

**State:** Pennsylvania **Filing Company:** UnitedHealthcare Insurance Company  
**TOI/Sub-TOI:** H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only  
**Product Name:** PA Small Business Filing 1.1.2016 SHOP and Off Exchange  
**Project Name/Number:** /

## Filing at a Glance

Company: UnitedHealthcare Insurance Company  
Product Name: PA Small Business Filing 1.1.2016 SHOP and Off Exchange  
State: Pennsylvania  
TOI: H15G Group Health - Hospital/Surgical/Medical Expense  
Sub-TOI: H15G.003 Small Group Only  
Filing Type: Rate - Small Group Base Rate Modification  
Date Submitted: 05/15/2015  
SERFF Tr Num: UHLC-130076987  
SERFF Status: Assigned  
State Tr Num: UHLC-130076987  
State Status: Note to Filer Sent  
Co Tr Num:

Implementation: On Approval  
Date Requested:  
Author(s): Randy Jacks, Maria Ilea, Kristine Santovasi  
Reviewer(s): Rashmi Mathur (AH) (primary)  
Disposition Date:  
Disposition Status:  
Implementation Date:

State Filing Description:  
sm grp rri=-1.5%  
PA SHOP binder is UHLC-PA16-125041743;  
PA SG off exchange binder is UHLC-PA16-125041745

**State:** Pennsylvania **Filing Company:** UnitedHealthcare Insurance Company  
**TOI/Sub-TOI:** H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only  
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## General Information

Project Name: Status of Filing in Domicile:  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Small  
Group Market Type: Employer Overall Rate Impact: -1.5%  
Filing Status Changed: 05/15/2015  
State Status Changed: 05/18/2015 Deemer Date:  
Created By: Maria Ilea Submitted By: Maria Ilea  
Corresponding Filing Tracking Number: UHLC-130061425  
  
PPACA: Not PPACA-Related  
  
PPACA Notes: null  
Exchange Intentions: Participation in SHOP  
  
Filing Description:  
Small Group Rate Filing For 1.1.2016 SHOP and Off Exchange

## Company and Contact

### Filing Contact Information

Maria Ilea, maria\_ilea@uhc.com  
4 Research Dr 203-447-4291 [Phone]  
Shelton, CT 06484

### Filing Company Information

UnitedHealthcare Insurance Company	CoCode: 79413	State of Domicile: Connecticut
185 Asylum Street	Group Code: 707	Company Type: Life and Health
Hartford, CT 06103	Group Name:	State ID Number: 79413
(860) 702-5000 ext. [Phone]	FEIN Number: 36-2739571	

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

SERFF Tracking #:

UHLC-130076987

State Tracking #:

UHLC-130076987

Company Tracking #:

State:

Pennsylvania

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only

Product Name:

PA Small Business Filing 1.1.2016 SHOP and Off Exchange

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/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	Please, find attached the Redacted version of the Part III Actuarial Memorandum. The unredacted version of this document has been moved in the confidential section of this filing.
<b>Attachment(s):</b>	Part III-UHIC-2016-01_Redacted.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

Federal Rate Filing Justification Part III  
Actuarial Memorandum & Certification  
For UnitedHealthcare Insurance Company

State of Pennsylvania Rate Review

**Purpose:** The purpose of this rate filing is to comply with Pennsylvania and Federal requirements. This filing is to outline manual base rates and rating factors compliant to the Patient Protection and Affordable Care Act (PPACA) Adjusted Community Rating requirements on non-grandfathered PPACA compliant small group policies. This filing may not be appropriate for other purposes.

This rate adjustment is for both new business and existing business with renewal dates on or after the effective date of the changes.

**Company Identifying Information:**

- **Company Legal Name:** UnitedHealthcare Insurance Company
- **State:** Pennsylvania
- **HIOS Issuer ID:** 23489
- **Market:** Small Group
- **Effective Date:** 1/1/2016

**Company Contact Information:**

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

**Proposed Rate Increase:** UnitedHealthcare Insurance Company is filing for revised medical and pharmacy base rates, and plan rating factors that comply with the requirements of PPACA.

