Filing at a Glance

Company:	BCBSVT
Product Name:	2015 Vermont Exchange Products Rate Filing
State:	VermontGMCB
TOI:	H16G Group Health - Major Medical
Sub-TOI:	H16G.001C Any Size Group - Other
Filing Type:	GMCB Rate
Date Submitted:	06/02/2014
SERFF Tr Num:	BCVT-129572217
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation Date Requested:	On Approval
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

State: *VermontGMCB* **Filing Company:** *BCBSVT*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.001C Any Size Group - Other*
Product Name: *2015 Vermont Exchange Products Rate Filing*
Project Name/Number: */*

General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer, Other
Overall Rate Impact:

Deemer Date:
Submitted By: Jude Daye

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Small
Explanation for Other Group Market Type:
Filing Status Changed: 06/02/2014
State Status Changed:
Created By: Jude Daye
Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null
Exchange Intentions: To be sold on the Vermont Health Connect effective 01/01/2015

Filing Description:
June 2, 2014

Judith Henkin, Esq.
Health Policy Director
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Subject: Blue Cross and Blue Shield of Vermont - NAIC # 53295
2015 Vermont Exchange Products Rate Filing

Dear Ms. Henkin:

Attached for the Green Mountain Care Board's review and approval is Blue Cross and Blue Shield of Vermont's 2015 Vermont Exchange Products Rate Filing.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tom Crompton/GMCB
Ruth Greene/BCBSVT
Vince Mace/BCBSVT
Paul Schultz/BCBSVT

State: *VermontGMCB* **Filing Company:** *BCBSVT*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.001C Any Size Group - Other*
Product Name: *2015 Vermont Exchange Products Rate Filing*
Project Name/Number: */*

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant
445 Industrial Lane
Montpelier, VT 05601

dayej@bcbsvt.com
802-371-3244 [Phone]

Filing Company Information

BCBSVT
PO BOX 186
Montpelier, VT 05601
(802) 371-3450 ext. [Phone]

CoCode: 53295
Group Code:
Group Name:
FEIN Number: 03-0277307

State of Domicile: Vermont
Company Type: Hospital Service Corp
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: *VermontGMCB* **Filing Company:** *BCBSVT*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.001C Any Size Group - Other*
Product Name: *2015 Vermont Exchange Products Rate Filing*
Project Name/Number: */*

Correspondence Summary

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuarial Dataset for the 2015 Vermont Exchange Products Rate Filing	Note To Reviewer	Jude Daye	06/04/2014	06/04/2014

State: *VermontGMCB* **Filing Company:** *BCBSVT*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.001C Any Size Group - Other*
Product Name: *2015 Vermont Exchange Products Rate Filing*
Project Name/Number: */*

Note To Reviewer

Created By:

Jude Daye on 06/04/2014 03:21 PM

Last Edited By:

Jude Daye

Submitted On:

06/04/2014 03:21 PM

Subject:

Actuarial Dataset for the 2015 Vermont Exchange Products Rate Filing

Comments:

Attached please find the Actuarial Dataset for the 2015 Vermont Exchange Products Rate Filing. We are including both the PDF version and an Excel version of the document.

State: VermontGMCB **Filing Company:** BCBSVT
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.001C Any Size Group - Other
Product Name: 2015 Vermont Exchange Products Rate Filing
Project Name/Number: /

Attachment BCBSVT - 2015 Exchange - Actuarial Dataset.xlsx is not a PDF document and cannot be reproduced here.

Please provide Company specific inputs for any cells shaded in blue that currently has dummy variables.

Purpose, Scope, and Reason for Rate Increase

Insurance Company Name	Blue Cross and Blue Shield of Vermont
HIOS ID	13627
SERFF Filing Number	BCVT-129572217
Date of Submission	6/2/2014
Proposed Effective Date	1/1/2015

	Before Rate Increase	After Rate Increase
Average annual premium per policy	$8,190	$8,993

Proposed Overall Rate Change	9.81%
Proposed Minimum Rate Change	4.80%
Proposed Maximum Rate Change	11.79%

Relationship of Proposed Rate Scale to Current Rate Scale Due to:

	Description	Relativity
Claims Experience	The experience period used is composed of current members in Blue Cross and Blue Shield of Vermont (BCBSVT) Individual and Small Group products and The Vermont Health Plan (TVHP) Small Group products. We combined both	1.0798
Age / Gender	We applied Milliman's Health Cost Guidelines (2013) age/gender factors both the experience membership for continuing members and the projected membership and compared the average factors	0.9918
Tier	The mandated tier factors remained unchanged	1.0000
Geography	N/A	1.0000
Tobacco	N/A	1.0000
Benefit Plan Relativities	As overall costs increase and the amounts that members pay in cost-sharing contributions stays the same, more of the total cost is transferred to premiums	1.0080
Mandated Benefit Changes	The Green Mountain Care Board approved a change to enhance coverage for dental services for children. The change provides that children covered through the Exchange product will have access to cleanings and other services with no	1.0050
Non-Mandated Benefit Changes	N/A	1.0000
Other	This includes Transitional Reinsurance, Federal Insurer Fee, changes in pool morbidity, cost trend, changes in administrative charges and other items	1.0121
	Total Average Relativity of Proposed vs. Current Scale	1.0981

Annual Rate Change Distribution

	Impacted # of Contracts	Impacted # of Members	Impacted # of Groups
Reduction of 15.00% or more	0	0	0
Reduction of 10.01% to 14.99%	0	0	0
Reduction of 5.01% to 10.00%	0	0	0
Reduction of 0.01% to 5.00%	0	0	0
No Change	0	0	0
Increase of 0.01% to 5.00%	1,654	2,792	224
Increase of 5.01% to 10.00%	13,515	22,815	1,558
Increase of 10.01% to 14.99%	19,302	32,583	2,581
Increase of 15.00% or more	0	0	0
Total	34,471	58,190	4,363

History of Rate Changes

Rate Effective Month and Year:	Average Annual Proposed Rate Change	Average Annual Approved Rate Change
2012	N/A	N/A
2013	N/A	N/A
2014	N/A	N/A

Experience Period Used in Rate Development

General Description of Experience Used in Rate Development (may be different than experience shown in URRT)	The experience period used is composed of current members in Blue Cross and Blue Shield of Vermont (BCBSVT) Individual and Small Group products and The Vermont Health Plan (TVHP) Small Group products. We combined both companies since all their members will be migrating to the Exchange and Small
Does experience include pools/blocks of business not affected by proposed rate change?	No (Yes or No)

	Incurred From Month/Year	Incurred To Month/Year
Time period used for Experience Data in Rate Development	1/1/2013	12/31/2013

Total Written Premium in Experience Period	$287,929,163
Total Earned Premium in Experience Period	$287,929,163
Total Incurred Claims in Experience Period	$268,391,883
Loss Ratio	93.21%
Paid Through Date For Claims	3/31/2014
IBNR as % of Incurred Claims	0.39%
IBNR as # of Months of Paid Claims	0.05
Number of Contracts/Policyholders	464,343
Number of Covered Lives	729,421

Service Category	Incurred Claims $ PMPM	% Incurred
Inpatient Facility	$66.65	14.7%
Outpatient Facility	$141.15	31.2%
Professional	$81.04	17.9%
Prescription Drugs	$72.62	16.0%
Capitation and Other Provider Payments	$76.48	16.9%
Other	$14.81	3.3%
Total	$452.75	

Credibility Analysis

Assumed Experience Credibility %	100.00%
Description of Credibility Formula and the Theoretical Basis for Use	N/A

Alternative Data Sources

Description of Any Alternative Experience Data Used in Rate Development	N/A
Description of Any Manual Rate Data Used in Rate Development	N/A

Retention

	PMPM in effect during the experience period	PMPM from Most Recent Approved Rate Filing	Proposed PMPM for Effective Date	Proposed Change in PMPM Compared to Prior 12 months	Proposed Change in PMPM Compared to Most Recently Approved Filing
Payroll and Benefits	$14.31	$14.40	$12.79	-10.58%	-11.17%
Outsourced Services (EDP, claims, etc.)	$6.07	$6.10	$6.92	13.94%	13.38%
Auditing and consulting	$2.61	$2.21	$1.81	-30.83%	-18.19%
Marketing & Advertising	$0.84	$0.49	$0.33	-61.13%	-33.13%
Legal Expenses	$0.21	$0.22	$0.11	-48.81%	-50.16%
Other General Admin Expense	$5.32	$5.70	$4.82	-9.44%	-15.47%
Commissions & Brokers Fees	$7.19	$0.00	$0.00	-100.00%	
Taxes, Licenses & Fees	$0.44	$0.50	$0.45	2.15%	-10.83%
Reinsurance	$0.00	$0.00	$0.00		
Profit/Risk Margin	-$14.84	$2.02	$4.44	-129.92%	119.62%

	As % of Premium during the experience period	As % of Premium from Most Recent Approved Rate Filing	Proposed As % of Premium for Effective Date	Proposed Change in % of Premium Compared to Prior 12 months	Proposed Change in % of Premium Compared to Most Recently Approved Filing
Payroll and Benefits	3.62%	3.32%	2.88%	-20.49%	-13.07%
Outsourced Services (EDP, claims, etc.)	1.54%	1.41%	1.56%	1.30%	10.95%
Auditing and consulting	0.66%	0.51%	0.41%	-38.50%	-19.94%
Marketing & Advertising	0.21%	0.11%	0.07%	-65.44%	-34.56%
Legal Expenses	0.05%	0.05%	0.02%	-54.49%	-51.23%
Other General Admin Expense	1.35%	1.31%	1.08%	-19.48%	-17.28%
Commissions & Brokers Fees	1.82%	0.00%	0.00%	-100.00%	
Taxes, Licenses & Fees	0.11%	0.12%	0.10%	-9.18%	-12.74%
Reinsurance	0.00%	0.00%	0.00%		
Profit/Risk Margin	-3.76%	0.50%	1.00%	-126.61%	100.00%

Trend & Projection Assumptions

Adjustments from Experience Period to Current Calendar Year

Start Period	End Period
1/1/2014	12/31/2014

	Util. Adjustments to Current Rate					Unit Cost Adj to Current Rate			
Service Category	Util/1000 Trend	Benefit Plan Change	Population Change	Other Factor	Total Util Factor	Provider Payment Change	Other Factor	Total Unit Cost Factor	Trend
Inpatient Facility	1.0000	1.0000	1.0000	1.0000	1.00000	1.0403	1.0000	1.04028	1.04028
Outpatient Facility	1.0000	1.0000	1.0000	1.0000	1.00000	1.0403	1.0000	1.04028	1.04028
Professional	1.0000	1.0000	1.0000	1.0000	1.00000	1.0403	1.0000	1.04028	1.04028
Prescription Drugs	1.0187	1.0000	1.0000	1.0000	1.01870	1.0681	1.0000	1.06810	1.08807
Capitation and Other Provider Payments	1.0000	1.0000	1.0000	1.0000	1.00000	1.0403	1.0000	1.04028	1.04028
Other	1.0000	1.0000	1.0000	1.0000	1.00000	1.0403	1.0000	1.04028	1.04028

	Adjustments from Current Calendar Year to Projection Year								
	Start Period	End Period							
	1/1/2015	12/31/2015							
	Util. Adjustments to Current Rate					Unit Cost Adj to Current Rate			
Service Category	Util/1000 Trend	Benefit Plan Change	Population Change	Other Factor	Total Util Factor	Provider Payment Change	Other Factor	Total Unit Cost Factor	Trend
Inpatient Facility	1.0000	1.0000	1.0000	1.0000	1.00000	1.0480	1.0000	1.04805	1.04805
Outpatient Facility	1.0000	1.0000	1.0000	1.0000	1.00000	1.0480	1.0000	1.04805	1.04805
Professional	1.0000	1.0000	1.0000	1.0000	1.00000	1.0480	1.0000	1.04805	1.04805
Prescription Drugs	1.0187	1.0000	1.0000	1.0000	1.01870	1.0597	1.0000	1.05970	1.07952
Capitation and Other Provider Payments	1.0000	1.0000	1.0000	1.0000	1.00000	1.0480	1.0000	1.04805	1.04805
Other	1.0000	1.0000	1.0000	1.0000	1.00000	1.0480	1.0000	1.04805	1.04805

Service Category	Incurred Claims $ PMPM	Medical Trend
Inpatient Facility	$66.65	1.09026
Outpatient Facility	$141.15	1.09026
Professional	$81.04	1.09026
Prescription Drugs	$72.62	1.17459
Capitation and Other Provider Payments	$76.48	1.09026
Other	$14.81	1.09026
Aggregate	$452.75	1.103789607

Monthly Trend Analysis Based on Experience Data Time Period used for Rate Development

Month	Member Months	Monthly Incurred Claims $ PMPM	Rolling 12 Mo Trend	Annualized Rolling 6 Mo Trend	Annualized Rolling 3 Mo Trend
January-2011	40,728	$413.95			
February-2011	41,137	$368.10			
March-2011	41,544	$462.88			
April-2011	41,847	$410.30			
May-2011	42,167	$413.85			
June-2011	42,279	$445.38			18.48%
July-2011	42,536	$396.09			12.89%
August-2011	42,651	$432.58			2.08%
September-2011	42,862	$458.97			11.86%
October-2011	42,747	$452.39			36.82%
November-2011	42,728	$482.76			47.37%
December-2011	42,763	$497.84		23.27%	54.19%
January-2012	60,442	$428.30		43.22%	93.88%
February-2012	60,483	$433.67		51.82%	129.53%
March-2012	60,785	$467.83		71.07%	199.07%
April-2012	60,990	$440.67		82.38%	109.19%
May-2012	60,929	$485.15		93.56%	78.71%
June-2012	60,891	$420.38		95.69%	7.55%
July-2012	60,850	$422.29		68.07%	-3.34%
August-2012	60,836	$443.20		50.34%	-27.72%
September-2012	61,055	$385.61		24.51%	-25.54%
October-2012	60,917	$483.07		15.91%	-4.48%
November-2012	61,059	$469.18		2.03%	18.32%
Dec-2012	61,186	$479.15	47.66%	1.24%	72.99%
Jan-2013	60,791	$478.60	43.25%	5.74%	40.72%
Feb-2013	60,577	$427.63	36.53%	3.47%	13.90%
Mar-2013	60,635	$473.62	31.62%	16.93%	-15.79%
Apr-2013	60,560	$490.18	27.78%	13.59%	-12.06%
May-2013	60,431	$500.52	22.35%	17.05%	22.20%
Jun-2013	60,739	$452.80	20.06%	9.45%	18.98%
Jul-2013	61,204	$477.18	17.59%	5.18%	13.17%
Aug-2013	61,332	$471.60	14.87%	10.31%	-12.94%
Sep-2013	61,148	$488.68	15.50%	5.13%	2.67%
Oct-2013	60,840	$565.08	13.34%	10.50%	31.89%
Nov-2013	60,849	$518.13	11.39%	10.02%	56.57%
Dec-2013	60,315	$544.14	9.72%	19.04%	58.34%

Solvency

	Most Recent Quarterly Financial Statement	Most Recent Annual Financial Statement
Total Adjusted Capital		
Authorized Control Level		
RBC Ratio		

Loss Ratio

Time Period	Period Beginning Date	Period Ending Date	Member Months	Incurred Claims	Earned Premium	Loss Ratio	Expected Incurred Claims	A-to-E Claims Ratio
Historical Year -4	1/1/2009	12/31/2009						
Historical Year -3	1/1/2010	12/31/2010						
Historical Year -2	1/1/2011	12/31/2011						
Historical Year -1	1/1/2012	12/31/2012						
Historical Year 0	1/1/2013	12/31/2013						
Historical Totals			0	0	0		0	
Interim Time Period	1/1/2014	12/31/2014	758,664	243,093,245	278,842,852	87.2%	243,093,245	100.0%
Future Year 1	1/1/2015	12/31/2014	698,280	273,590,826	310,011,258	88.3%	273,590,826	100.0%

Anticipated Federal loss ratio standard in market: 80%

Justification for relationship of Federal MLR standard and the projected future loss ratio including detailed break down of adjustments

Please see the Actuarial Memorandum and Exhibit 8 for details about the adjustments. Our projected Loss Ratio is much higher than the anticipated 80% Federal MLR Standard.

