	\$ 511.39
Oct-15		\$ 17,627,956.08	0.9215	\$ 19,126,998.92	39,081	\$ 489.42		\$ (310,926.36)	\$ 22,597,150.04	\$ 578.22
Nov-15		\$ 16,345,162.66	0.9554	\$ 17,108,104.95	38,368	\$ 445.89		\$ (305,256.36)	\$ 20,159,776.86	\$ 525.43
Dec-15		\$ 17,564,571.60	0.9030	\$ 19,451,855.32	37,665	\$ 516.44		\$ (299,665.99)	\$ 22,617,496.56	\$ 600.49

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

Table 2b. 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
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											#DIV/0!
Loss Ratio											#DIV/0!

*Express Prescription Drug Rebates as a negative number

Table 3b. Trend Components

Service Category	Cost*	Utilization*	Composite	Weight*
Inpatient Hospital			0.00%	
Outpatient Hospital			0.00%	
Professional			0.00%	
Other Medical			0.00%	
Capitation				
Prescription Drugs			0.00%	
Total Annual Trend			0.00%	0.00%
2 Year Trend Projection			1.000	

* Express Cost, Utilization, and Weight as percentages

<- Annualized Trend Factors on URRT

Table 2c. 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
2015 Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											#DIV/0!
Loss Ratio											#DIV/0!

*Express Prescription Drug Rebates as a negative number

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Table 4b. 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-13				#DIV/0!		#DIV/0!				#DIV/0!
Feb-13				#DIV/0!		#DIV/0!				#DIV/0!
Mar-13				#DIV/0!		#DIV/0!				#DIV/0!
Apr-13				#DIV/0!		#DIV/0!				#DIV/0!
May-13				#DIV/0!		#DIV/0!				#DIV/0!
Jun-13				#DIV/0!		#DIV/0!				#DIV/0!
Jul-13				#DIV/0!		#DIV/0!				#DIV/0!
Aug-13				#DIV/0!		#DIV/0!				#DIV/0!
Sep-13				#DIV/0!		#DIV/0!				#DIV/0!
Oct-13				#DIV/0!		#DIV/0!				#DIV/0!
Nov-13				#DIV/0!		#DIV/0!				#DIV/0!
Dec-13				#DIV/0!		#DIV/0!				#DIV/0!
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!

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

PA Rate Template Part II

Rate Development and Change

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

2015 Total Allowed EHB Claims PMPM + EHB Capitation PMPM (net of prescription drug rebates)	\$ 527.44	<- Index Rate of Experience Period on URRT
2 Year Trend Projection Factor	1.194	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 629.51	
<u>Single Risk Pool Adjustment Factors</u>		
Change in Morbidity	0.925	<- Adj't. from Experience to Projection Period - Pop'l risk Morbidity on URRT
Change in Other	0.967	<- Adj't. from Experience to Projection Period - Other on URRT
Change in Demographics	0.984	
Change in Network	1.017	
Change in Benefits	1.000	
Change in Other	0.966	
Adjusted Projected Allowed EHB Claims PMPM	\$ 562.96	<- Index Rate for Projection Period on URRT - Individual (Small Group 1st Qtr)
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	0.662247445	<- Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	372.8172742	
<u>Market-wide Adjustments</u>		
Projected Paid Net Risk Adjustment PMPM	\$ 22.13	
Projected Paid Exchange User Fees PMPM	\$ -	
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 394.95	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 596.37	<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Paid Total Claims PMPM	\$ 394.95	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 596.37	

Table 6. Retention

<u>Retention Items - Express in percentages</u>		
Administrative Expenses	11%	
General and Claims	9.95%	
Agent/Broker Fees and Commissions	0.00%	
Quality Improvement Initiatives	1.29%	
Taxes and Fees	3.09%	
PCORI Fees (Enter \$ amount here: \$)	0.04%	
Pa Premium Tax (if applicable)	2.00%	
Federal Income Tax	1.05%	
Health Insurance Providers Fee (only for small group market, prorated for coverage in 2018)	0.00%	
Profit/Contingency	2%	
Total Retention	16%	
Projected Required Revenue PMPM	\$ 471.73	<- Single Pool Gross Premium Avg. Rate, PMPM on URRT