The proposed rate changes are as below.

**BASE PREMIUM RATES**

Medical and Pharmacy base rates have been revised due to favorable changes in emerging experience. The rates reflect the needed revenue to cover Essential Health Benefit requirements, Insurer and Reinsurance fees, and other healthcare reform related costs and needed rate actions from most recent experience. Base premium rates are provided in Exhibit 1.

**AGE FACTORS**

Age factors are provided in Exhibit 1. There are no changes from the age factors in our prior filing, effective January 1, 2015.

**AREA FACTORS**

There are no changes from the Area Factors in our prior approved filing, effective January 1, 2015. Area factors are provided in Exhibit 1.

## PRICING TREND

Pricing trend is [REDACTED]. Pricing trend is provided in Exhibit 1.

## RATING FORMULA:

The rating formula for non-grandfathered small employer group business is shown below:

$$(\text{Med Base Rate} \times \text{Med Relativity} + \text{Rx Base Rate} \times \text{Rx Relativity}) \times \text{Trend Factor (EDA)} \times \text{Age Factor} \times \text{Area Factor} = \text{Final Health Premium Rate}$$

## PLAN DESIGNS AND RATING FACTORS

This rate filing includes some PPACA compliant plans from last year's filing. All listed plans are designed based on the final Market Reform Rule requirements.

Actuarial Value calculations have been conducted to ensure actuarial values are within the allowed range for each metal tier. Mental Health Parity testing has been conducted, and final plan designs will ensure compliance.

All plans have been priced on an actuarially equivalent basis, based on the final Market Reform Rule requirement. The plan-specific adjustments to the market-wide index rate (plan relativities) do not reflect differences in health status or risk selection.

## Experience Period Premiums and Claims:

- **Paid Through Date:** The experience period is 1/1/2014 to 12/31/2014 paid through 2/28/2015. The experience base includes pre-PPACA plans marketed prior to 2014 and PPACA plans marketed during 2014.
- **Premiums (net of MLR Rebate) in Experience Period:** Earned premium for the experience period was [REDACTED]. There are no MLR rebate payments attributable to the Small Group business.
- **Allowed and Incurred Claims Incurred During the Experience Period:** Incurred claims were developed by first starting with actual claims paid through 2/28/15 by incurred date. To these paid claims estimates of incurred but not paid were added. Here is a description of the reserve methodology:

The UnitedHealthcare Reserving process utilizes the Reserve Production System (RPS) to record reserves into the PeopleSoft general ledger. Fee for service and paid claim data is loaded into RPS and becomes the basis for the monthly reserve calculations at the various business unit, location, and line of business levels. The assignment of the paid claims into RPS packages is based on the mapping rules maintained by the Corporate Actuarial department. RPS calculates a preliminary best estimate Incurred But Not Reported (IBNR) for each reserving model (package) primarily using standard completion factors based on historical claim experience. The Claims Reserving Team adjusts the preliminary IBNR based on specific knowledge of the entity (i.e. catastrophic claims, pending claims, etc.) to calculate the final IBNR. In months where

adjudicated claims experience is not complete enough for an estimate using completion factors, a seasonally adjusted PMPM is used to estimate incurred claims.

A description of the Sarbanes Oxley controls, audited by Deloitte & Touche, in place regarding the reserving process include:

- 1) Market Paid claim Tie-outs: To verify completeness and accuracy of financial data in RPS, paid claim data is tied out between source system (RPS) and PeopleSoft general ledger.
  - 2) Market Expense Tie-outs: RPS reserve changes on the income statement are tied to the PeopleSoft general ledger to ensure that information is accurate subsequent to computing the reserve.
- Allowed claims by benefit category were obtained from UnitedHealthcare claim paying system reports.

**Benefit Categories:** Claims were assigned to benefit categories by our claim department using standard industry definitions of services.