Note:
The historical time periods should represent calendar years since the inception date of the plan type through the most recent date available allowing for the appropriate amount of run-out.
In instances where the start dates and end dates do not line up with a calendar year, partial years should be used.
The interim time period the time between the end date of the "Most Recent Date Available" and the rate effective date.
The future year should represent the 12 months immediately following the rate effective date.

Consumer Adjusted Premium Rate Development

Index Rate for Projected Period PMPM	$503.40
Risk Adjustment PMPM	$0.08
Net Reinsurance Contributions PMPM	($10.29)
Exchange User Fees PMPM	$0.00
Market Adjusted Index Rate PMPM	$493.19

Product	BCBSVT EPO Standard (Individual)		BCBSVT EPO Standard (Indiv	EPO Accountable Blue (B	SVT EPO Standard (Indiv	EPO-CDHP Standard (B	VT EPO Standard (Indiv	VT EPO-CDHP Standard (Ind	EPO Standard (I
Product ID	13627VT034		13627VT034	13627VT038	13627VT034	13627VT035	13627VT034	13627VT035	13627VT034
Plan ID	13627VT0340002		13627VT0340003	13627VT0380001	13627VT0340004	13627VT0350001	13627VT0340005	13627VT0350002	3627VT0340006
Metal Tier	Platinum (with highest Metal AV)	Platinum (with lowest Metal AV)	Gold (with highest Metal AV)	Gold (with lowest Metal AV)	Silver (with highest Metal AV)	Silver (with lowest Metal AV)	Bronze (with highest Metal AV)	Bronze (with lowest Metal AV)	Catastrophic
Metal AV Value	0.881		0.802	0.799	0.715	0.685	0.615	0.609	0.654
Pricing AV Value	1.173		1.002	0.909	0.849	0.794	0.711	0.690	0.414
Projected Member Months	45276		31884	9564	76560	42960	12072	13104	1056
Market Adjusted Index Rate PMPM	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19
Plan Adjustments (in multiplicative format)									
Actuarial value and cost-sharing design of the plan	1.062		0.899	0.810	0.753	0.701	0.622	0.602	0.573
Provider network, delivery system characteristics and utilization management practices	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000
Plan benefits in addition to EHB	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000
Expected impact of special eligibility categories (only for catastrophic plans)	1.000		1.000	1.000	1.000	1.000	1.000	1.000	0.592
Plan Adjustments (in % format)									
Distribution and administration costs	9.5%		10.3%	10.9%	11.3%	11.7%	12.5%	12.8%	18.1%
Plan Adjusted Index Rate	$578.46	$493.19	$494.10	$448.40	$418.56	$391.37	$350.65	$340.37	$204.02
Age Calibration Factor	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Geography Calibration Factor	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Aggregate Calibration Factor	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Consumer Adjusted Premium Rate PMPM	$578.46	$493.19	$494.10	$448.40	$418.56	$391.37	$350.65	$340.37	$204.02

State: VermontGMCB **Filing Company:** BCBSVT
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.001C Any Size Group - Other
Product Name: 2015 Vermont Exchange Products Rate Filing
Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Experience Rated
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/01/2014
Filing Method of Last Filing: Experience Rated

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
BCBSVT	Increase	9.811%	9.811%	$27,698,314	35,037	$282,312,944	11.787%	4.797%

Rate Review Detail

COMPANY:

Company Name: BCBSVT
HHS Issuer Id: 13627

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
BCBSVT EPO Accountable Blue (Individual)	13627VT038		4188
BCBSVT EPO Accountable Blue (Small Group)	13627VT036		2603
BCBSVT EPO Standard (Individual)	13627VT034		15415
BCBSVT EPO Standard (Small Group)	13627VT032		19654
BCBSVT EPO-CDHP Standard (Individual)	13627VT035		5114
BCBSVT EPO-CDHP Standard (Small Group)	13627VT033		8090
BCBSVT EPO-CDHP-Accountable Blue (Individual)	13627VT039		1519
BCBSVT EPO-CDHP-Accountable Blue (Small Group)	13627VT037		1284

Trend Factors:

FORMS:

New Policy Forms: N/A
Affected Forms: N/A
Other Affected Forms: N/A

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 729,421
Benefit Change: Increase
Percent Change Requested: Min: 4.797 Max: 11.787 Avg: 9.811

PRIOR RATE:

Total Earned Premium: 282,312,944.00
Total Incurred Claims: 201,268,377.00
Annual $: Min: 190.94 Max: 521.20 Avg: 404.30

REQUESTED RATE:

Projected Earned Premium: 310,011,258.00
Projected Incurred Claims: 248,643,841.00
Annual $: Min: 204.02 Max: 578.46 Avg: 443.96

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	BCBSVT 2015 Exchange Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	Part III Actuarial Memorandum is the same as the Actuarial Memorandum in the previous section.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	Not required.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Consumer Disclosure Form
Comments:	
Attachment(s):	BCBSVT 2015 Exchange Filing - Plain Language Summary.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Compliance Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

State: VermontGMCB **Filing Company:** BCBSVT
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.001C Any Size Group - Other
Product Name: 2015 Vermont Exchange Products Rate Filing
Project Name/Number: /

Satisfied - Item:	Unified Rate Review Template
Comments:	PDF and 2 Excel Versions attached.
Attachment(s):	Unified_Rate_Review_Template_2015_BCBSVT_13627.xlsm Unified Rate Review Template - BCBSVT - Issuer 13627.pdf UnifiedRateReviewSubmission_BCBSVT_Issuer13627_201406028570.xml
Item Status:	
Status Date:	

Satisfied - Item:	Exhibits
Comments:	Excel and PDF Versions attached.
Attachment(s):	BCBSVT 2015 Exchange Filing - Exhibits.xlsx BCBSVT 2015 Exchange Filing - Exhibits.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Attachments
Comments:	
Attachment(s):	Attachment A - Standard Plans AV Certification - Part 1.pdf Attachment A - Standard Plans AV Certification - Part 2.pdf Attachment B - Blue Rewards (Non-Standard) Plans AV Certification.pdf Attachment C.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Data Template
Comments:	Excel (xlsx) Version was too big for SERFF so only PDF and Excel xml versions are attached.
Attachment(s):	Rate Data Template - BCBSVT - Issuer 13627.pdf RateDateTemplateSubmission_BCBSVt_Issuer13627.xml
Item Status:	
Status Date:	

State:	VermontGMCB	**Filing Company:**	BCBSVT
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.001C Any Size Group - Other		
Product Name:	2015 Vermont Exchange Products Rate Filing		
Project Name/Number:	/		

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BLUE CROSS BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING
ACTUARIAL MEMORANDUM

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BLUE CROSS BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING
ACTUARIAL MEMORANDUM

1. GENERAL INFORMATION

1.1. Company Identifying Information

Company Legal Name: Blue Cross and Blue Shield of Vermont
State: Vermont
HIOS Issuer ID: 13627
Market: Combined
Effective Date: January 1, 2015

1.2. Company Contact Information

Primary Contact Name: Paul Schultz, FSA, MAAA
Primary Contact Telephone Number: 1-(802)-371-3763
Primary Contact Email Address: schultzp@bcbsvt.com

1.3. Scope and Purpose

The purpose of this rate filing is to provide the rates and a description of the rate development for the products that Blue Cross and Blue Shield of Vermont (BCBSVT) proposes to offer on Vermont Health Connect (VHC).

This filing is intended to comply with the following laws:

- Vermont State Law 8 V.S.A. § 4062
- Vermont State Law 8 V.S.A. § 4512
- Vermont State Law 33 V.S.A. § 1806
- Vermont State Law 33 V.S.A § 1811
- Vermont State Law 33 V.S.A. § 1812.
- DFR Order establishing tier rate structure and multipliers (Docket No. 13-002-I)
- Vermont Department for Children and Families Health Benefits Eligibility and Enrollment Rule, Sections 2.04 and 13.00
- Federal Regulation 45 C.F.R. Part 153
- Federal Regulation 45 C.F.R. Part 154
- Federal Regulation 45 C.F.R. Part 155
- Federal Regulation 45 C.F.R. Part 156
- Federal Regulation 45 C.F.R. Part 158
- Federal Regulation 26 IRC § 223

1.4. Proposed Rate Increase(s)

BCBSVT proposes an average increase of 9.8 percent.

1.5. Reason for Rate Increase(s)

Significant medical price increases were partially offset by favorable membership assumptions and reductions in BCBSVT administrative expenses. Combined, these factors produced a 3.3 percent increase in rates. The remainder of the 9.8 percent increase was driven by changes related to federal and state health care reforms, including an increase in the federal fee that is included in Exchange pricing, a reduction in federal subsidies of the premiums on Vermont's Exchange, and a modest expansion of dental benefits for children.

- The federal government assesses a charge on all health plans to subsidize Exchange coverage for the three year-period between 2014 and 2016, through its Transitional Reinsurance Program. The subsidy is reduced in 2015 and 2016, before being eliminated entirely in 2017. Because the premium subsidy is being reduced from an estimated seven percent to an estimated three percent in 2015, it will require groups and members to pay 4.0 percent more for their coverage.

- The federal insurer fee established by the Affordable Care Act is used to provide subsidies to low-income people to help them afford to purchase Exchange products. This fee is increasing by more than 40 percent, resulting in a 0.9 percent increase in premium for Exchange products.

- The Green Mountain Care Board approved a change to enhance coverage for dental services for children. The change provides that children covered through the non-CDHP Exchange products will have access to cleanings and other services with no cost-sharing requirement. The enhancement in coverage raises the premium by 0.5 percent.

- Most deductibles, out-of-pocket maximums and co-pays in Exchange plans remain unchanged from 2014 to 2015. As overall costs increase and the amounts that members pay in cost-sharing contributions stays the same, more of the total cost is transferred to premiums. This had an impact of 0.8 percent on premium.

These four items drive an increase of 6.3 percent required solely because of mandated changes associated with the Affordable Care Act and Vermont benefit decisions.

In the absence of mandated changes associated with the Affordable Care Act and Vermont benefit decisions, a 3.3 percent increase would have been requested:

- An estimate of increases in the amounts providers are paid was included in 2014 Exchange rates. Increases beyond those assumptions that have already

occurred in 2014, or that are projected to occur before the end of 2014, drive a premium increase of 2.9 percent. This primarily includes hospital payments under budgets approved by the Green Mountain Care Board and prescription drug prices.

- Amounts providers are paid are expected to increase by 4.8 percent in 2015. This increase flows directly to premium.

- BCBSVT assumes that "new members" who have or will enroll in our qualified health plans will prove to be significantly healthier on average than those previously insured in individual and small group products. This assumption creates a premium decrease of 2.5 percent.

- Other adjustments to the assumptions used in the 2014 rate development cumulatively have the effect of reducing the required rate increase by 1.8 percent. These include items such as updating the experience base to calendar year 2013 and observing the mix of membership actually enrolled on the Exchange in 2014. Notably, BCBSVT has:

    - Reduced the projected medical utilization "trend" (the expected increases in overall medical use) to zero,
    - Reduced its administrative expense fees, and
    - Included a one percent contribution to reserves, an amount that is lower than it would normally require for the protection of Exchange members.

2. PROPOSED BENEFITS

2.1. Description of Benefits

BCBSVT Standard Plans: BCBSVT is providing rates for the Standard Plans with benefits as approved by the Green Mountain Care Board, which are outlined in Exhibit IA – (State of Vermont Standard Plan Designs). The plans are on the EPO network and offer members access to a nationwide network of providers. These plans include coverage for all Essential Health Benefits (EHBs). The Form filings for these products can be found under BCVT-129432892 for Non-CDHP plans and BCVT-129433224 for CDHP Plans.

BCBSVT Blue Rewards (Non-Standard) Plans: BCBSVT is providing rates for two health and wellness-based non-standard plan types that we have named Blue Rewards and CDHP Blue Rewards. Please see Exhibit IB – (BCBSVT Blue Rewards (Non-Standard) Plan Designs) for details on the benefit structure. The Form filings for these products can be found under BCVT-129433009 for Non-CDHP plans and BCVT-129433137 for CDHP Plans. BCBSVT Blue Rewards plans also offer a Wellness program with incentives up to

$300 per year for each adult member for completing a health assessment, having a physical exam, setting a personal health goal and having a routine eye or dental exam

2.2. AV Metal Values

BCBSVT will be offering two types (Standard and Non-Standard) of plans on Vermont Health Connect in 2015. Standard plans are designed by the State of Vermont and offered by all issuers on the Exchange. Please see Attachment A – Standard Plans AV Certification (Parts 1 and 2) for the certification provided by the State.

Non-Standard plans are designed by BCBSVT. The metal values included in the URRT were calculated using an alternate methodology, as allowed by 45 CFR §156.135. Multiple benefit designs offered in BCBSVT's Non-Standard plans are not supported by the AV Calculator.
Please see Attachment B – Blue Rewards (Non-Standard) Plans AV Certification, for the actuarial certification, which includes the process used to develop the AV Metal Values.

3. EXPERIENCE RATING

3.1. Experience Period Premium and Claims

The experience period used is composed of current members in Blue Cross and Blue Shield of Vermont (BCBSVT) Individual and Small Group products and The Vermont Health Plan (TVHP) Small Group products. TVHP is a fully owned subsidiary of BCBSVT. We combined both companies since all their members will be migrating to the Exchange and Small Group products are no longer offered under TVHP. This population will be the Single Risk Pool. Members with Medicare as their primary insurance or members without a pharmacy benefit were excluded.

We used claims incurred January 1, 2013 through December 31, 2013 and paid through March 31, 2014. Both the paid claims and the allowed charges were completed using BCBSVT's monthly reserving models that underlie the financial statement reserves (best estimates before margin). These methods are subject to review by independent auditors and examination by Vermont Department of Financial Regulation (DFR). The claims used to develop the completion factors include a larger block of business than the experience period block. For the purpose of calculating completion factors the reserving method categorizes claims by reporting/payment process (Local, BlueCard, Pharmacy, Medicare Supplement, etc.). Completion factors are calculated separately for each category. Using the larger block to calculate the Incurred But Not Reported (IBNR) claims reduces the variability of the projection.

The paid claims and allowed charges come directly from claim records in BCBSVT's data warehouse. For Fee-for-Service claims, we combined plan payment with member cost sharing to calculate the allowed charges. For claims under a capitation arrangement, we combined capitation paid to the provider with the member cost sharing to generate allowed charges.

The table below shows details underlying the Incurred Claims and Allowed Claims (from URRT, Section 1 of Worksheet 1) for the Experience Period.

Claims	Incurred Claims	Allowed Claims
Claims incurred and paid through December 31, 2013	$267,341,514	$329,118,227
Estimate of IBNR as of March 31, 2013	$1,050,342	$1,127,369
Total Claims	$268,391,883	$330,245,595
Member Months	729,421	729,421
Total PMPM	$367.95	$452.75

The experience period total allowed charges PMPM is $452.75.

In the experience period, the earned premium was $287,929,163. Neither BCBSVT nor TVHP is required to pay MLR rebates for the 2013 calendar year.

3.2. Benefit Categories

Medical claims are initially categorized into 2 categories based on the type of claim form the provider submitted: UB-04/CMS 1450 (Facility Inpatient/Outpatient) or HCFA/CMS 1500 (Professional/Other). Facility claims are then divided into the Inpatient and Outpatient categories in Worksheet 1, Section II by the place of service listed on the UB-04 claim form.

Professional and Other medical claims are subdivided based on whether the provider is a medical professional or medical supplier as submitted on the HCFA 1500 claim form.

The prescription drug benefit category was populated for claims processed through our pharmacy benefit manager.

The capitation benefit category was populated with claims that run through our internal capitation system. The capitation category uses "other" as a utilization description and the units represent the number of capitations in a given year.

3.3. Index Rate

The Index Rate is equal to the experience period allowed charges for EHB.

To calculate the Experience Period Index Rate (line A of Exhibit 5), we first excluded pharmacy rebates, Blue Card fees, and payments to the BluePrint program. These claims are not dependent on benefits and should not be subject to the projection factors described in the following sections. They will be added back into the Projected Index Rate (as described in section 3.4.5.).

BCBSVT has access to the detailed claims information underlying capitated claims and since the majority of the capitation arrangement will no longer be in place in the projection period, using the FFS equivalent represents the expected payment better than the capitation.

These adjustments are included in the "Other" factor in the section 2 of worksheet 1 of the URRT.