Table 8. Components of Rate Change

Rate Components	2016	2017	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	191.1027811	265.2935422	\$74.19	38.8%
B. Base period allowed claims before normalization	\$ 474.15	\$ 527.44	\$53.29	28%
C. Normalization factor component of change	\$ (162.90)	-197.7846069	-\$34.88	-\$0.18
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 311.25	\$ 329.65	\$ 18.41	10%
D2. URRT Trend	\$ 26.47	\$ 59.04	\$ 32.57	17%
D3. URRT Morbidity	\$ (17.90)	\$ (29.29)	\$ (11.39)	-6%
D4. URRT Other	\$ 24.95	\$ (11.80)	\$ (36.75)	-19%
D5. Normalized URRT RA/RI on an allowed basis	\$ (11.79)	\$ 20.89	\$ 32.68	17%
D6. Normalized Exchange User Fee on an allowed basis	\$ 11.08	\$	\$ (11.08)	-6%
D7. Subtotal - Sum(D1:D6)	\$ 344.05	\$ 368.49	\$ 24.44	13%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ (57.94)	-36.92255646	\$ 21.02	11%
E2. Pricing AV	\$ (65.23)	\$ (111.99)	\$ (46.75)	-24%
E3. Benefit Richness	\$ -	-	\$ -	0%
E4. Catastrophic Eligibility	\$ (0.40)	\$ -	\$ 0.40	0%
E5. Subtotal - Sum(E1:E4)	\$ (123.58)	\$ (148.91)	\$ (25.33)	-13%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 22.68	\$ 29.81	\$ 7.12	4%
F2. Taxes and Fees	\$ 7.73	\$ 8.20	\$ 0.47	0%
F3. Profit and/or Contingency	\$ (18.25)	\$ 5.17	\$ 23.42	12%
F4. Subtotal - Sum(F1:F3)	\$ 12.17	\$ 43.18	\$ 31.02	16%
G. Change in Miscellaneous Items			\$ -	0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 232.64	\$ 262.76	\$ 30.12	16%

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

	January	April	July	October	Total Single Risk Pool
# of Member Months Renewing in Quarter					-
Percent of Members Months Renewing in Quarter	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Base Allowed Claims	\$ 562.96	\$ 562.96	\$ 562.96	\$ 562.96	\$ 562.96
Months of Trend	-	3	6	9	#DIV/0!
Annual Trend	8.59%	8.59%	8.59%	8.59%	8.59%
Single Risk Pool Projected Allowed Claims	\$ 562.96	\$ 574.67	\$ 586.63	\$ 598.83	\$ -

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

<u>Normalization Factors</u>	2016	2017
Average Age Factor	1.811	1.758
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.012	1.011
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	0.832	0.900
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 513.84	\$ 596.37
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 337.30	\$ 372.74

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

	2016	2017	
Paid-to-Allowed	0.772	0.662247445	
URRT Trend (2-Year Trend Factor)	1.085035415	1.18	<- URRT W1, S2
URRT Morbidity	0.947	0.925	<- URRT W1, S2
URRT "Other"	1.078	0.967	<- URRT W1, S2
Risk Adjustment	\$ 0.15	\$ 22.13	<- URRT W1, S3
Reinsurance	\$ (14.02)	\$ -	<- URRT W1, S3
Exchange User Fee	\$ 13.04	\$ -	<- URRT W1, S3
Capitation	\$ -	\$ -	<- URRT W1, S2
Network	0.832	0.899799133	
Pricing AV	0.772	0.662247445	
Benefit Richness	1.000	1	
Catastrophic Eligibility	0.998	1	
Administrative Expenses	11.87%	11.24%	
Taxes and Fees	4.05%	3.09%	
Profit and/or Contingency	-9.55%	1.95%	