**Projection Factors:**

- **Changes in the Morbidity of the Population Insured:** Based on the characteristics of groups insured in current book of business, we have estimated the possibility for small employers to drop out from the fully insurance health insurance market, and thus the potential changes in the demographic and morbidity of the full insured population. The risk identified as small employer drop out risk is included in URRT "population risk morbidity" trend category.
- **Changes in Benefits:** The estimate of the cost of added Essential Health Benefits were developed using UnitedHealthcare national experience. No other benefit changes are assumed.
- **Changes in Demographics:** No changes in demographics are assumed. The HHS proposed age factors adopted by Pennsylvania are used in rating.
- **Trend Factors:** UnitedHealthcare Medical Expense Forecasting Process Overview & Considerations:

UnitedHealthcare develops forward-looking medical expense estimates based on a number of considerations. In general, recent/emerging claims experience is reviewed at the market level for several broad medical expense categories (inpatient, professional, pharmacy, etc.), with utilization, unit cost, benefit leveraging, and business mix identified for each category. Future trends are developed based on a projection of each component.

Utilization rates by category are measured and projected net of business mix (employer mix, benefit mix, demographic mix, etc.). Forward looking utilization levels are developed

based on emerging market level data, supplemented by regional and/or national level utilization data. Macro-economic data is often used to develop assumptions regarding directional changes in national health care consumption rates.

Market-level unit cost projections are developed based on evaluations of current and anticipated provider contract economics, as well as consideration to both current and expected changes in non-contracted provider cost exposure. Unit cost projections also consider the estimated cost impact of new technologies, service availability/mandates, or other factors that might influence mix of procedures.

In addition, market-level healthcare affordability activities that are expected to impact forward-looking medical costs are recognized. Depending on the nature of individual initiatives, the impact may be recognized in one or more of the component cost items discussed above. Only incremental activities are recognized for this purpose in the expected trend impact for any particular period.

Business mix changes that influence medical cost trends are also reviewed and projected, with appropriate input from sales and underwriting staff. These factors include changing mix of employer groups, mix of benefits, and demographic changes. For the purposes of developing premium pricing trend projections, the component of trend attributable to business mix is excluded.

**Credibility Manual Rate Development:**

- **Source and Appropriateness of Experience Data Used:** The fully credible experience period source data used to develop manual rates is the actual experience for the PA Small Group business. For development of rates effective January 1, 2016, our expectation, consistent with our business plan, is that there will be minimal participation initially by groups in the 51-100 employees segment. As such, our rates were developed based on expectations of groups with up to 50 employees.

**Credibility of Experience:** The fully credible experience period source data used to develop manual rates is the actual experience for the PA Small Group business.

**Paid to Allowed Ratio:** The paid to allowed average factor in the projection period is based on the projected membership distribution.

**Risk Adjustment and Reinsurance:**

- **Projected Risk Adjustments (PMPMs):** Based on analysis performed, we estimate we will be a █████ risk payer.
- **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium:** Because this is a small group filing, and not in a combined Individual/Small Group market,

there is no projected Reinsurance Recovery. The amount shown is an estimate of Reinsurance Premium.

**Non-Benefit Expenses and Risk Margin:** The expenses assumed in the development of the proposed rates are as follows:

% of Premium	Expense Category
██████	Sub-Total Admin Expenses
██████	Profit & Risk Load
██████	Taxes & Fees
██████	Total

**Projected Loss Ratio:** The projected loss ratio using federally prescribed MLR methodology is ██████

**Single Risk Pool:**

The Single Risk Pool reflects all covered lives for every non-grandfathered product and is established according to the requirements in 45 CFR part 156.80(d) which includes all enrollees in all health plans (other than grandfathered health plans) subject to section 2701 of the Public Health Service Act. The Single Risk Pool is specific to the legal entity and the state of this filing.

**Index Rate:**

The development of the Index Rate for Projection Period is shown in the table below. The Q1 Projected Allowed Claims is the Projected Allowed Experience Claims from Section III. The Index Rate is then the member weighted average for each effective date.