	Total Dollars	PMPM
Allowed Claims in section 1 of worksheet 1 of URRT	$330,245,595	$452.75
Remove Blue Card Fees	- $1,308,412	-$1.79
Remove Pharmacy Rebates	+ $2,509,837	+$3.44
Remove Payments to BluePrint Program	- $1,522,003	-$2.09
Remove Payments to the Vermont Vaccine Purchasing Program	- $903,474	-$1.24
Replace Capitation with FFS equivalent	- $4,275,610	-$5.86
Experience Period Index Rate Claims	$324,745,934	$445.21

The Experience Period Index Rate is $445.21.

3.4. Projection Factors

3.4.1. Membership Projections

As of late April, BCBSVT had 55,045 members enrolled in a QHP product, either through Vermont Health Connect or directly. BCBSVT also had 3,145 Small Groups members with renewal dates of May 2014 and beyond. These groups are expected to sign up in QHP products upon renewal.

We used this information to project the 2015 Exchange enrollment and the distribution by plan. Small Groups that have yet to make the move to a QHP plan are expected to choose plans in proportion to other members from our Small Group lines of business. The total member months expected to be covered by this filing is 698,280.

This projected membership was also used to adjust our Index Rate for demographics, morbidity, benefit changes, and other allowable adjustments described below.

Details of the projected membership breakdown are on Exhibit 2A.

3.4.2. Changes in the Morbidity of the Population Insured

Our experience period is based on calendar year 2013. It includes members that enrolled in a QHP with BCBSVT during 2014, are expected to enroll in a QHP with BCBSVT upon the renewal date of their small group plan, or cancelled.

Based on these different categories, we split the experience claims cost and compared the different populations. We used the allowed charges from the experience and adjusted for the change in network (see section 3.4.5 for details on this adjustment). Using the average claims cost of the members expected to enroll with BCBSVT in 2015, we adjusted the experience period claims cost.

	"Cancelled" Members	Continuing Members	Total
Experience Period Allowed (adjusted for change in Network)	$139,840,024	$218,710,557	$358,550,580
Member Months	257,381	472,040	729,421
PMPM	$543.32	$463.33	$491.56

The factor ($1+b_9$ on Exhibit 5) to adjust for the change in pool morbidity is $463.33/$491.56 = 0.9426.

We also adjusted the experience for the new entrants. As of late April, 15,689 members that were not previously enrolled with BCBSVT or TVHP had enrolled in one of our QHP Products. All that is known at this time are the members' age and gender. Using Milliman's Health Cost Guidelines (2013) age-gender factors (AGF), we compared the expected claims cost of our existing members to the expected claims cost of the new entrants.

Again, we started with the experience claims adjusted for the network and split the continuing members into the market they joined (Individual Non-Subsidized, Individual Subsidized and Small Group). We adjusted the PMPM of the new members within each market by the ratio of the resulting AGF for new and continuing members. The weighted average PMPM of new and continuing members was compared to the PMPM for existing members alone in order to derive the adjustment for new member morbidity.

See Exhibit 2B for details.

3.4.3. Changes in Benefits

We included two factors to account for the change in benefits. The first one, ($1+c_1$ line on Exhibit 5), represents the anticipated change in the average utilization of services due to the change in average cost sharing in QHP products compared to the experience period products. To calculate this factor, we first calculated the average modeled paid to allowed ratio for the benefits in the experience. The model used to re-adjudicate each benefit and assign an induced utilization factor is described in BCBSVT Benefit Relativity Values Filing (BCVT- 129370654).

Calculation of the Impact of the change in benefits ($1+c_1$)	
Experience Period Average Utilization Factor (for "old" products)	0.9633
Projected Period Average Utilization Factor (for QHP products)	0.9725
Benefit Adjustment ($1+c_1$) = 0.9725 / 0.9633	1.0096

The second factor is for additional Essential Health Benefits that now have to be included. This includes Pediatric Vision and Pediatric Dental Benefits. These benefits are for members age 21 and younger. Neither of these benefits was in our experience. We therefore used claims estimates provided by outside vendors.

For the Pediatric Vision benefit, the expected allowed claims cost per child, as calculated by our vision vendor, VSP, is $3.10 per month. This translates to $0.58 per member per month based on the experience period split between adult and child. This cost is included in the buildup of the Projected Index Rate (Exhibit 5, line e_6). We assumed that the paid benefits would not be materially different from the allowed charges.

For the Pediatric Dental benefit, Milliman performed the calculation of the expected claims cost for each benefit. The overall expected allowed charges per child are $42.49 per month, which becomes $7.99 per member per month. This cost is included in the built up of the Projected Index rate (Exhibit 5, line e_7). Attachment C details Milliman's method to calculate the expected paid claims for each proposed plan.

3.4.4. Changes in Demographics

To develop the change in demographic factor (factor $1+c_3$ on Exhibit 5), we again used Milliman's Health Cost Guidelines (2013) age-gender factors. We applied these factors to both the experience membership for continuing members and the projected membership and compared the average factors.

Calculation of the Demographic Adjustment ($1+c_3$)	
Experience Period Average Age-Sex Factor	1.22250
Projected Period Average Age-Sex Factor	1.21986
Demographic Adjustment ($1+c_3$) = 1.21986 / 1.22250	0.9978

3.4.5. Other Adjustments

The buildup of the Projected Index Rate also includes a factor for the change in provider networks and adjustments for non-system claims[1].

We adjusted our experience period for the change in provider networks (factor $1+c_2$ on Exhibit 5). BCBSVT's 2015 Exchange plans are offered on our EPO Network. This is a new network, as of January 1, 2014. Our experience period claims came from four different networks, BCBSVT's Non-Managed network (PPO/Indemnity), BCBSVT's Managed network (VHP), BCBSVT's Catamount network and TVHP's network. All four of these networks have different contracts with different reimbursement schedules. Using the historical contracted reimbursement schedules, we calculated network factors that represent the different contracts. Using these factors, we can adjust our projected allowed changes to represent the contract that will be effective in 2015. This factor also includes Pharmacy reimbursement changes between the experience period and the projection period. In the experience, pharmacy claims were subject to two discount schedules. In the projection period, all Exchange pharmacy claims will process on one discount schedule. See details on Exhibit 2C.

Other costs were added in the buildup of the Projected Index Rate to account for non-system claims (Items e_1-e_5 on Exhibit 5). As previous explained in section 3.3, these non-system claims are claims that are independent from the benefits.

- Pharmacy Rebates (e_1):
  The experience period pharmacy rebates is estimated to be $3.44 PMPM. This number is estimated since we have not yet received the details underlying the rebate payment for the later part of CY 2013. Pharmacy rebates are expected to trend at the same rate as Brand Drugs. As shown on Exhibit 3E, the projected trend for Brand drugs is 8.0 percent, which brings our projected pharmacy rebates to $4.01 PMPM.

- BluePrint Payments (e_2):
  BCBSVT participates in the Vermont BluePrint for Health[2] program. The experience period payments for this program were $2.09 PMPM. We do not expect this PMPM to change in 2015.

[1] Non-system claims are payments that are not processed through the claims adjudication system.
[2] http://hcr.vermont.gov/blueprint

- Interplan Teleprocessing System (ITS) (e_3):
  The BlueCard® Program gives BCBSVT members healthcare coverage wherever they go across the country and around the world. The fees associated with this program are independent of the amount of the claims and therefore solely dependent on utilization of BlueCard participating providers. As described below, we believe that the medical utilization trend is flat and therefore these fees are expected to remain at the $1.79 PMPM experienced in 2013 throughout 2015.

- Vermont Vaccine Purchasing Program Payments (e_4):
  The Vermont Vaccine Purchasing Program[3] offers health care providers state-supplied vaccines at no charge by collecting payments from Health plans, insurers and other payers. This is based on the actual claims from Vermont providers where the vaccine is indicated as having been supplied by the state. Based on the individual vaccine cost rates provided by the program and the charges assessed by the program we estimate an imputed charge for each claim where the vaccine is provided by the state. The average PMPM ($1.24) for the experience period was used as the expected cost for the projection period.

- Net Cost of Reinsurance (e_5): BCBSVT uses reinsurance to protect itself against very high claims. Included in the Projected Index Rate is the net cost (reinsurance premium less expected reinsurance claims) of reinsurance. This PMPM cost was calculated in BCBSVT Large Claims and Stop Loss Filing (BCVT-129374060).

3.4.6. Contract Conversion Factor

Vermont has defined the following tier structure:

Tier	Definition	Tier Ratio
Tier One	Single	1.00
Tier Two	Couple	2.00
Tier Three	Single Head of Household with one or more children	1.93
Tier Four	Family : Two Parents with one or more children	2.81

These mandated tier factors do not represent the expected relationships between tiers. An adjustment is necessary so that the premium produced using the state tier factors matches the premium required for the plan based on the BCBSVT tier factors which reflect the plan benefits.

[3] http://healthvermont.info/hc/imm/VaccinePurchasingPoolPilotProgram.aspx

Based on the experience period claims, trended to 2015 and adjusted for the changes in network, we created a model to calculate the expected payments for benefits where more than one member accumulates to a combined out-of-pocket. Using the same base, we calculated and convolved expected claims payments for children, adults, and combinations of both.

For all benefits, tiers three and four were modeled with each of one through five children. We also modeled seven children as a proxy for six or more children. The expected claims cost were then weighted based on the distribution of children in those tiers in our experience period. For aggregate benefits, we also modeled two adults.

Using our projected membership and contracts by tier, we calculated an average tier factor of 1.5011 and the average members per subscriber at 1.6881.

Since the Tier factors are different from the expected claims cost, we adjusted our projected PMPM to account for this difference. The adjustment is shown on line $1+c_6$ of Exhibit 5. The details are on Exhibit 2D.

3.4.7. Trend Factors (cost/utilization):

Pharmacy Trend Development

The source of the data is BCBSVT's data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment and other financial reports. We combined the pharmacy experience of BCBSVT and TVHP small groups and individual products to develop the pharmacy trend. We used claims incurred from October 1, 2011 to September 30, 2013, with payments through March 31, 2014. Note that the fourth quarter of 2013 was excluded from the analysis due to a significant increase in utilization leading up to the implementation of Vermont Health Connect. We believe that this was a one-time phenomenon, and not the beginning of a pattern of higher utilization. Drug card and HSA drug experience is combined, and completion factors, based on the total drug card and HSA pharmacy experience for both companies, were applied to estimate the ultimate incurred claims. Allowed charges are used rather than claim payments, in order to mitigate the effect of benefit changes on observed trends. The data includes claims from the single risk pool.

ESI has been the pharmacy benefits manager for BCBSVT and TVHP since July 2009. The initial ESI contract was for a period of 3 years; a new contract became effective July 2012. We have adjusted the historical pharmacy claims data, as well as the projected pharmacy claims, to normalize for the various guarantees within these contracts. Specifically, all historical experience has been restated to the provisions for the contract year ending in 2014. The initial selections of brand and generic cost

trends based on historical analysis are then reduced by a factor equal to the contracted future improvement in pricing guarantees.

With the emergence of new and expensive specialty drugs, as well as the increasing shift to generics as more brand drugs come off patent, we analyzed the components of trend (cost and utilization) separately for Brands, Generics, and Specialty drugs. We have projected the generic dispensing rate (GDR) based on the brand drugs that are scheduled to lose patent in the next few years. Specialty drugs are very high cost drugs with low utilization. Because of their relative infrequency, it is more appropriate to look at the overall PMPM trends for these drugs rather than separate cost and utilization components. The overall pharmacy trend is then calculated by combining the separate projections.

Exhibit 3A provides the monthly and the 12-month rolling data, along with the corresponding year-over-year and exponential regression trends, for non-specialty drugs. These are shown separately for the generic cost, brand cost, and overall non-specialty utilization categories. The number of days supply, rather than the number of scripts, is used to normalize for changes in the days supply per script (e.g. increased use of 90-day fills). Because there are several popular brand drugs that have become generic during the experience period, or will become generic during the projection period, we have combined the data for generic and brand drugs for the purpose of analyzing utilization patterns (the separate GDR projection is applied to the total projected utilization to arrive at brand and generic components). The regressions use 24 data points on the monthly data, in order to best capture an adequate amount of the most recent history of drug costs.

Exhibit 3B provides the historical generic dispensing rates (GDR). The period from January 2011 to December 2012 experienced a 4.4 percent increase in GDR. This is primarily due to blockbuster drugs such as Lipitor, Seroquel, Plavix and Lexapro losing their patents. (Note that we make an assumption as to changes in GDR due to plan design elsewhere in the development; therefore, it would be inappropriate to include it here.) Although several popular drugs, such as Nexium and Lunesta, are expected to lose their patents in the upcoming year, our drug-by-drug analysis shows that GDR will not increase at the same historical rate. Based on our current distribution of days supply and a list of brands expected to move to generic in the period during which these trend rates will be in effect, as provided by ESI, we estimate that GDR will reach 86.6 percent in the projected period.

It is important to note that care must be taken in projecting the GDR to avoid the simplifying assumption that generic shift will continue at historical levels. Generic conversion is a very discrete function – while specific dates for generic launches may be impacted by ongoing litigation, the list of brand drugs losing their patent protection is well-recognized in the industry. Furthermore, generic substitution protocols have increased generic substitution rates to well over 99 percent where

such switches are clinically viable. For the above reasons, it would be actuarially inappropriate to base a future GDR assumption on a linear projection of past increases, which is why we have chosen to take a far more detailed, and more discrete, approach. Exhibit 3C lists the brand drugs that are expected to lose their patent protection through the end of the projection period and their prevalence in our experience.

Exhibit 3D shows the calculation of the 86.6 percent GDR in the projection period. Utilization for brand drugs losing or expected to lose their patent protection from calendar year 2013 through the projection period is summarized by month. Because Average Wholesale Price (AWP) and effective discounts do not change significantly for most new generic drugs until the six-month exclusivity period has closed (that is, when the generic becomes "multi-source"), average 2013 utilization is projected through six months following each generic launch date. After that time, all utilization is expected to shift to generic.

Exhibit 3E summarizes the trends for non-specialty drugs and calculates our total non-specialty allowed drug trend as 7.1 percent.

Exhibit 3F provides the monthly and the 12-month rolling data, along with the corresponding year-over-year trend and exponential regression trends, for Specialty drugs. These regression criteria were chosen in order to best capture the most recent history of drug costs. Rolling 12-months regression is more appropriate for Specialty Drugs because of the low-frequency, high-cost nature of these drugs. We made a further adjustment to specialty trends to reflect the expected May 2014 launch of generic Copaxone. This drug accounts for nearly 10 percent of allowed specialty cost during the experience period. We assumed that generic Copaxone would be priced 10 percent below the price of Copaxone during the six-month exclusivity period and 30 percent below the price of Copaxone thereafter. This results in a 2 percent dampening of expected specialty trend. We used a relatively short period of rolling PMPMs due to the rapidly emerging nature of the specialty drug market.

Using the PMPM claims as weights between Non-Specialty and Specialty claims for the 12 months ending December 2013, adjusted to the contract in place as of December 2013, we calculate the following:

Category	PMPM	Overall Trend
Generic	$21.94	5.6%
Brand	$33.30	8.0%
Specialty	$20.67	11.8%
Total	$75.91	8.4%

Medical Trend Development

The source of the data is BCBSVT's data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment, and other financial reports. Claims incurred between January 1, 2010 and December 31, 2013, completed through March 31, 2014, were used in the analysis. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits. The regressions for medical trend used claims incurred through December 31, 2013.

The data includes claims from the single risk pool.

Using the historical contracted reimbursement schedules, we calculated network factors that represent the different contracts. Using these factors, we can modify the claims to reflect only one contract. From there, we can observe the historical cost increases using all claims information for the single risk pool.

Medical Trend is composed of three pieces: cost, utilization and intensity. In our analysis, we combine utilization and intensity within the utilization metric and analyze the unit cost separately. Historical experience is normalized for contract changes and then analyzed to derive a utilization trend in the absence of unit cost changes. Future unit cost trends are developed on a discrete basis, using the most recent round of contract negotiations as a starting point. The overall trend is the product of these two components.

Utilization

Contract changes for the entirety of the experience period were measured explicitly for each facility within our service area, as well as the three largest physician groups.

Increases were measured for fee schedules and other chargemasters by applying each schedule to a market basket of services. The market basket was defined by using Current Procedural Terminology (CPT) codes & CPT modifier combinations that were present in each of the effective periods the schedules covered. Using the same experience period data used throughout the trend analysis, total allowed costs for the selected CPT & CPT modifier combinations were compared under each schedule to estimate the percentage increase. For contracts under DRG arrangements, we compared the charge for the 1.000 DRG service for each period. Finally, for services under a discount of charge arrangement, we used the contracted chargemaster increase provided by our Provider Contracting department.