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PA Rate Template Part III

Table 10. Plan Rates

Carrier Name: First Priority Life Insurance Company
 Plan Type(s): PPO
 Market Segment: Individual
 Rate Effective Date: 01/01/2017
 Market Adjusted Index Rate: \$ 596.37

Plan Number	HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, EPO, Indemnity, Other)	1/1/16 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2017	1/1/17 Plan Marketing Name (If 1/1/16 Plan Discontinued)	Metallic Tier	Metallic Tier Actuarial Value
Totals							0.618
Plan 1	55957PA0350005	PPO	myBlue Access \$4000	M	myBlue Access \$6,000	Bronze	0.6183
Plan 2	55957PA0350001	PPO	myBlue Access \$1500	D	myBlue Access \$6,000		
Plan 3	55957PA0350004	PPO	myBlue Access \$6850	D	myBlue Access \$6,000		
Plan 4	55957PA0360003	PPO	myBlue Care - Gold	D	my Priority Blue Flex HMO 1000G		
Plan 5	55957PA0320001	PPO	myBlue Choice LP \$5500	D	my Priority Blue Flex HMO 6800B		
Plan 6	55957PA0330001	PPO	myBlue Access LP \$4600	D	my Priority Blue Flex HMO 6800B		
Plan 7	55957PA0330002	PPO	myBlue Access LP \$3500	D	my Priority Blue Flex 2750SQE		
Plan 8	55957PA0330003	PPO	myBlue Access LP \$1500	D	my Priority Blue Flex HMO 1700GQ		
Plan 9	55957PA0350005	PPO	myBlue Access \$4000	D	my Priority Blue Flex HMO 6800B		
Plan 10	55957PA0350001	PPO	myBlue Access \$1500	D	my Priority Blue Flex HMO 2100S		
Plan 11	55957PA0350004	PPO	myBlue Access \$6850	D	my Priority Blue Flex HMO 6800B		

PA Rate Tt
Table 10. Pla

Carrier Name:
Plan Type(s):
Market Segment:
Rate Effective Da
Market Adjusted I

Calibration	
Age Calibration Factor	1.758442484
Geographic Calibration Factor	1.000
Aggregate Calibration Factor	1.758

45 CFR Part 156.8 (d) (2) Allowable Factors												
Plan Number	Standard AV, Approach (1), Approach (2)	Exchange On/Off or Off	Pricing AV (company-determined AV)	Benefit Richness (induced demand)	Benefits in addition to EHB	Provider Network	Catastrophic Eligibility	Tobacco Surcharge Adjustment	Pure Premium	Admin Costs	Taxes & Fees (not including Exchange fees)	Profit or Contingency
Totals			0.662	1.000	1.000	1.000	1.000	0.989	\$ 390.57	11.2%	3.1%	2.0%
Plan 1	Approach (1)	Off	0.662	1.000	1.000	1.000	1.000	0.989	\$390.57	11.2%	3.1%	2.0%
Plan 2									\$0.00			
Plan 3									\$0.00			
Plan 4									\$0.00			
Plan 5									\$0.00			
Plan 6									\$0.00			
Plan 7									\$0.00			
Plan 8									\$0.00			
Plan 9									\$0.00			
Plan 10									\$0.00			
Plan 11									\$0.00			