2016 Effective Dates	1Q16	2Q16	3Q16	4Q16
Members	██████	██████	██████	██████
Q1 Projected Allowed Claims	██████	██████	██████	██████
Quarterly Trend w/o benefit leveraging	██████	██████	██████	██████
Projected Allowed Claims	██████	██████	██████	██████
Index Rate for Part I	\$410.01			
Effective Date for Part I	1/1/2016	4/1/2016	7/1/2016	10/1/2016

**Plan Adjusted Index Rate:**

Plan Adjusted Index Rates are provided in the URRT Part I. The adjustments that have been applied to the development of the Plan Adjusted Index Rates include:

Actuarial Value and Cost Sharing: These values are developed with the method identified in the sections below and applied to each plan accordingly.

Distribution and Administrative Cost: This adjustment is developed based on the method described in the "Non-Benefit Expense and Profit & Risk" section. The same adjustment has been applied to all plans to develop the Plan Adjusted Index Rate.

The formula to develop the Plan Adjusted Index Rate is as below:

Plan Adjusted Index Rate= (Market Adjusted Index Rate X Actuarial Value and Cost Sharing)/(1- Distribution and Administrative Cost).

**Index Rate to Consumer Rate for Sample Plans**

	Platinum	Gold	Silver	Bronze
<b>Plan Name</b>	<b>UHIC AC-4Y- YM</b>	<b>UHIC AC-1M- YM</b>	<b>UHIC AC-33- YM</b>	<b>UHIC AC-4F- YM</b>
2016 Effective Dates	1Q16	1Q16	1Q16	1Q16
<b>Projected Index Rate</b>	<b>\$410.01</b>	<b>\$410.01</b>	<b>\$410.01</b>	<b>\$410.01</b>
Risk Adjustment	██████	██████	██████	██████
Reinsurance Assessment	██████	██████	██████	██████
<b><u>Market Adjusted Index Rate</u></b>	<b>\$453.67</b>	<b>\$453.67</b>	<b>\$453.67</b>	<b>\$453.67</b>
Provider Network Savings	██████	██████	██████	██████
Actuarial Value and Cost Sharing	██████	██████	██████	██████
Distribution And Administrative cost	██████	██████	██████	██████
<b><u>Plan Adjusted Index Rate</u></b>	<b>\$543.79</b>	<b>\$410.11</b>	<b>\$324.50</b>	<b>\$277.38</b>
<b><u>Calibration</u></b>				
Age Factor Calibration	██████	██████	██████	██████
Area Factor Calibration	██████	██████	██████	██████
Calibrated Plan Adjusted Index Rate	██████	██████	██████	██████
<b>Actual Consumer Rate (age 21)</b>	<b>\$434.92</b>	<b>\$328.00</b>	<b>\$259.53</b>	<b>\$221.84</b>

**Calibration:**

Age Curve Calibration is calculated as the premium weighted average age rating factors (based on ACR compliant national standard age curve) in experience period. The factor is calculated to be [REDACTED] which translates to an approximate average age [REDACTED] years old.

Geographic Factor Calibration is calculated as the premium weighted average rating area factors (based ACR compliant rating area setting) in experience period. The factor is calculated to be [REDACTED]

Description of development of geographic rating factors

Geographic area rating factors are reviewed periodically versus UnitedHealthcare claims data that reflects unit cost differences by county. Such a review was conducted as part of our January 1, 2016 rate development. For this filing, there are no proposed changes to previously approved area factors. Our analysis did not indicate that there were credible, material differences indicated by the comparison of currently approved area factors and the UHC data reflecting unit cost differences.

The calibration factors are applied uniformly to all plans.

**Calibrated Plan Adjusted Index Rate**

Consumer Adjusted Premium Rate is developed with the formula below:

Consumer Adjusted Premium Rate = Plan Adjusted Index Rate x 1/ Age Curve Calibration X 1/ Geographic Factor Calibration

Member level plan premium rate information is provided in Rate Data Template.

**AV Metal Values:** The below actuarial certification describes the methodology and the AV calculator input values used for the plan design features that do not fit into the parameters of the AV calculator.