This accounted for over 90 percent of allowed claims dollars during the experience period. Costs for other claims are primarily for out-of-area services. Contracting changes for these claims were derived from the Fall 2013 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

Claims were normalized to the December 2013 contract at each unique provider by applying a factor equal to the product of the impact of each contracting change from the experience month through December 2013. The derived trend for other claims was assumed to be continuous. Please see Exhibit 3G for an illustration of this approach.

Shown on Exhibit 3H is the resulting array of allowed PMPM claims costs, before and after normalization for contract changes. We performed regressions on a number of periods, including 24 and 36 months of monthly PMPM costs, both including and excluding the fourth quarter of 2013. Results can also be seen on Exhibit 3H. Results vary from -3.1 percent (most recent 24 months through September 2013) to +3.3 percent (most recent 24 months through December 2013). Using the longer 36-month time period produces results that are closer to zero.

Using regressions on a longer period will help reduce the effect of high claims, as well as short-term oscillations due to the low-frequency, high-intensity nature of the services. We believe that the best estimate is produced by using the 36-month period ended December 2013. While there may have been a “rush to services” in advance of moving to Vermont Health Connect, this effect would be more profound on prescription drugs where claims are more frequent and the timing of which is more subject to manipulation. We believe that this impact is overshadowed by the effect of the clear seasonal pattern of lower medical claims in Q3 and higher medical claims in Q4. (Using a period beginning in Q4 and ending in Q3 will artificially skew trends downward.) For these reasons, we have treated the 36-month result through December 2013 of 0.7 percent as our most credible data point. However, because of the potential increased utilization in Q4, we have chosen a flat utilization trend assumption of 0.0 percent.

As a check and for further information, we also performed our analysis in the same way we calculated utilization trend in our most recent large group trend filing (see BCVT-129403752, which was approved without amendment by the GMCB). It is important to note that this methodology includes intensity as a component of the unit cost trend, rather than the utilization trend. Nonetheless, results tracked very closely to those produced by the technique described above. This indicates that intensity has been essentially flat over the length of the experience period. Results can be seen in Exhibit 3I.

The alternate methodology addresses trend by provider type. Inpatient utilization is observed by modeling the number of admissions per thousand members per month. Since inpatient admissions are very volatile, using a long range regression will reduce the impact of this volatility. The three year regression on monthly admissions is 2.1 percent increase on Inpatient Utilization. While there is a national trend toward fewer inpatient admissions, that does not appear to be the case in Vermont. We

conjecture that the rural nature of the state and relative unavailability of alternative outpatient services may be leading to an absence of declining inpatient trends in the state.

Outpatient utilization is observed by modeling the number of services per thousand members per month. The three year regression on monthly visits yields a zero percent trend in Outpatient utilization. This result seems more intuitive when observed in conjunction with the positive trend in inpatient admissions, and appears to represent a subtle shift from outpatient to inpatient services.

"Professional and Other" claims include all claims that are on a HCFA form, such as professional visits, DME, Ancillary, Labs, etc. Professional utilization is observed by modeling the number of visits per thousand members per month. The number of professional visits has been very stable over the past three years. The three year regression on monthly claims results in a 0.4 percent professional utilization trend.

Each of the above results is calculated on a 36-month regression of monthly data through December 2013. The overall utilization trend for this period is 0.6 percent. Using a period ended September 2013 yields a negative trend of -1.5 percent. Both of these results are very close to those produced for these time periods, using our preferred methodology.

Category	YE Dec 2013 PMPM	Regression Results using 36 month – Excluding Q4 2013	Regression Results using 36 month – Including Q4 2013
Inpatient	$90.99	-0.1%	2.1%
Outpatient	$188.87	-2.0%	0.0%
Professional and Other	$134.88	-1.8%	0.4%
Total	$414.74	-1.5%	0.6%

Again, we feel that the period ended December 2013 represents the best point estimate. But in order to mitigate the impact of a potential rush to services in the final quarter of 2013 and to better represent our longer-term outlook on the use of services, we have chosen zero percent as our utilization trend.

Unit Cost

Unit cost trends were largely derived from observations of recent contracting and provider budgetary changes.

During calendar 2013, roughly 55 percent of total claims dollars were provided by Vermont facilities and providers impacted by the hospital budget review process of the Green Mountain Care Board (GMCB). We have assumed that the GMCB would approve hospital budgets for October 1, 2014 and October 1, 2015 that support identical commercial increases as that approved for October 1, 2013. Based upon that assumption, Provider Contracting and Actuarial worked together to assess the impact such an increase would have on contract negotiations specific to the EPO network used for Qualified Health Plans.

It should be noted that the State legislature recently proposed a compromise 1.6 percent increase for Medicaid rates within their budget proposal. This would increase the cost shift toward commercial coverage, as the GMCB has established an overall system net patient revenue cap of 3.0 percent over 2014 budgets, which matches both last year's patient revenue cap and the fiscal 2014 increase in Medicaid rates. We have chosen not to further increase our trends for the potential upward impact this proposed greater cost shift would have on commercial rates.

Similarly, we assumed for other providers within the BCBSVT service area that overall 2014 and 2015 budget increases would be identical to those implemented during calendar 2013. Again, Provider Contracting and Actuarial worked together to assess the impact these increases would have on contract negotiations specific to the EPO network used for Qualified Health Plans.

Finally, unit cost increases for providers outside the BCBSVT service area were derived from the Fall 2013 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

The results of the analysis are summarized in the below chart:

Annual Reimbursement Changes due to Budget Increases and Contracting Season

	Percent of Total Allowed Claims	FY 2014 Unit Cost Increases	Assumption to 2015
Vermont facilities and providers impacted by GMCB's Hospital Budget Review	55.6%	4.7%	5.7%
Other facilities and providers	44.4%	2.4%	3.4%
Total	100.0%	3.7%	4.7%

As a check and for further information, we also performed our analysis in the same way we calculated cost trend in our most recent large group trend filing (see BCVT-

129403752, which was approved without amendment by the GMCB). It is important to note that this methodology includes intensity as a component of the unit cost trend, rather than the utilization trend. Nonetheless, results tracked very closely to those produced by the technique described above. This indicates that intensity has been essentially flat over the length of the experience period. Results can be seen in Exhibit 3J.

For inpatient claims, we assessed the cost per admission and the cost per day. The monthly costs per admission and per day are very dependent on the type of inpatient claim. Using regressions on a longer period will help reduce the effect of high claims, as well as short-term oscillations due to the low-frequency, high-intensity nature of the services. The 36-month regression on monthly admissions results in an Inpatient cost increase of 7.8 percent to 8.0 percent. For outpatient claims, we looked at the cost per service. The 36-month regression on monthly claims yields an Outpatient cost increase of 7.2 percent to 7.5 percent.

We examined the cost per visit for Professional and Other claims, with a visit being defined as a unique combination of member, date, and provider. The majority of these services are on fee schedules, and BCBSVT has been able to control cost efficiently. The 36-month regression on monthly claims results in a 3.8 percent to 4.1 percent increase on Professional cost.

Overall Medical Trend

As a final check for reasonability, we performed a 36-month regression on monthly PMPM figures during the experience period described above. This analysis, which is shown in Exhibit 3K, yields a 4.5 percent trend estimate on claims through September 2013 and a higher estimate of 7.0 percent for the period ended December 2013.

We believe that the more discrete view of unit cost changes, as introduced on page 17, yields the more accurate analysis, and we believe a result that is toward the lower end of the range given by the 36-month regression analysis is entirely reasonable. Our selected trend assumptions are 0.0 percent for utilization (including intensity) and 4.4 percent for unit cost increases, resulting in an overall medical trend assumption of 4.4 percent. This overall medical trend rate is comfortably within the bottom quartile of medical trends reported in the Oliver Wyman Carrier Trend Report, January 2014 Analysis.

Overall Total Trend

To adjust the Experience Period Index Rate for the trend factors described above, we started with the experience period claims, adjusted for changes in network and applied cost and utilization to both Medical and Pharmacy claims. The resulting factors ($1+d_1$ and $1+d_2$ on Exhibit 5) are calculated on Exhibit 3L.

3.5. Credibility of Experience

BCBSVT's experience period had 729,421 member months and is therefore fully credible.

3.6. Credibility manual rate development

Since BCBSVT's experience is fully credible, no manual rate was needed in the development of rates for the experience period EHB. For additional EHB that BCBSVT does not currently have in its experience, the projected claims were based on manual rates produced by consultants. See Attachment C for details.

3.6.1. Source and Appropriateness of Experience Data Used: Not Applicable

3.6.2. Adjustments Made to the Data: Not Applicable

3.6.3. Inclusion of Capitation Payments: Not Applicable

3.7. Market Adjusted Index Rate

The Market Adjusted Index Rate (line H of Exhibit 5) is $493.19. This is calculated by adjusting the Projected Index Rate (line F of Exhibit 5, $503.40) for allowable market-wide modifiers described below.

3.7.1. Projected Risk Adjustments PMPM:

BCBSVT does not expect any risk adjustment transfer for 2015. BCBSVT covers at least 90 percent of the members enrolled in QHP products[4] and therefore would closely track with the average risk of the market. We also have no information or experience on which to base an estimate of a risk adjustment amount.

As described in the Final Notice of Benefits and Payment Parameters rule (79 F.R. 13743), the per capita risk adjustment user fee, used to fund the HHS-risk adjustment program, is $0.96 per enrollee per year, or $0.08 per month (line g_1 of Exhibit 5)

3.7.2. Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

To estimate the expected recoveries from the transitional reinsurance, BCBSVT adjusted its CY 2013 experience period by the network and trend factors ($1+c_2$, $1+d_1$,

[4] This was calculated by comparing our enrollment as of April 30, 2014 to the VHC Enrollment Update dated April 30, 2014.
http://info.healthconnect.vermont.gov/sites/hcexchange/files/Vermont%20Health%20Connect%20Enrollment%20Update_4.30.14.pdf

$1+d_2$ of Exhibit 5) and then re-adjudicated claims for each of the proposed benefits to model the expected claims that would be included in the Transitional Reinsurance Program.

The Final Notice of Benefits and Payment Parameters rule (79 F.R. 13743) defined the 2015 Transitional Reinsurance Program parameters as:

- $70,000 claims attachment point
- 50 percent coinsurance
- $250,000 reinsurance cap

Using these parameters, BCBSVT estimated the expected recoveries for each plan design offered on the Exchange. The expected recoveries were then weighted based on projected membership by plan. The recoveries only apply to members in the individual market. The projected recoveries must therefore be spread across all members, as Vermont has a combined market. The expected recoveries PMPM are $13.96. See Exhibit 4 for details.

The Final Notice of Benefits and Payment Parameters rule (79 F.R. 13743) also established the Uniform Reinsurance Contribution rate at $44 annually per capita, or $3.67 PMPM.

The market-wide adjustment for the Transitional reinsurance program is therefore -$10.29 (-$13.96+$3.67), as shown on line g_2 of Exhibit 5.

3.7.3. Exchange User Fees

BCBSVT does not expect Vermont Health Connect to charge a user fee for 2015.

3.8. Plan Adjusted Index Rates

3.8.1. Plan Adjustment – Actuarial Value and Cost Sharing adjustment

This plan adjustment, as shown on Exhibit 6A, is reflected by three factors:

- Paid to Allowed Ratio
- Benefit Richness Adjustment
- Changes in Family Tiers

3.8.1.1. Paid to Allowed Ratio

The Paid to Allowed ratios were calculated by first, calculating the paid to allowed ratio for projected EHB claims for services that were present in the experience period. This was done by taking the same starting point described in section 3.7.2 and re-adjudicating every plan. We then added the additional EHB paid and allowed, and

the non-system claims and market-wide adjustment amounts in both paid and allowed. We then calculated the overall expected paid to allowed ratio. Please see details in Exhibit 6B.

The Paid to Allowed Average Factor is the weighted average Expected Claims Cost without Market Wide Adjustments ($393.77+$5.73+$2.18) divided by Projected Index Rate ($503.40). As shown in Section 3 of Worksheet 1 of the URRT, the paid to allowed average factor is 79.8 percent.

3.8.1.2. Benefit Richness Adjustment

The Benefit Richness Adjustment is the counterpart of the Change in Benefit projection factor ($1+c_1$ line on Exhibit 5) described in Section 3.4.3. This factor represents the different projected utilization for each plan based solely on benefit design. These factors were normalized using the projected membership to ensure that the total adjustment was 1.000. See Exhibit 6C for details.

3.8.1.3. Change in Family Tier

The Change in Family Tier Adjustment is the counterpart of the Contract Conversion Factor (line $1+c_6$ on Exhibit 5) described in Section 3.4.6. This factor represents the adjustment by plan needed to ensure that the premium produced using the state tier factors matches the premium required for the plan based on the BCBSVT tier factors which reflect the plan benefits. These factors were normalized using the projected membership to ensure that the total adjustment was 1.000. See Exhibit 6D for details.

3.8.2. Provider Network, Delivery System and Utilization Management adjustment: Not Applicable

3.8.3. Adjustment for benefits in addition to the EHBs: Not Applicable

3.8.4. Impact of specific eligibility categories for the catastrophic plan

This plan adjustment includes two components of the impact of the specific eligibility categories for the catastrophic plan. Both of these adjustments are based on the eligible population. The eligible population includes Vermont residents that are under age 30 and residents age 30 and over who would find the lowest cost plan to be more than 8 percent of their income. This analysis on the eligible population was conducted by Neela Associates for our 2014 Exchange filing. Since the census data used for this analysis was not updated, BCBSVT will use the same population distribution as in its 2014 Exchange Filing.

Below is a summary of the analysis performed by Neela Associates:

The under 30 population was identified by applying census data that shows that 36.7 percent of Vermont's population is between 0 and 30. We applied this percentage to eligible populations to arrive at the number of individuals under age 30 in each population. Eligible populations included currently non-subsidized Catamount members, individuals dropped from their employer plans (either community pool, association pool or large business pools), the currently uninsured who would not be eligible for a subsidy, and those currently in groups of one.

We also assumed that those individuals insured via group plans would stay with their group plans unless the groups were to drop coverage.

The second population is individuals for whom the lowest cost plan would be more than 8 percent of their income. To estimate this group, we started with Vermont census data by income and bronze plan costs. Using the 8 percent of income data, we grossed up the bronze plan costs and interpolated the census data to identify the percentage of individuals falling between 400 percent of FPL and the 8 percent of income threshold. We then applied this percentage to the following populations: non-subsidy eligible catamount members over the age of 30; individuals dropped from group plans over the age of 30; non-subsidy eligible uninsured individuals over the age of 30; and, groups of one over the age of 30. We did not include any members of VHAP, ESIA, subsidized Catamount members, or group insured members in the analysis unless the group was to drop coverage.

The number of eligible individuals age 30 and above is dependent on the cost of the lowest bronze plan. BCBSVT assumed that this would be its Non-Standard Bronze plan. At a single premium of $357.52, the estimated number of individuals age 30 and above for whom this represents more than 8 percent of income is 1,736. We also estimate that the population under age 30 is 6,125, for a total of 7,861 individuals eligible for the Catastrophic Plan.

To adjust for the eligible population, we first calculated the adjustment for the impact on the pricing actuarial value of the expected lower allowed charges of the group eligible to enroll in the catastrophic plan. This was calculated by splitting the experience used to calculate the Pricing Actuarial Value into two populations (Under and Over 30) and re-adjudicating for the catastrophic benefit. Using the projected eligible members as weights, we calculated that the overall expected allowed charges are 0.6581 of the total allowed charges.

We then adjusted the paid to allowed ratio, based on the weighted average paid to allowed ratio from both populations. This factor is 0.9137.

Finally, we noticed that the normalization and order of operation required by the plan level adjustments described above were skewing the expected Plan Adjusted Index Rate for the catastrophic plan. To check our calculations, we calculated the plan

level adjustment two ways. First, by applying paid to allowed ratio, benefit richness factors and tier adjustment to only claims that they applied to, and then adding non-system claims and market-wide adjustments. Second, we calculated the Plan Adjusted Index Rate by applying the normalized paid to allowed ratio, benefit richness factor and tier factors to the Market Adjusted Index Rate. For all plans, except the catastrophic, this resulted in the same expected claims cost. We added an adjustment to the catastrophic plan to account for this difference. This adjustment is 0.9846.