PA Rate T
Table 10. Pla

Carrier Name:
Plan Type(s):
Market Segment:
Rate Effective Da
Market Adjusted I

Plan Number	Total Covered Lives @ 2/1/2016	Total Policyholders @ 2/1/2016	2016 Calibrated Plan Adjusted Index Rate PMPM	2017 Calibrated Plan Adjusted Index Rate PMPM	Change Compared to Prior 12 months	% of Total Covered Lives
Totals	833	608	\$ 191.10	\$ 265.29	38.82%	
Plan 1	833	608.00	\$ 191.10	\$265.29	38.8%	100.0%
Plan 2	-	-	\$ 235.65	\$0.00	-100.0%	0.0%
Plan 3	-	-	\$ 124.32	\$0.00	-100.0%	0.0%
Plan 4	-	-	\$ 255.93	\$0.00	-100.0%	0.0%
Plan 5	-	-	\$ 235.69	\$0.00	-100.0%	0.0%
Plan 6	-	-	\$ 175.90	\$0.00	-100.0%	0.0%
Plan 7	-	-	\$ 225.09	\$0.00	-100.0%	0.0%
Plan 8	-	-	\$ 270.92	\$0.00	-100.0%	0.0%
Plan 9	-	-	\$ 191.10	\$0.00	-100.0%	0.0%
Plan 10	-	-	\$ 235.65	\$0.00	-100.0%	0.0%
Plan 11	-	-	\$ 124.32	\$0.00	-100.0%	0.0%

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PA Rate Template Part IV

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

Carrier Name: First Priority Life Insurance Company
 Plan Type(s): PPO
 Market Segment: Individual
 Rate Effective Date: 01/01/2017

Plan Number	HIOS Plan ID (Standard Component)	1/1/16 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2017	1/1/17 Plan Marketing Name (If 1/1/16 Plan Discontinued)	Metallic Tier	Exchange On/Off or Off
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Totals

These cells auto-fill using the data entered in Table 9.

Plan 1	55957PA0350005	myBlue Access \$4000	M	myBlue Access \$6,000	Bronze	Off
Plan 2	55957PA0350001	myBlue Access \$1500	D	myBlue Access \$6,000	0	0
Plan 3	55957PA0350004	myBlue Access \$6850	D	myBlue Access \$6,000	0	0
Plan 4	55957PA0360003	myBlue Care - Gold	D	my Priority Blue Flex HMO 1	0	0
Plan 5	55957PA0320001	myBlue Choice LP \$5500	D	my Priority Blue Flex HMO 6	0	0
Plan 6	55957PA0330001	myBlue Access LP \$4600	D	my Priority Blue Flex HMO 6	0	0
Plan 7	55957PA0330002	myBlue Access LP \$3500	D	my Priority Blue Flex 2750SC	0	0
Plan 8	55957PA0330003	myBlue Access LP \$1500	D	my Priority Blue Flex HMO 1	0	0

Table 11. Pla

Rate Effective Da

[illegible]

Table 11. Pla

Carrier Name:

Plan Type(s):

Market Segment:

Rate Effective Da

[illegible]

Table 11. Pla

Carrier Name:

Plan Type(s):

Market Segment:

Rate Effective Da

[illegible]

PA Rate Template Part V Consumer Factors

Table 12. Age and Tobacco Factors

2017 Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-20	0.635			43	1.357	1.10975
21	1.000	1.05		44	1.397	1.11468
22	1.000	1.05		45	1.444	1.12048
23	1.000	1.05		46	1.500	1.12739
24	1.000	1.05		47	1.563	1.13516
25	1.004	1.05		48	1.635	1.14405
26	1.024	1.05		49	1.706	1.15281
27	1.048	1.05		50	1.786	1.16268
28	1.087	1.05		51	1.865	1.17243
29	1.119	1.05		52	1.952	1.18316
30	1.135	1.05		53	2.040	1.19402
31	1.159	1.05		54	2.135	1.20574
32	1.183	1.05		55	2.230	1.21746
33	1.198	1.05		56	2.333	1.23017
34	1.214	1.05		57	2.437	1.23
35	1.222	1.05		58	2.548	1.18497
36	1.230	1.05		59	2.603	1.1683
37	1.238	1.05		60	2.714	1.12854
38	1.246	1.05		61	2.810	1.09774
39	1.262	1.05		62	2.873	1.08125
40	1.278	1.1		63	2.952	1.05969
41	1.302	1.10296		64+	3.000	1.05
42	1.325	1.1058				

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1			
Rating Area 2			
Rating Area 3	Clinton, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming	1.000	1.000
Rating Area 4			
Rating Area 5			
Rating Area 6			
Rating Area 7			
Rating Area 8			
Rating Area 9			

Table 14. Network Factors

[illegible]