The AV metal value was calculated using the Federal AV calculator. For the benefit designs that cannot be directly coded in the Federal AV calculator, claim distribution information provided in the Federal AV calculator has been used to convert the benefit design in to equivalent benefit designs that can be coded in the Federal AV calculator.

**Certification for AV Calculator**

**Estimation of fit of plan design into the parameters of AV calculator**

Metallic Plan (e)	All Inpatient Hospital Services (inc. MHSA)	Emergency Room Services	Imaging Copay		OP Copay		Specialty Drugs (i.e. high-cost)	Methodology
			Free-Standing setting	Hospital setting	Free-Standing setting	Hospital setting		
			Imaging (CT/PET Scans, MRIs)	Imaging (CT/PET Scans, MRIs)	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)		
Bronze 1	-	-	-	-	-	-	\$109.60	d
Bronze 2	-	-	-	-	-	-	\$109.60	d
Bronze 3	-	-	-	-	-	-	\$109.60	d
Silver 2	-	-	-	-	-	-	\$109.60	d
Silver 3	-	-	-	-	-	-	\$109.60	d
Silver 4	-	-	-	-	-	-	\$109.60	d
Silver 5	-	-	-	-	-	-	\$109.60	d
Silver 6	-	-	-	-	-	-	\$109.60	d
Silver 11	-	-	-	43.70%	-	63.60%	\$109.60	a, b, c, d, e
New Smart HSA	-	-	-	-	84.77%	84.77%	\$108.80	a, d, e
New Smart HSA	-	-	-	-	84.77%	84.77%	\$109.60	a, d, e
New Smart HSA	-	-	-	-	84.77%	84.77%	\$108.80	a, d, e
New Smart HSA	-	-	-	-	84.77%	84.77%	\$109.60	a, d, e
Gold 1	-	-	-	-	-	-	\$109.60	b, c, d
Gold 3	-	-	-	-	-	-	\$109.60	b, c, d
Gold 5	-	-	-	-	-	-	\$109.60	b, c, d
Gold 6	-	-	-	-	-	-	\$109.60	b, c, d
Gold 7	-	-	-	-	-	-	\$109.60	b, c, d
Gold 8	-	-	-	-	-	-	\$109.60	b, c, d
Gold 9	-	-	-	-	-	-	\$109.60	b, c, d
Gold 10	-	-	-	-	-	-	\$109.60	b, c, d
Gold 13	-	-	-	60.96%	-	83.14%	\$109.60	a, b, c, d, e
Gold 15	-	-	79.55%	-	95.43%	-	\$109.60	a, b, c, d, e
Platinum 1	-	-	-	-	92.38%	84.77%	\$109.60	a, b, d, e
Platinum 3	-	-	-	-	-	-	\$109.60	b, c, d
Platinum 4	-	-	-	-	92.38%	84.77%	\$110.40	a, b, d, e
Platinum 7	-	-	80.64%	35.46%	95.07%	84.77%	\$109.60	a, b, c, d, e
Catalyst 1	-	-	-	-	-	-	\$109.60	d
Catalyst 3	-	-	-	-	-	-	\$109.60	d
PA_SB_NDP_01	-	-	-	-	-	-	\$109.60	b, c, d
PA_SB_NDP_02	-	-	-	-	-	-	\$109.60	d
ACO Bronze 2	-	69.33%	-	23.84%	-	50.86%	\$109.60	a, b, c, d, e
ACO HSA Silver	-	77.40%	-	22.13%	-	50.86%	\$109.60	a, b, c, d, e
ACO Silver 2	-	68.80%	-	-	-	-	\$109.60	d, e
ACO HSA Gold	97.64%	-	-	-	-	-	\$109.60	d, e
ACO Gold 1	-	-	24.55%	24.55%	97.71%	97.71%	\$109.60	a, b, c, d, e
ACO Gold 2	-	-	-	-	92.38%	84.77%	\$109.60	a, b, c, d, e