The total adjustment for the specific eligibility categories for the catastrophic plan is 0.5920. See Exhibit 6E for details.

3.8.5. Adjustment for distribution of the administrative costs

3.8.5.1. Administrative Expense Load:

BCBSVT Administrative Expense load was not initially calculated as a percent of premium adjustment. This adjustment is the sum of the following fees:

- BCBSVT Base Administrative Charges
  To develop the Base Administrative Expenses PMPM, we used the data underlying the Q4 2014-Q3 2015 BCBSVT Administrative Charges and Contribution to Reserves filing (BCVT-129486744). The experience period used in this filing is calendar year 2013.

  We combined the expenses for the members expected to be in the Exchange in 2015. These members are from BCBSVT Small Group, BCBSVT Nongroup, BCBSVT Safety Net, BCBSVT Catamount and TVHP Small Group. The experience period PMPM is $29.37.

  While the specific functions differ in some respects, the cost of the administrative functions associated with the Exchange in 2015 is expected to be comparable to the cost of administering coverage for the eligible populations in 2013.

  We have not trended costs forward from 2013 to 2015, as we expect increases in membership across our book of business to provide a broader base over which to spread fixed costs, offsetting any increase in underlying cost due to expected inflation and wage increases.

  BCBSVT experienced one-time expenses in 2013 with the startup of VHC and the associated member outreach campaign. We do not believe that these will be recurring expenses and we removed them from the projected period expenses. The projected period PMPM is $25.78.

- Charges for Outside Vendors
  - Vermont Collaborative Care

This is the amount PMPM to be paid to VCC for utilization review and management of mental health and substance abuse claims.

- CBA Dental and VSP Vision
  These benefits are being administered by third party administrators. The administrative fees are charged for eligible members only. The ratio of eligible members to total members, based on the projected exchange population split between adult and child, was applied to get the per member per month charge.
- Health Equity
  All Exchange members are eligible for HRA and/or HSA Integration service. For plans with an HSA-compatible benefit design, we offer a service to integrate with the mechanics of depositing monies into Health Savings Accounts (HSA). All plans are also eligible for this service with Health Reimbursement Accounts (HRA). To calculate these fees, we used the experience of members that are already enrolled in this program and compared it to all members enrolled in a QHP plan in the first quarter of 2014.
- Blue for You Program
  Under this program, BCBSVT will reward members with credits via a debit card for the following wellness activities:
  - Completing an online health assessment
  - Setting personal health goals online
  - Having a physical exam
  - Having a routine eye or dental exam

  We believe that this program will contribute to improvement in the health of Exchange members over time. In support of our mission of commitment to the health of Vermonters, BCBSVT management has decided to not make an explicit charge for this program in the Exchange plan rates.

The total of these charges adds up to 6.13 percent of premium. The details of the administrative charges are on Exhibit 7A.

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

The filed rates include a one percent contribution to reserves. BCBSVT included one percent for contribution to reserves because it is the minimum required to avoid depleting Risk Based Capital (RBC). Investment income is taken into account in the calculation of the minimum required contribution to reserve (CTR). This calculation does not consider the potential impact of exceptional one-time events (e.g. a flu epidemic). In normal circumstances, CTR would include some additional margin to protect member reserves against the occurrence of such an event. Because of the already-significant rate increase in this newly-established market, BCBSVT has

intentionally lowered its CTR requirement for the Exchange to only that necessary to avoid depletion of RBC through inadequately funded rates.

Details of Contribution to Reserve are on Exhibit 7B.

3.8.5.3. Taxes and Fees:

The proposed rates include on average 3.77 percent in Taxes and Fees. These taxes and fees are both from the State Government and the Federal Government.

The Vermont Information Technology Leaders (VITL) tax and the Health Care Claims Assessment (HCCA) are levied by the State of Vermont. They total 0.999 percent of claims, with 0.199 percent for VITL and 0.8 percent for HCCA.

The fees collected by the Federal Government include Patient Centered Outcomes Research Institute Fee (PCORI) and the Federal Insurer Fee. The PCORI fee is estimated at $2.11 per member per year, or $0.18 per member per month. The Federal Insurer Fee is estimated at 2.83 percent of premium.

Details of the Taxes and Fees are on Exhibit 7C.

3.8.6. AV Pricing Values

As described in the Part I Unified Rate Review Template Instructions dated April 30, 2014, the AV Pricing Value "represents the cumulative effect of adjustments made by the issuer to move from the Market Adjusted Index Rate to the Plan Adjusted Index Rate". These adjustments are described in detail in preceding parts of Section 3.8. See Exhibit 7D for details.

3.8.7. Calibration

Age, Tobacco, and Geographic factors are not allowed in Vermont. Therefore no calibration is required.

3.8.8. Projected Loss Ratio

We assume that, since the transitional reinsurance recoveries are required to be spread across the combined market for premium determination, the MLR calculation will be done at the combined market level with a minimum requirement of 80 percent. We project that the overall Loss Ratio, using the federally prescribed MLR methodology for the combined market will be 94.2 percent, well above the minimum 80 percent required. See Exhibit 8 for details.

3.9. Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium rates are displayed on Exhibit 9. Since rate factors for age and geography are not allowed in Vermont, the only adjustment is the application of rating factors. As explained in section 3.4.6., Vermont has predetermined the tier factors for QHP plans. Using those tier factors, our projected membership by tier and the average members per subscriber, we calculate that the contract conversion factor to convert from PMPM to Single Rate is 1.125.

Rate Structure	Single	Couple	Adult + child(ren)	Family	Average
Exchange Tiers	1.000	2.000	1.930	2.810	1.501
Tier weights	61.9%	19.6%	3.4%	15.1%	100.0%

Average Members per Subscriber	1.688
Contract Conversion Factor	= 1.688/1.501 = 1.125

The Consumer Adjusted Premium Rates are shown on Exhibit 9.

3.10. Small Group Plan Premium Rates

All Small Groups must renew on 1/1/2015 according to the combined market rules. BCBSVT will not file small group rates for Q2-Q4 2015.

4. ADDITIONAL INFORMATION

4.1. Terminated Products

The following products will be terminated prior to 1/1/2015.

Product ID	Product Name	Product Type	Description	Market
13627VT001	CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT002	Vermont Freedom Plan	PPO	PPO	Small Group
13627VT003	Vermont Health Partnership	POS	Point of Service	Small Group
13627VT004	Comprehensive	Indemnity	Comprehensive	Small Group

13627VT005	Plan J	Indemnity	Wrap-around major medical	Small Group
13627VT006	Individual HSA	PPO	PPO High Deductible Health Plan	Individual
13627VT007	Vermont Freedom Plan	PPO	PPO	Individual
13627VT008	Catamount Blue	PPO	PPO	Individual
13627VT009	Individual Comp	Indemnity	Comprehensive	Individual
13627VT010	CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT011	PPO	PPO	PPO	Small Group
13627VT012	POS	POS	Point of Service	Small Group
13627VT013	Comprehensive	Indemnity	Comprehensive	Small Group
13627VT014	Plan J	Indemnity	Wrap-around major medical	Small Group
13627VT015	Individual HSA	PPO	PPO High Deductible Health Plan	Individual
13627VT016	Vermont Freedom Plan	PPO	PPO	Individual
13627VT017	Catamount Blue	PPO	PPO	Individual
13627VT018	Individual Comp	Indemnity	Comprehensive	Individual
13627VT019	AIVIS - CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT020	AIVIS - PPO	PPO	PPO	Small Group
13627VT021	AIVIS - POS	POS	Point of Service	Small Group
13627VT022	AIVIS - Plan J	Indemnity	Wrap-around major medical	Small Group
13627VT023	VACE - CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT024	VACE - PPO	PPO	PPO	Small Group
13627VT025	VSAA - CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT026	VSAA - PPO	PPO	PPO	Small Group
13627VT027	VSAA - POS	POS	Point of Service	Small Group

13627VT028	VSDS - CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT029	VSDS - PPO	PPO	PPO	Small Group
13627VT030	VHSG - CDHP Comprehensive	Indemnity	Comprehensive High-Deductible Health Plan	Small Group
13627VT031	VHSG - PPO	PPO	PPO	Small Group

4.2. Plan Type

Our plan type is EPO.

4.3. Warning Alerts

There are no warning alerts in the Unified Rate Review Template.

5. RELIANCE AND ACTUARIAL CERTIFICATION

5.1. Reliance

We relied upon the services of Susan Stock, Managing Director with Neela Associates, Shelburne, Vermont, to assist in the analysis of the expected population eligible for the Catastrophic Plan. The results of this analysis appear reasonable.

For the metallic AV values of the standard plans we relied upon the certification provided by Julie A. Peper, FSA, MAAA, Director and Senior Consulting Actuary with Wakely Consulting. (Attachment A)

We relied upon pricing information from George N. Berry, FSA, MAAA, Principal and Consulting Actuary with Milliman, for the projected net claims costs for the pediatric dental benefits that will be offered in the Exchange plans. We provided the parameters of the pediatric dental plans to Mr. Berry, and relied on his expertise in the pricing of those benefits. (Attachment B)

We relied on vision claim estimates provided by VSP, our vision administrator. These estimates appear reasonable and consistent with costs under our current vision plans.

5.2. Actuarial Certification

The purpose of this rate filing is to provide the rates and a description of the rate development for the products that Blue Cross and Blue Shield of Vermont (BCBSVT) is proposing to be offered on Vermont Health Connect (VHC). These calculations are not intended to be used for any other purpose. This memorandum documents the methodology used to calculate the AV Metal Value for each Qualified Health Plan offered by BCBSVT in 2015, the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based, that the Index Rate is developed in accordance with federal regulations, and that the Index Rate along with allowable modifiers are used in the development of plan specific premium rates.

I, Paul A. Schultz, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States promulgated by the American Academy of Actuaries, and have the education and experience necessary to perform the work described herein.

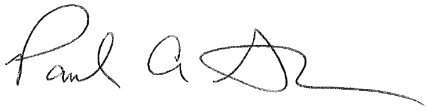
In my opinion, the projected Index Rate is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)), developed in compliance with the applicable Actuarial Standards of Practice, reasonable in relation to the benefits provided and the population anticipated to be covered, and neither excessive nor deficient. The calculations and results are appropriate for the purpose intended.

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

I have relied upon the certification of AV Metal Value provided by the State for Standard Plans, and attached hereto. Metal AVs for Blue Rewards (Non-Standard) Plans were determined using the AV calculator, or in accordance with the requirements of 45 CFR 156.135(b)(3), as described in the attached actuarial certification.

This filing was prepared in accordance with generally accepted actuarial principals and methodologies, Actuarial Standards of Practice established by the Actuarial Standards Board, and applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer 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, is used consistently, and is only adjusted by the allowable modifiers.



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Paul Schultz, F.S.A., M.A.A.A.
Actuarial Director
Blue Cross and Blue Shield of Vermont
June 2, 2014

BLUE CROSS BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING
PLAIN LANGUAGE SUMMARY

Blue Cross and Blue Shield of Vermont (BCBSVT) is committed to the health of Vermonters, outstanding member experiences and responsible cost management for all of the people whose lives we touch. By pooling the populations covered by our products, we protect individuals from the unaffordable and potentially ruinous costs associated with significant illnesses or injuries. Our products promote preventive care, health maintenance and health improvement, and we have in place strong utilization management programs that support members who require medical care and assure that they have access to high value care while avoiding unnecessary costs.

BCBSVT also works with providers to dampen cost increases through reimbursement strategies that include incentives to both provide and properly manage care. BCBSVT's vision is a transformed health care system in which every Vermonter has health care coverage, and receives timely, effective, affordable care. None of this work is possible unless BCBSVT remains financially strong, and that requires that we be allowed to charge rates that cover the medical expenses of the populations we serve.

The purpose of this rate filing is to provide the rates and a description of the rate development for the products that Blue Cross and Blue Shield of Vermont (BCBSVT) is proposing to be offered in the Vermont Exchange, effective January 1, 2015.

- BCBSVT is proposing an average rate increase of 9.8 percent across all Exchange plans. This ranges from a 4.8 percent increase to an 11.8 percent increase.
- There are an estimated 35,037 contracts (57,867 members) currently enrolled with BCBSVT in a Qualified Health Plan.

Significant medical price increases were partially offset by favorable membership assumptions and reductions in BCBSVT administrative expenses. Combined, these factors produced a 3.3 percent increase in rates. The remainder of the 9.8 percent increase was driven by changes related to federal and state health care reforms, including an increase in the federal fee that is included in Exchange pricing, a reduction in federal subsidies of the premiums on Vermont's new Exchange, and a modest expansion of dental benefits for children.

- The federal government assesses a charge on all health plans to subsidize Exchange coverage for the three year-period between 2014 and 2016, through its Transitional Reinsurance Program. The subsidy is reduced in 2015 and 2016, before being eliminated entirely in 2017. Because the premium subsidy is being reduced from an estimated seven percent to an estimated three percent in 2015, it will require groups and members to pay 4.0 percent more for their coverage.

- The federal insurer fee established by the Affordable Care Act is used to provide subsidies to low-income people to help them afford to purchase Exchange products. This fee is increasing by more than 40 percent, resulting in a 0.9 percent increase in premium for Exchange products.

- The Green Mountain Care Board approved a change to enhance coverage for dental services for children. The change provides that children covered through the non-CDHP Exchange products will have access to cleanings and other services with no cost-

sharing requirement. The enhancement in coverage raises the premium by 0.5 percent.

- Most deductibles, out-of-pocket maximums and co-pays in Exchange plans remain unchanged from 2014 to 2015. As overall costs increase and the amounts that members pay in cost-sharing contributions stays the same, more of the total cost is transferred to premiums. This had an impact of 0.8 percent on premium.

These four items drive an increase of 6.3 percent required solely because of mandated changes associated with the Affordable Care Act and Vermont benefit decisions.

In the absence of mandated changes associated with the Affordable Care Act and Vermont benefit decisions, a 3.3 percent increase would have been requested:

- An estimate of increases in the amounts providers are paid was included in 2014 Exchange rates. Increases beyond those assumptions that have already occurred in 2014, or that are projected to occur before the end of 2014, drive a premium increase of 2.9 percent. This primarily includes hospital payments under budgets approved by the Green Mountain Care Board and prescription drug prices.

- Amounts providers are paid are expected to increase by 4.8 percent in 2015. This increase flows directly to premium.

- BCBSVT assumes that "new members" who have or will enroll in our qualified health plans will prove to be significantly healthier on average than those previously insured in individual and small group products. This assumption creates a premium *decrease* of 2.5 percent.

- Other adjustments to the assumptions used in the 2014 rate development cumulatively have the effect of *reducing* the required rate increase by 1.8 percent. These include items such as updating the experience base to calendar year 2013 and observing the mix of membership actually enrolled on the Exchange in 2014. Notably, BCBSVT has:

    - Reduced the projected medical utilization "trend" (the expected increases in overall medical use) to zero,
    - Reduced its administrative expense fees, and
    - Included a one percent contribution to reserves, an amount that is lower than it would normally require for the protection of Exchange members.

BCBSVT understands the importance of adequately funding our health care system, to keep it strong and accessible. Since the factors driving this rate increase are almost entirely related to federal policy changes and increases in prices paid to medical providers in Vermont, we believe that there is no way to further reduce these rates without underfunding the health care coverage on which Vermonters rely.

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the State of Vermont.