**Methodology**

- a) Actuarial Value Calculator does not support outpatient copay, company's data was used to estimate effective co-insurance factor.
- b) Actuarial Value is the blend of Free-Standing and Hospital setting run, respectively, where Free Standing and Hospital Setting OP utilization are 42% and 58%,
- c) Actuarial Value is the blend of Free-Standing and Hospital setting run, where Free Standing and Hospital Setting MD utilization are 36% and 64%, respectively.
- d) Speciality Rx: Multiple cost sharing levels are combined into a composite level using HHS tool unit cost to different tiers.
- e) Actuarial Value Calculator does not support per occurrence deductibles, company's data was used to estimate effective co-insurance factor.

*David H. Hoesly*  
 David H. Hoesly, ASA, MAAA  
 Director of Pricing & Actuary

**AV Pricing Values:**

Plans are priced through the proprietary UnitedHealthcare pricing model. The model, which was updated for January 1, 2016 pricing, uses UHC fully-insured national small-group claim experience for groups that were in force for all of calendar-year 2013 and is fully-credible. Current claim data is then projected to the pricing period based on national projections of utilization, unit cost, and sloping. These projections are done at the service category (inpatient, outpatient, etc.) level.

At this point, benefit design parameters such as deductibles, copays, coinsurance, etc. are applied to the claim distributions of the matching service category. This cost-sharing is applied, and the values of each service category are summed to come up with the overall benefit value. This overall benefit value is then compared to a base benefit design to calculate the plan relativity.

In order to preserve consistency, the same claim experience and projection assumptions are applied to all plan relativity calculations.

**Membership Projections:** Membership is projected to continue at the current January, 2015 level. The majority of membership in terminated plans has been spread uniformly across plans with non-zero January 2015 membership.

**Terminated Plans and Products:** No products are being terminated. Some plans are being terminated as of the end of 2015. See Exhibit 5 for a list.

**Plan Type:** EPO, POS and Indemnity (Non Differential PPO).

**Warning Alerts:**

Line 54: The average premium PMPM does not match the member weighted Plan Adjusted Index Rate in the experience period. The differential is caused by a high proportion of experience in non-single risk pool compliant plans for which 0 is entered as the Plan Adjusted Index Rate for these plans.

Line 56. The total premium in the experience period does not match the derived value from the Plan Adjusted Index Rates. The differential is caused by the warning in Line 54.

**Reliance:** Not applicable.

**Actuarial Certification:**

I, David H. Hoesly am an actuary of UnitedHealthcare and a member of the American Academy of Actuaries.

I certify that the projected index rate is:

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

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

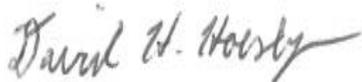
I certify that the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

I certify that the 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 AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template. For plans designs that did not fit into the AV Calculator, included in this Part III Actuarial Memorandum is a description of the methodology and numerical values used to develop the AV metal values, and a certification as required by 45 CFR Part 156, §156.135. Some plans within this portfolio have cost sharing features that differ between individual and family coverage (i.e., when two or more people are covered by the plan). For all plans, consistent with the Actuarial Value Calculator inputs, we have used only the cost sharing provisions applicable to individuals in the actuarial value calculation.

I qualify my opinion to state that the Part I Unified Rate Review Template does not demonstrate the process used by UnitedHealthcare 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.

Sincerely,



David H. Hoesly, ASA, MAAA  
Director of Pricing & Actuary

cc: Maria Ilea

SERFF Tracking #:

UHLC-130076987

State Tracking #:

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Company Tracking #:

State:

Pennsylvania

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only

Product Name:

PA Small Business Filing 1.1.2016 SHOP and Off Exchange

Project Name/Number:

/

## Correspondence Summary

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Data Request Sent	Rashmi Mathur	07/08/2015	07/08/2015

#### Response Letters

Responded By	Created On	Date Submitted
Maria Ilea	07/15/2015	07/15/2015

**State:** Pennsylvania **Filing Company:** UnitedHealthcare Insurance Company  
**TOI/Sub-TOI:** H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only  
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**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Data Request Sent
Objection Letter Date	07/08/2015
Submitted Date	07/08/2015
Respond By Date	07/22/2015

Dear Maria Ilea,

### **Introduction:**

The Pennsylvania Insurance Department has received and conducted a review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided within 14 days of the date of this letter. If you have any questions or difficulties in providing the data within this time frame, please call me.

1. Please list all factor changes proposed in this filing relative to the approved 2015 rate filing and discuss the rationale for the changes.
2. Please provide the AV screenshots, and the schedule of benefits for each plan offered in 2016. Please include the contract form number on each schedule of benefit. Also, provide the 2015 schedule of benefits for each currently offered plan including the corresponding contract form number on each schedule of benefit.
3. Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.
4. For the January 1, 2016, through October 1, 2016 will United Healthcare allow current enrolled groups of size 51-100 transitional relief? That is, will you allow a particular enrolled group to continue under the large group rating process? What is your current (2015) definition of small group? Please be advised that the experience period data should only include groups that meet the 2-50 group size. However, in the projection period, expected claims experience should reflect group policies for employers with 100 or fewer employees that the issuer expects to be enrolled in single risk pool compliant plans during the projection period. This may be done through the projection factors, use of a manual rate, or combination of the two. Please acknowledge your company's understanding and compliance.

### **Conclusion:**

Upon receipt of your responses to the above requested data, the Department will continue to review your filing. Please note that there may be additional questions and/or requirements after reviewing the above data. Should you have any questions regarding this correspondence, please contact me at (717) 783-0675 or e-mail at [rmathur@pa.gov](mailto:rmathur@pa.gov). Sincerely,

Rashmi Mathur, ASA, MAAA  
Actuary  
Bureau of Life, Accident & Health Insurance  
Office of Insurance Product Regulation & Administration

Sincerely,  
Rashmi Mathur

**SERFF Tracking #:**

UHLC-130076987

**State Tracking #:**

UHLC-130076987

**Company Tracking #:**

**State:**

Pennsylvania

**Filing Company:**

UnitedHealthcare Insurance Company

**TOI/Sub-TOI:**

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only

**Product Name:**

PA Small Business Filing 1.1.2016 SHOP and Off Exchange

**Project Name/Number:**

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Objection Letter Response Redacted
<b>Comments:</b>	
<b>Attachment(s):</b>	Objection Letter Response_Redacted.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

1. Please list all factor changes proposed in this filing relative to the approved 2015 rate filing and discuss the rationale for the changes.

- Base rates – changes reflect updated claims experience
- Trend – changes reflect updated provider contractual agreements as well as updated utilization experience
- Benefit Relativity – changes reflect refinement in benefit model as well as changes in deductible leveraging

2. Please provide the AV screenshots, and the schedule of benefits for each plan offered in 2016. Please include the contract form number on each schedule of benefit. Also, provide the 2015 schedule of benefits for each currently offered plan including the corresponding contract form number on each schedule of benefit.

- The required documentation (AV screenshots and schedule of benefits) is attached.
- The contract form number is at the bottom of each page in the schedule of benefit document.

3. Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.

- We acknowledge the understanding and confirm that we have updated the URRT document in HIOS.

4. For the January 1, 2016, through October 1, 2016 will United Healthcare allow current enrolled groups of size 51-100 transitional relief? That is, will you allow a particular enrolled group to continue under the large group rating process? What is your current (2015) definition of small group? Please be advised that the experience period data should only include groups that meet the 2-50 group size. However, in the projection period, expected claims experience should reflect group policies for employers with 100 or fewer employees that the issuer expects to be enrolled in single risk pool compliant plans during the projection period. This may be done through the projection factors, use of a manual rate, or combination of the two. Please acknowledge your company's understanding and compliance.

- Yes, we will allow transitional relief.
- We currently define small group as 2-50 eligible employees.
- We acknowledge that we are compliant with the regulation summarized above.

Sincerely,

Maria Ilea