Kevin Goddard
Vice President, External Affairs and Sales

6/2/14
Date

Unified Rate Review v2.0.2

Company Legal Name:	**Blue Cross and Blue Shield of V**	State:	**VT**
HIOS Issuer ID:	**13627**	Market:	**Combined**
Effective Date of Rate Change(s):	**1/1/2015**		

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period: 1/1/2013 to 12/31/2013

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	$287,929,163	$394.74	100.00%
Incurred Claims in Experience Period	$268,391,883	367.95	93.21%
Allowed Claims:	$330,245,595	452.75	114.70%
Index Rate of Experience Period		$445.00	
Experience Period Member Months	729,421		

Section II: Allowed Claims, PMPM basis

Projection Period: 1/1/2015 to 12/31/2015 Mid-point to Mid-point, Experience to Projection: 24 months

	Experience Period on Actual Experience Allowed				Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections, before credibility Adjustment			Credibility Manual		
Benefit Category	**Utilization Description**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Pop'l risk Morbidity**	**Other**	**Cost**	**Util**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**
Inpatient Hospital	Admits	116.63	$6,857.57	$66.65	0.935	1.090	1.044	1.000	109.04	$8,151.48	$74.07	0.00	$0.00	$0.00
Outpatient Hospital	Services	5,160.26	328.25	141.15	0.935	1.090	1.044	1.000	4,824.27	390.06	156.81	0.00	0.00	0.00
Professional	Visits	16,497.81	58.94	81.04	0.935	1.086	1.044	1.000	15,423.61	69.79	89.71	0.00	0.00	0.00
Other Medical	Visits	2,634.33	67.48	14.81	0.935	0.997	1.044	1.000	2,462.80	73.37	15.06	0.00	0.00	0.00
Capitation	Other	32,598.00	28.15	76.48	0.935	0.979	1.044	1.000	30,475.49	30.05	76.31	0.00	0.00	0.00
Prescription Drug	Prescriptions	14,464.88	60.24	72.62	0.935	1.147	1.064	1.019	14,033.54	78.19	91.44	0.00	0.00	0.00
Total				$452.75							$503.40			$0.00

Section III: Projected Experience:

			After Credibility	Projected Period Totals
Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	100.00%	0.00%	$503.40	$351,514,152
Paid to Allowed Average Factor in Projection Period			0.798	
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			$401.71	$280,508,293
Projected Risk Adjustments PMPM			0.08	55,862
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			$401.63	$280,452,431
Projected ACA reinsurance recoveries, net of rein prem, PMPM			10.29	7,185,301
Projected Incurred Claims			$391.34	$273,267,130
Administrative Expense Load		6.13%	26.92	18,800,533
Profit & Risk Load		1.00%	4.39	3,066,971
Taxes & Fees		3.77%	16.56	11,562,481
Single Risk Pool Gross Premium Avg. Rate, PMPM			$439.22	$306,697,115
Index Rate for Projection Period			$503.40	
% increase over Experience Period			11.27%	
% Increase, annualized:			5.48%	
Projected Member Months				698,280

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Product-Plan Data Collection

Company Legal Name:	**Blue Cross and Blue Shield of Vermont**	State:	**VT**
HIOS Issuer ID:	**13627**	Market:	**Combined**
Effective Date of Rate Change(s):	**1/1/2015**		

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	Terminated Products	BCBSVT EPO Standard (Small Group)				CBSVT EPO-CDHP Standard (Small Grou		BCBSVT EPO Standard (Individual)					BCBSVT EPO-CDHP Standard (Individual		BSVT EPO Accountable Blue (Small Grou		HP-Accountable Bl	CBSVT EPO Accountable Blue (Individua		DHP-Accountable Bl
Product ID:	13627VT017	13627VT032				13627VT033		13627VT034					13627VT035		13627VT036		13627VT037	13627VT038		13627VT039
Metal:	Catastrophic	Platinum	Gold	Silver	Bronze	Silver	Bronze	Catastrophic	Platinum	Gold	Silver	Bronze	Silver	Bronze	Gold	Silver	Bronze	Gold	Silver	Bronze
AV Metal Value	0.000	0.881	0.802	0.715	0.615	0.685	0.609	0.654	0.881	0.802	0.715	0.615	0.685	0.609	0.799	0.711	0.613	0.799	0.711	0.613
AV Pricing Value	0.000	1.173	1.002	0.849	0.711	0.794	0.690	0.414	1.173	1.002	0.849	0.711	0.794	0.690	0.909	0.776	0.645	0.909	0.776	0.645
Plan Type:	PPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO
Plan Name	Terminated Products	BCBSVT EPO Standard Platinum Plan	BCBSVT EPO Standard Gold Plan	BCBSVT EPO Standard Silver Plan 1	BCBSVT EPO Standard Bronze Plan 1	BCBSVT EPO Standard Silver CDHP Plan 2	BCBSVT EPO Standard Bronze CDHP Plan 2	BCBSVT EPO Catastrophic Plan	BCBSVT EPO Standard Platinum Plan	BCBSVT EPO Standard Gold Plan	BCBSVT EPO Standard Silver Plan 1	BCBSVT EPO Standard Bronze Plan 1	BCBSVT EPO Standard Silver CDHP Plan 2	BCBSVT EPO Standard Bronze CDHP Plan 2	Blue Rewards Non-Standard Gold	Blue Rewards Non-Standard Silver	Blue Rewards Non-Standard Bronze CDHP	Blue Rewards Non-Standard Gold	Blue Rewards Non-Standard Silver	Blue Rewards Non-Standard Bronze CDHP
Plan ID (Standard Component ID):	13627VT0170001	13627VT0320001	13627VT0320002	13627VT0320003	13627VT0320004	13627VT0330001	13627VT0330002	13627VT0340001	13627VT0340002	13627VT0340003	13627VT0340004	13627VT0340005	13627VT0350001	13627VT0350002	13627VT0360001	13627VT0360002	13627VT0370003	13627VT0380001	13627VT0380002	13627VT0390003
Exchange Plan?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Historical Rate Increase - Calendar Year - 2	-6.67%	0.00%				0.00%		0.00%					0.00%		0.00%		0.00%	0.00%		0.00%
Historical Rate Increase - Calendar Year - 1	8.10%	0.00%				0.00%		0.00%					0.00%		0.00%		0.00%	0.00%		0.00%
Historical Rate Increase - Calendar Year 0	0.00%	0.00%				0.00%		0.00%					0.00%		0.00%		0.00%	0.00%		0.00%
Effective Date of Proposed Rates	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015	1/1/2015
Rate Change % (over prior filing)	0.00%	11.62%	11.79%	10.70%	9.70%	6.61%	5.64%	7.37%	11.62%	11.79%	10.70%	9.70%	6.61%	5.64%	9.53%	8.90%	4.80%	9.53%	8.90%	4.80%
Cum'tive Rate Change % (over 12 mos prior)	0.00%	11.62%	11.79%	10.70%	9.70%	6.61%	5.64%	7.37%	11.62%	11.79%	10.70%	9.70%	6.61%	5.64%	9.53%	8.90%	4.80%	9.53%	8.90%	4.80%
Proj'd Per Rate Change % (over Exper. Period)	-100.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Product Threshold Rate Increase %	#DIV/0!	11.31%				6.30%		11.16%					6.40%		9.35%		4.79%	9.06%		4.79%

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

Plan ID (Standard Component ID):	Total	13627VT0170001	13627VT0320001	13627VT0320002	13627VT0320003	13627VT0320004	13627VT0330001	13627VT0330002	13627VT0340001	13627VT0340002	13627VT0340003	13627VT0340004	13627VT0340005	13627VT0350001	13627VT0350002	13627VT0360001	13627VT0360002	13627VT0370003	13627VT0380001	13627VT0380002	13627VT0390003
Inpatient	$0.00	$0.00	$7.43	$6.55	$5.14	$3.99	$3.03	$2.28	$2.16	$7.43	$6.55	$5.14	$3.99	$3.03	$2.28	$4.92	$4.00	$1.83	$4.92	$4.00	$1.83
Outpatient	$0.00	$0.00	$15.74	$13.89	$10.88	$8.45	$6.40	$4.84	$4.57	$15.74	$13.89	$10.88	$8.45	$6.40	$4.84	$10.41	$8.46	$3.87	$10.41	$8.46	$3.87
Professional	$0.00	$0.00	$9.00	$7.94	$6.23	$4.83	$3.66	$2.76	$2.61	$9.00	$7.94	$6.23	$4.83	$3.66	$2.76	$5.96	$4.84	$2.21	$5.96	$4.84	$2.21
Prescription Drug	$0.00	$0.00	$9.18	$8.09	$6.35	$4.92	$3.73	$2.82	$2.66	$9.18	$8.09	$6.35	$4.92	$3.73	$2.82	$6.07	$4.94	$2.25	$6.07	$4.94	$2.25
Other	$0.00	$0.00	$1.51	$1.33	$1.05	$0.81	$0.62	$0.46	$0.44	$1.51	$1.33	$1.05	$0.81	$0.62	$0.46	$1.00	$0.81	$0.37	$1.00	$0.81	$0.37
Capitation	$0.00	$0.00	$7.66	$6.75	$5.30	$4.11	$3.12	$2.35	$2.22	$7.66	$6.75	$5.30	$4.11	$3.12	$2.35	$5.06	$4.12	$1.88	$5.06	$4.12	$1.88
Administration	$0.00	$0.00	-$3.14	-$3.24	-$3.25	-$3.21	-$3.36	-$3.30	-$3.28	-$3.14	-$3.24	-$3.25	-$3.21	-$3.36	-$3.30	-$2.92	-$3.20	-$3.39	-$2.92	-$3.20	-$3.39
Taxes & Fees	$0.00	$0.00	$6.70	$5.49	$4.35	$3.42	$3.20	$2.57	$0.65	$6.70	$5.49	$4.35	$3.42	$3.20	$2.57	$4.16	$3.29	$2.28	$4.16	$3.29	$2.28
Risk & Profit Charge	$0.00	$0.00	$3.18	$2.72	$2.29	$1.90	$1.99	$1.72	$1.05	$3.18	$2.72	$2.29	$1.90	$1.99	$1.72	$2.34	$1.99	$1.59	$2.34	$1.99	$1.59
Total Rate Increase	$0.00	$0.00	$57.26	$49.52	$38.34	$29.22	$22.39	$16.50	$13.08	$57.26	$49.52	$38.34	$29.22	$22.39	$16.50	$37.00	$29.25	$12.89	$37.00	$29.25	$12.89
Member Cost Share Increase	$0.00	$0.00	$3.52	$8.42	$10.06	$12.77	$10.23	$12.02	$7.34	$3.52	$8.42	$10.06	$12.77	$10.23	$12.02	$6.56	$10.63	$11.86	$6.56	$10.63	$11.86
Average Current Rate PMPM	$406.54	$0.00	$521.20	$444.57	$380.23	$321.44	$368.98	$323.87	$190.94	$521.20	$444.57	$380.23	$321.44	$368.98	$323.87	$411.40	$353.52	$305.02	$411.40	$353.52	$305.02
Projected Member Months	698,280	0	109,008	53,172	75,096	20,460	70,308	36,516	1,056	45,276	31,884	76,560	12,072	42,960	13,104	23,616	10,464	17,340	9,564	33,660	16,164

Section III: Experience Period Information

Warning Alert	Wsht 1 Total		Plan ID (Standard Component ID):	Total	13627VT0170001	13627VT0320001	13627VT0320002	13627VT0320003	13627VT0320004	13627VT0330001	13627VT0330002	13627VT0340001	13627VT0340002	13627VT0340003	13627VT0340004	13627VT0340005	13627VT0350001	13627VT0350002	13627VT0360001	13627VT0360002	13627VT0370003	13627VT0380001	13627VT0380002	13627VT0390003
OK	$ 394.74	Premium Information	Average Rate PMPM	$394.74	$394.74	$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
OK	729,421		Member Months	729,421	729,421	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OK	$287,929,163		Total Premium (TP)	$287,931,646	$287,931,646	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			EHB Percent of TP, [see instructions]	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%
			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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
			Other benefits portion of TP	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
OK	$330,245,595	Claims Information	Total Allowed Claims (TAC)	$330,245,595	$330,245,595	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			EHB Percent of TAC, [see instructions]	99.98%	99.98%	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%
			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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
			Other benefits portion of TAC	0.02%	0.02%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
			Allowed Claims which are not the issuer's obligation:	$61,853,712	$61,853,712	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			Portion of above payable by HHS's funds on behalf of insured person, in dollars	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			Portion of above payable by HHS on behalf of insured person, as %	0.00%		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
OK	$268,391,883		Total Incurred claims, payable with issuer funds	$268,391,883	$268,391,883	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			Net Amt of Rein	$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
			Net Amt of Risk Adj	$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
OK	$ 367.95		Incurred Claims PMPM	$367.95	$367.95	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
OK	$ 452.75		Allowed Claims PMPM	$452.75	$452.75	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			EHB portion of Allowed Claims, PMPM	$452.66	$452.66	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Product-Plan Data Collection

Company Legal Name:	**Blue Cross and Blue Shield of Vermont**	State:	**VT**
HIOS Issuer ID:	**13627**	Market:	**Combined**
Effective Date of Rate Change(s):	**1/1/2015**		

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	Terminated Product	BCBSVT EPO Standard (Small Group)				CBSVT EPO-CDHP Standard (Small Grou		BCBSVT EPO Standard (Individual)					BCBSVT EPO-CDHP Standard (Individual		BSVT EPO Accountable Blue (Small Grou		HP-Accountable Bl	CBSVT EPO Accountable Blue (Individua		DHP-Accountable Bl
Product ID:	13627VT017	13627VT032				13627VT033		13627VT034					13627VT035		13627VT036		13627VT037	13627VT038		13627VT039
Metal:	Catastrophic	Platinum	Gold	Silver	Bronze	Silver	Bronze	Catastrophic	Platinum	Gold	Silver	Bronze	Silver	Bronze	Gold	Silver	Bronze	Gold	Silver	Bronze
AV Metal Value	0.000	0.881	0.802	0.715	0.615	0.685	0.609	0.654	0.881	0.802	0.715	0.615	0.685	0.609	0.799	0.711	0.613	0.799	0.711	0.613
AV Pricing Value	0.000	1.173	1.002	0.849	0.711	0.794	0.690	0.414	1.173	1.002	0.849	0.711	0.794	0.690	0.909	0.776	0.645	0.909	0.776	0.645
Plan Type:	PPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO	EPO
Plan Name	Terminated Products	BCBSVT EPO Standard Platinum Plan	BCBSVT EPO Standard Gold Plan	BCBSVT EPO Standard Silver Plan 1	BCBSVT EPO Standard Bronze Plan 1	BCBSVT EPO Standard Silver CDHP Plan 2	BCBSVT EPO Standard Bronze CDHP Plan 2	BCBSVT EPO Catastrophic Plan	BCBSVT EPO Standard Platinum Plan	BCBSVT EPO Standard Gold Plan	BCBSVT EPO Standard Silver Plan 1	BCBSVT EPO Standard Bronze Plan 1	BCBSVT EPO Standard Silver CDHP Plan 2	BCBSVT EPO Standard Bronze CDHP Plan 2	Blue Rewards Non-Standard Gold	Blue Rewards Non-Standard Silver	Blue Rewards Non-Standard Bronze CDHP	Blue Rewards Non-Standard Gold	Blue Rewards Non-Standard Silver	Blue Rewards Non-Standard Bronze CDHP
Plan ID (Standard Component ID):	13627VT0170001	13627VT0320001	13627VT0320002	13627VT0320003	13627VT0320004	13627VT0330001	13627VT0330002	13627VT0340001	13627VT0340002	13627VT0340003	13627VT0340004	13627VT0340005	13627VT0350001	13627VT0350002	13627VT0360001	13627VT0360002	13627VT0370003	13627VT0380001	13627VT0380002	13627VT0390003

Section IV: Projected (12 months following effective date)

Warning Alert	Wsht 1 Total		Plan ID (Standard Component ID):	Total	13627VT0170001	13627VT0320001	13627VT0320002	13627VT0320003	13627VT0320004	13627VT0330001	13627VT0330002	13627VT0340001	13627VT0340002	13627VT0340003	13627VT0340004	13627VT0340005	13627VT0350001	13627VT0350002	13627VT0360001	13627VT0360002	13627VT0370003	13627VT0380001	13627VT0380002	13627VT0390003
OK	$ 439.22	Premium Information	Plan Adjusted Index Rate	$443.96	$0.00	$578.46	$494.10	$418.56	$350.65	$391.37	$340.37	$204.02	$578.46	$494.10	$418.56	$350.65	$391.37	$340.37	$448.40	$382.77	$317.91	$448.40	$382.77	$317.91
OK	698,280		Member Months	698,280	-	109,008	53,172	75,096	20,460	70,308	36,516	1,056	45,276	31,884	76,560	12,072	42,960	13,104	23,616	10,464	17,340	9,564	33,660	16,164
OK	$306,697,115		Total Premium (TP)	$310,011,258	$0	$63,056,891	$26,272,216	$31,432,329	$7,174,363	$27,516,374	$12,429,123	$215,448	$26,190,406	$15,753,843	$32,045,103	$4,233,085	$16,813,213	$4,460,270	$10,589,345	$4,005,327	$5,512,604	$4,288,469	$12,884,108	$5,138,739
			EHB Percent of TP, [see instructions]	99.97%		99.98%	99.98%	99.97%	99.97%	99.97%	99.97%	99.94%	99.98%	99.98%	99.97%	99.97%	99.97%	99.97%	99.98%	99.97%	99.96%	99.98%	99.97%	99.96%
			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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
			Other benefits portion of TP	0.03%	100.00%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.06%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.02%	0.03%	0.04%	0.02%	0.03%	0.04%
OK	351,514,152	Claims Information	Total Allowed Claims (TAC)	$351,514,492	$0	$54,874,680	$26,766,811	$37,803,363	$10,299,574	$35,393,081	$18,382,172	$531,591	$22,791,960	$16,050,421	$38,540,341	$6,077,051	$21,626,085	$6,596,560	$11,888,306	$5,267,583	$8,728,964	$4,814,522	$16,944,460	$8,136,965
			EHB Percent of TAC, [see instructions]	99.97%		99.98%	99.98%	99.97%	99.97%	99.97%	99.97%	99.94%	99.98%	99.98%	99.97%	99.97%	99.97%	99.97%	99.98%	99.97%	99.96%	99.98%	99.97%	99.96%
			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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
			Other benefits portion of TAC	0.03%	100.00%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.06%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.02%	0.03%	0.04%	0.02%	0.03%	0.04%
			Allowed Claims which are not the issuer's obligation	$77,920,932		-$3,314,047	$2,649,605	$9,143,344	$3,814,851	$10,384,689	$7,168,885	$357,873	$240,331	$2,677,964	$11,980,333	$2,653,354	$7,844,049	$3,010,536	$2,212,134	$1,631,113	$3,773,562	$1,227,358	$6,407,279	$4,057,718
			Portion of above payable by HHS's funds on behalf of insured person, in dollars	$0																				
			Portion of above payable by HHS on behalf of insured person, as %	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%
OK	273,267,130		Total Incurred claims, payable with issuer funds	$273,593,559	$0	$58,188,727	$24,117,205	$28,660,019	$6,484,723	$25,008,392	$11,213,287	$173,718	$22,551,629	$13,372,457	$26,560,008	$3,423,696	$13,782,036	$3,586,024	$9,676,172	$3,636,469	$4,955,402	$3,587,165	$10,537,182	$4,079,248
OK	7,185,301		Net Amt of Rein	$7,186,745		-$400,059	-$195,141	-$275,602	-$75,088	-$258,030	-$134,014	$9,729	$1,450,643	$972,143	$2,377,764	$358,176	$1,341,073	$389,844	-$86,671	-$38,403	-$63,638	$296,388	$1,036,874	$480,757
			Net Amt of Risk Adj	$0																				
OK	$ 391.34		Incurred Claims PMPM	$391.81	#DIV/0!	$533.80	$453.57	$381.65	$316.95	$355.70	$307.08	$164.51	$498.09	$419.41	$346.92	$283.61	$320.81	$273.66	$409.73	$347.52	$285.78	$375.07	$313.05	$252.37
OK	$ 503.40		Allowed Claims PMPM	$503.40	#DIV/0!	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40	$503.40
			EHB portion of Allowed Claims, PMPM	$503.27	#DIV/0!	$503.30	$503.29	$503.27	$503.24	$503.26	$503.23	$503.10	$503.30	$503.29	$503.27	$503.24	$503.26	$503.23	$503.28	$503.25	$503.22	$503.28	$503.25	$503.22

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

STATE OF VERMONT STANDARD PLAN DESIGNS

	Platinum	Gold	Silver	Silver	Bronze	Bronze
	Standard	Standard	Standard	Standard	Standard	Standard
Deductible/OOP Max	**Deductible**	**Deductible**	**Deductible**	**CDHP**	**Deductible**	**CDHP**
Medical Ded	$150	$750	$1,900	$1,550	$3,500	$2,000
Rx Ded	$0	$50	$100	Combined	$300	Combined
Integrated Ded	No	No	No	Yes	No	Yes
Medical OOPM	$1,250	$4,250	$5,100	$5,750	$6,350	$6,250
Rx OOPM	$1,250	$1,250	$1,250	$1,300	$1,250	$1,300
Integrated OOPM	No	No	No	Yes	Yes	Yes
Family Deductible / OOP	Stacked	Stacked	Stacked	Aggregate	Stacked	Aggregate
Medical Deductible waived for:	Preventive Care, Office Visits, Urgent Care, Ambulance, Emergency Room, Dental Class I, Vision	Preventive Care, Office Visits, Urgent Care, Ambulance, Emergency Room, Dental Class I, Vision	Preventive Care, Office Visits, Urgent Care, Ambulance, Dental Class I, Vision	Preventive Care	Preventive Care, Dental Class I	Preventive Care
Drug Deductible waived for:	N/A	Generic Scripts	Generic Scripts	Wellness Scripts	N/A	Wellness Scripts
Service Category						
Preventive	$0	$0	$0	0%	$0	0%
PCP Office Visit	$10	$15	$25	10%	$35	50%
MH/SA Office Visit	$10	$15	$25	10%	$35	50%
Specialist Office Visit	$20	$25	$45	20%	$80	50%
Urgent Care	$40	$45	$60	20%	$100	50%
Ambulance	$50	$50	$100	20%	$100	50%
DME	10%	20%	40%	20%	50%	50%
ER	$100	$150	$250	20%	50%	50%
Radiology (MRI, CT, PET)	10%	20%	40%	20%	50%	50%
Outpatient	10%	20%	40%	20%	50%	50%
Inpatient	10%	20%	40%	20%	50%	50%
Rx Generic	$5	$5	$12	$10	$20	$12
Rx Preferred Brand	$40	$40	$50	$40	$80	40%
Rx Non-Preferred Brand	50%	50%	50%	50%	60%	60%
Pediatric Vision (Exam and Materials)	$20	$25	$45	20%	$80	50%
Pediatric Dental Class I	0%	0%	0%	0%	0%	0%
Pediatric Dental Class II	30%	30%	30%	30%	30%	30%
Pediatric Dental Class III	50%	50%	50%	50%	50%	50%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

BLUE REWARDS (NON-STANDARD) PLAN DESIGNS

	GOLD	SILVER	BRONZE	CATASTROPHIC
	Blue Rewards	Blue Rewards	Blue Rewards	Blue Rewards
Deductible/OOP Max	**Deductible**	**Deductible**	**CDHP**	**Deductible**
Medical Ded	$1,250	$2,000	$5,000	$6,600
Rx Ded	Combined	Combined	Combined	Combined
Integrated Ded	Yes	Yes	Yes	Yes
Medical OOPM	$4,250	$6,250	$6,250	$6,600
Rx OOPM	$1,250	$1,250	$1,300	$1,300
Integrated OOPM	Yes	Yes	Yes	Yes
Family Deductible / OOP	Aggregate	Aggregate	Aggregate	Aggregate
Medical Deductible waived for:	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care	Preventive Care, 3 PCP/MH Office Visits
Drug Deductible waived for:	N/A	N/A	Wellness Scripts	N/A
Service Category				
Preventive	$0	$0	$0	$0
PCP Office Visit	3 visits per member combined PCP/MH at no cost share before deductible then $20 copay	3 visits per member combined PCP/MH at no cost share before deductible then $30 copay	50%	3 visits per member combined PCP/MH at no cost share before deductible then 0% coinsurance
MH/SA Office Visit			50%	
Specialist Office Visit	$30	$50	50%	0%
Urgent Care	$30	$50	50%	0%
Ambulance	$30	$50	50%	0%
DME	$30	$50	50%	0%
ER	$250	$250	50%	0%
Radiology (MRI, CT, PET)	$500	$1,750	50%	0%
Outpatient	$500	$1,750	50%	0%
Inpatient	$500	$1,750	50%	0%
Rx Generic	$5	$5	$25	0%
Rx Preferred Brand	40%	40%	40%	0%
Rx Non-Preferred Brand	60%	60%	60%	0%
Pediatric Vision (Exam and Materials)	$30	$50	50%	0%
Pediatric Dental Class I	0%	0%	0%	0%
Pediatric Dental Class II	30%	30%	30%	0%
Pediatric Dental Class III	50%	50%	50%	0%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

PROJECTED MEMBERSHIP BY PLAN AND MARKET

Product	Individual Market	Small Group Market	TOTAL
Catastrophic	88	0	88
Non-Standard Gold	797	1,968	2,765
Non-Standard Gold - CSR 100%	0	0	0
Non-Standard Silver	847	872	1,719
Non-Standard Silver - CSR 100%	0	0	0
Non-Standard Silver - CSR 73%	350	0	350
Non-Standard Silver - CSR 77%	593	0	593
Non-Standard Silver - CSR 87%	828	0	828
Non-Standard Silver - CSR 94%	187	0	187
Non-Standard Bronze CDHP - CSR 100%	1	0	1
Non-Standard Bronze CDHP	1,346	1,445	2,791
Standard Platinum	3,773	9,084	12,857
Standard Platinum - CSR 100%	0	0	0
Standard Gold	2,657	4,431	7,088
Standard Gold - CSR 100%	0	0	0
Standard Silver	2,115	6,258	8,373
Standard Silver - CSR 100%	2	0	2
Standard Silver - CSR 73%	767	0	767
Standard Silver - CSR 77%	1,264	0	1,264
Standard Silver - CSR 87%	1,708	0	1,708
Standard Silver - CSR 94%	524	0	524
Standard Silver CDHP	1,698	5,859	7,557
Standard Silver CDHP - CSR 100%	1	0	1
Standard Silver CDHP - CSR 73%	393	0	393
Standard Silver CDHP - CSR 77%	555	0	555
Standard Silver CDHP - CSR 87%	722	0	722
Standard Silver CDHP - CSR 94%	211	0	211
Standard Bronze	1,006	1,705	2,711
Standard Bronze - CSR 100%	0	0	0
Standard Bronze CDHP	1,092	3,043	4,135
Standard Bronze CDHP - CSR 100%	0	0	0
Total	**23,525**	**34,665**	**58,190**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

ADJUSTMENT FOR IMPACT OF THE HEALTH STATUS OF NEWLY INSURED

	Continuing			New Entrants		
	Individual Non-Subsidized	Individual Subsidized	Small Group	Individual Non-Subsidized	Individual Subsidized	Small Group
Projected Membership	7,457	7,148	27,896	2,987	5,933	6,769
AGF Factors	1.3901	1.4199	1.1296	1.2684	1.2250	1.0448
PMPM	$553.67	$584.18	$409.76	=1.2684 / 1.3901 x $553.67 = $505.18	=1.225 / 1.4199 x $584.18 = $503.98	=1.0448 / 1.1296 x $409.76 = $379.00
Average PMPM			$464.34			$450.29

Weighted Average of Continuing Members and New Entrants	$460.55
Impact of New Entrants (Line 1+b3 on Exhibit 5) = $460.55 / $464.34	**0.9918**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

IMPACT OF THE CHANGE IN PROVIDER NETWORK

MEDICAL CLAIMS

Coverage Category in the Experience	CY 2013 Allowed Claims	Experience Membership	CY 2013 Allowed PMPM	Network Adjustment	CY 2013 Allowed PMPM Adjuted for Network
Catamount	$72,577,613	196,948	$368.51	1.4217	$523.92
Indemnity/PPO	$98,692,581	261,297	$377.70	0.9753	$368.37
Point-of-Service	$1,492,960	3,893	$383.50	1.0000	$383.50
HMO	$96,502,594	267,283	$361.05	1.0527	$380.08
Weighted Average PMPM			$369.15	1.1235	$414.74

PHARMACY CLAIMS

Coverage Category in the Experience	CY 2013 Allowed Claims	Experience Membership	CY 2013 Allowed PMPM	Network Adjustment	CY 2013 Allowed PMPM Adjuted for Network
Catamount	$21,005,498	196,948	$106.66	1.0099	$107.71
Indemnity/PPO	$15,865,129	261,297	$60.72	1.0099	$61.32
Point-of-Service	$291,627	3,893	$74.91	1.0099	$75.65
HMO	$18,317,931	267,283	$68.53	1.0099	$69.21
Weighted Average PMPM			$76.06	1.0099	$76.81
Total Average PMPM			**$445.21**		**$491.56**

Impact of Change in Provider Network (Line 1+c2 on Exhibit 5) = $491.56 / $445.21 **1.1041**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

PLAN LEVEL ADJUSTMENT
CHANGE IN FAMILY TIER FACTOR

	NON-STANDARD PLANS			STANDARD PLANS								
	GOLD Blue Rewards	SILVER Blue Rewards	BRONZE Blue Rewards CDHP	PLATINUM Deductible	GOLD Deductible	SILVER Deductible	SILVER CDHP	BRONZE Deductible	BRONZE CDHP	Catastrophic Blue Rewards	TOTAL	
Projected Membership	2,765	3,677	2,792	12,857	7,088	12,638	9,439	2,711	4,135	88	58,190	
Projected Contracts	1,638	2,178	1,654	7,616	4,199	7,487	5,592	1,606	2,450	52	34,471	
											Mandated Tier Factors	Membership Split by Tier
Modeled Tier Factor - Single Tier	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.00	61.9%
Modeled Tier Factor - Couple Tier	1.8362	1.7875	1.7199	2.0000	2.0000	2.0000	1.7686	2.0000	1.7416	1.7156	2.00	19.6%
Modeled Tier Factor - Adult + Child(ren) Tier	1.4549	1.4026	1.3173	1.6547	1.6416	1.6076	1.3764	1.5489	1.3398	1.3410	1.93	3.4%
Modeled Tier Factor - Family Tier	2.5397	2.4689	2.4529	2.8331	2.8163	2.7790	2.4353	2.7118	2.4406	2.4500	2.81	15.1%
Average Tier Factor	1.5011	1.5011	1.5011	1.5011	1.5011	1.5011	1.5011	1.5011	1.5011	1.5011		
Family Multiplier PMPM Adjustment	0.9405	0.9259	0.9135	0.9960	0.9940	0.9895	0.9194	0.9814	0.9156	0.9132	**0.9644**	*$1+c_6$ on Exh 5*

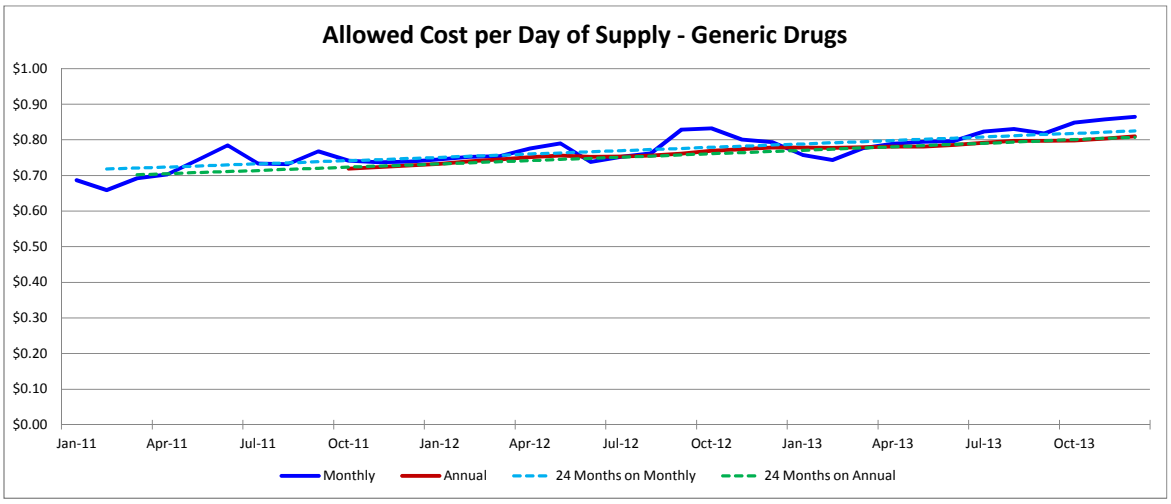
Average Members per Subsriber 1.6881

PHARMACY TREND DEVELOPMENT

GENERIC DRUGS - COST TREND

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Supply	Adjusted Allowed Charge	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted Allowed Charge	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
Nov-10	920,218	$630,210	$0.68							
Dec-10	1,000,610	$686,956	$0.69							
Jan-11	925,045	$635,074	$0.69							
Feb-11	881,246	$580,303	$0.66						$0.72	$0.70
Mar-11	1,041,142	$720,518	$0.69						$0.72	$0.70
Apr-11	973,064	$684,200	$0.70						$0.72	$0.71
May-11	1,032,652	$767,153	$0.74						$0.73	$0.71
Jun-11	1,039,107	$815,357	$0.78						$0.73	$0.71
Jul-11	1,006,219	$738,113	$0.73						$0.73	$0.72
Aug-11	1,074,522	$785,810	$0.73						$0.74	$0.72
Sep-11	1,039,852	$798,320	$0.77						$0.74	$0.72
Oct-11	1,046,981	$776,204	$0.74		11,980,658	$8,618,220	$0.72		$0.74	$0.73
Nov-11	1,070,404	$788,534	$0.74		12,130,844	$8,776,544	$0.72		$0.74	$0.73
Dec-11	1,182,843	$874,212	$0.74	7.7%	12,313,077	$8,963,800	$0.73		$0.75	$0.73
Jan-12	1,397,551	$1,041,628	$0.75	8.6%	12,785,583	$9,370,354	$0.73		$0.75	$0.74
Feb-12	1,378,249	$1,036,779	$0.75	14.2%	13,282,587	$9,826,830	$0.74		$0.75	$0.74
Mar-12	1,496,653	$1,128,033	$0.75	8.9%	13,738,098	$10,234,345	$0.74		$0.76	$0.74
Apr-12	1,474,371	$1,143,434	$0.78	10.3%	14,239,404	$10,693,579	$0.75		$0.76	$0.74
May-12	1,525,284	$1,204,989	$0.79	6.3%	14,732,036	$11,131,414	$0.76		$0.76	$0.75
Jun-12	1,513,837	$1,117,272	$0.74	-5.9%	15,206,766	$11,433,329	$0.75		$0.77	$0.75
Jul-12	1,501,210	$1,129,344	$0.75	2.6%	15,701,758	$11,824,559	$0.75		$0.77	$0.75
Aug-12	1,585,472	$1,208,263	$0.76	4.2%	16,212,708	$12,247,012	$0.76		$0.77	$0.76
Sep-12	1,474,009	$1,221,695	$0.83	8.0%	16,646,864	$12,670,387	$0.76		$0.78	$0.76
Oct-12	1,657,532	$1,379,503	$0.83	12.3%	17,257,415	$13,273,686	$0.77		$0.78	$0.76
Nov-12	1,585,258	$1,268,780	$0.80	8.6%	17,772,269	$13,753,932	$0.77	7.0%	$0.78	$0.77
Dec-12	1,650,984	$1,310,212	$0.79	7.4%	18,240,409	$14,189,931	$0.78	6.9%	$0.79	$0.77
Jan-13	1,622,082	$1,229,147	$0.76	1.7%	18,464,940	$14,377,450	$0.78	6.2%	$0.79	$0.77
Feb-13	1,505,731	$1,119,047	$0.74	-1.2%	18,592,422	$14,459,719	$0.78	5.1%	$0.79	$0.78
Mar-13	1,595,847	$1,239,104	$0.78	3.0%	18,691,617	$14,570,790	$0.78	4.6%	$0.79	$0.78
Apr-13	1,637,320	$1,291,562	$0.79	1.7%	18,854,566	$14,718,918	$0.78	4.0%	$0.80	$0.78
May-13	1,642,085	$1,305,092	$0.79	0.6%	18,971,367	$14,819,021	$0.78	3.4%	$0.80	$0.79
Jun-13	1,561,029	$1,243,082	$0.80	7.9%	19,018,560	$14,944,831	$0.79	4.5%	$0.80	$0.79
Jul-13	1,665,495	$1,370,567	$0.82	9.4%	19,182,845	$15,186,054	$0.79	5.1%	$0.81	$0.79
Aug-13	1,679,210	$1,393,695	$0.83	8.9%	19,276,583	$15,371,486	$0.80	5.6%	$0.81	$0.80
Sep-13	1,624,735	$1,328,373	$0.82	-1.4%	19,427,309	$15,478,164	$0.80	4.7%	$0.81	$0.80
Oct-13	1,740,110	$1,475,802	$0.85	1.9%	19,509,888	$15,574,462	$0.80	3.8%	$0.82	$0.80
Nov-13	1,633,526	$1,399,987	$0.86	7.1%	19,558,156	$15,705,669	$0.80	3.8%	$0.82	$0.81
Dec-13	1,861,265	$1,609,063	$0.86	8.9%	19,768,438	$16,004,521	$0.81	4.1%	$0.82	$0.81

Exponential Trend:	5.0%	5.2%
Adjustment for Future ESI Contract Terms:	0.9771	0.9771
Adjusted Trend:	2.6%	2.8%

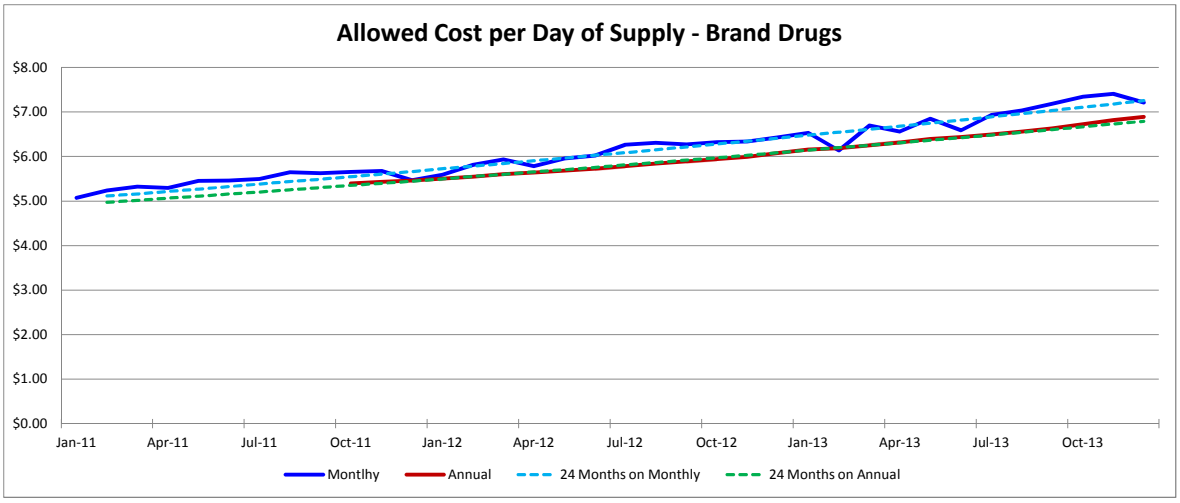


PHARMACY TREND DEVELOPMENT

BRAND DRUGS - COST TREND

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Supply	Adjusted Allowed Charge	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted Allowed Charge	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
Nov-10	272,711	$1,428,771	$5.24							
Dec-10	296,486	$1,541,569	$5.20							
Jan-11	246,553	$1,249,967	$5.07							
Feb-11	228,999	$1,199,926	$5.24						$5.11	$4.97
Mar-11	273,235	$1,454,052	$5.32						$5.16	$5.02
Apr-11	267,201	$1,415,254	$5.30						$5.22	$5.06
May-11	267,249	$1,457,656	$5.45						$5.27	$5.11
Jun-11	267,887	$1,463,365	$5.46						$5.32	$5.16
Jul-11	260,463	$1,431,819	$5.50						$5.38	$5.20
Aug-11	274,590	$1,551,494	$5.65						$5.44	$5.25
Sep-11	277,214	$1,559,458	$5.63						$5.49	$5.30
Oct-11	284,978	$1,612,245	$5.66		3,217,567	$17,365,576	$5.40		$5.55	$5.35
Nov-11	281,464	$1,597,751	$5.68		3,226,320	$17,534,556	$5.43		$5.61	$5.40
Dec-11	320,153	$1,750,482	$5.47	5.2%	3,249,987	$17,743,469	$5.46		$5.66	$5.45
Jan-12	326,502	$1,825,144	$5.59	10.3%	3,329,936	$18,318,646	$5.50		$5.72	$5.50
Feb-12	320,206	$1,860,277	$5.81	10.9%	3,421,143	$18,978,997	$5.55		$5.78	$5.55
Mar-12	338,751	$2,011,266	$5.94	11.6%	3,486,659	$19,536,211	$5.60		$5.84	$5.60
Apr-12	318,546	$1,842,709	$5.78	9.2%	3,538,005	$19,963,667	$5.64		$5.90	$5.65
May-12	326,612	$1,944,799	$5.95	9.2%	3,597,367	$20,450,810	$5.68		$5.96	$5.70
Jun-12	288,247	$1,734,466	$6.02	10.2%	3,617,727	$20,721,911	$5.73		$6.03	$5.76
Jul-12	290,804	$1,822,164	$6.27	14.0%	3,648,067	$21,112,255	$5.79		$6.09	$5.81
Aug-12	296,639	$1,870,442	$6.31	11.6%	3,670,116	$21,431,203	$5.84		$6.15	$5.86
Sep-12	276,196	$1,733,133	$6.28	11.5%	3,669,097	$21,604,878	$5.89		$6.22	$5.92
Oct-12	311,987	$1,972,557	$6.32	11.8%	3,696,107	$21,965,190	$5.94		$6.28	$5.97
Nov-12	301,841	$1,912,065	$6.33	11.6%	3,716,485	$22,279,504	$5.99	10.3%	$6.35	$6.03
Dec-12	329,328	$2,117,420	$6.43	17.6%	3,725,659	$22,646,442	$6.08	11.3%	$6.41	$6.08
Jan-13	286,375	$1,870,149	$6.53	16.8%	3,685,533	$22,691,447	$6.16	11.9%	$6.48	$6.14
Feb-13	272,888	$1,675,341	$6.14	5.7%	3,638,215	$22,506,511	$6.19	11.5%	$6.55	$6.20
Mar-13	277,613	$1,859,861	$6.70	12.8%	3,577,077	$22,355,107	$6.25	11.5%	$6.61	$6.25
Apr-13	285,432	$1,873,270	$6.56	13.5%	3,543,962	$22,385,667	$6.32	11.9%	$6.68	$6.31
May-13	288,059	$1,973,235	$6.85	15.0%	3,505,410	$22,414,103	$6.39	12.5%	$6.75	$6.37
Jun-13	275,013	$1,811,613	$6.59	9.5%	3,492,176	$22,491,250	$6.44	12.4%	$6.82	$6.43
Jul-13	291,050	$2,018,172	$6.93	10.7%	3,492,421	$22,687,259	$6.50	12.2%	$6.89	$6.48
Aug-13	301,634	$2,121,051	$7.03	11.5%	3,497,416	$22,937,868	$6.56	12.3%	$6.96	$6.54
Sep-13	290,921	$2,090,145	$7.18	14.5%	3,512,141	$23,294,880	$6.63	12.6%	$7.03	$6.61
Oct-13	320,570	$2,352,785	$7.34	16.1%	3,520,724	$23,675,108	$6.72	13.2%	$7.10	$6.67
Nov-13	295,173	$2,187,317	$7.41	17.0%	3,514,056	$23,950,359	$6.82	13.7%	$7.18	$6.73
Dec-13	340,655	$2,458,218	$7.22	12.2%	3,525,383	$24,291,157	$6.89	13.4%	$7.25	$6.79

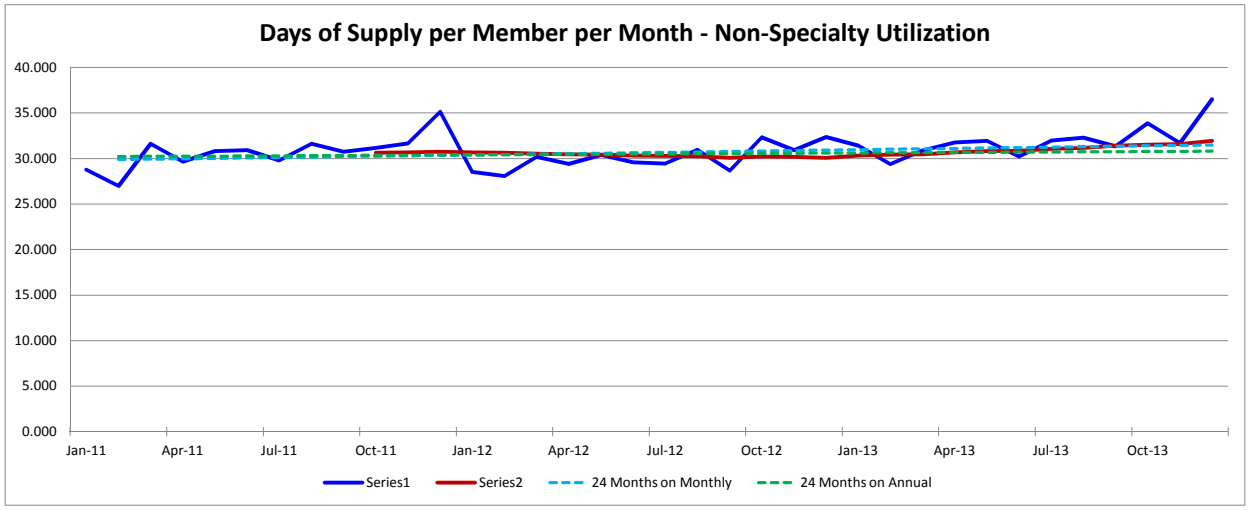
Exponential Trend:	13.1%	11.6%
Adjustment for Future ESI Contract Terms:	0.9973	0.9973
Adjusted Trend:	12.8%	11.3%



PHARMACY TREND DEVELOPMENT

NON-SPECIALTY DRUGS - UTILIZATION TREND

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Membership	Supply	Supply per Member	Monthly Utilization Trend	Membership	Supply	Supply per Member	Rolling 12 Utilization Trend	Monthly Data	Rolling 12 Data
Nov-10	37,896	1,192,929	31.479							
Dec-10	37,708	1,297,096	34.398							
Jan-11	40,728	1,171,598	28.766							
Feb-11	41,137	1,110,245	26.989						29.883	30.218
Mar-11	41,544	1,314,377	31.638						29.925	30.234
Apr-11	41,847	1,240,265	29.638						29.972	30.251
May-11	42,167	1,299,901	30.827						30.018	30.268
Jun-11	42,279	1,306,994	30.914						30.065	30.286
Jul-11	42,536	1,266,682	29.779						30.111	30.303
Aug-11	42,651	1,349,112	31.631						30.158	30.320
Sep-11	42,862	1,317,067	30.728						30.205	30.338
Oct-11	42,747	1,331,959	31.159		496,102	15,198,225	30.635		30.251	30.355
Nov-11	42,728	1,351,868	31.639		500,934	15,357,164	30.657		30.299	30.372
Dec-11	42,763	1,502,997	35.147	2.2%	505,989	15,563,065	30.758		30.345	30.389
Jan-12	60,442	1,724,053	28.524	-0.8%	525,703	16,115,520	30.655		30.393	30.407
Feb-12	60,483	1,698,455	28.082	4.0%	545,049	16,703,729	30.646		30.441	30.424
Mar-12	60,785	1,835,404	30.195	-4.6%	564,290	17,224,757	30.525		30.485	30.441
Apr-12	60,990	1,792,917	29.397	-0.8%	583,433	17,777,409	30.470		30.533	30.458
May-12	60,929	1,851,895	30.394	-1.4%	602,195	18,329,403	30.438		30.580	30.475
Jun-12	60,891	1,802,084	29.595	-4.3%	620,807	18,824,493	30.323		30.628	30.493
Jul-12	60,850	1,792,014	29.450	-1.1%	639,121	19,349,825	30.276		30.674	30.510
Aug-12	60,836	1,882,111	30.937	-2.2%	657,306	19,882,824	30.249		30.723	30.528
Sep-12	61,055	1,750,205	28.666	-6.7%	675,499	20,315,961	30.075		30.771	30.545
Oct-12	60,917	1,969,519	32.331	3.8%	693,669	20,953,521	30.207		30.818	30.562
Nov-12	61,059	1,887,099	30.906	-2.3%	712,000	21,488,753	30.181	-1.6%	30.866	30.580
Dec-12	61,186	1,980,312	32.365	-7.9%	730,423	21,966,068	30.073	-2.2%	30.913	30.597
Jan-13	60,791	1,908,457	31.394	10.1%	730,772	22,150,473	30.311	-1.1%	30.962	30.615
Feb-13	60,577	1,778,619	29.361	4.6%	730,866	22,230,637	30.417	-0.7%	31.011	30.633
Mar-13	60,635	1,873,460	30.897	2.3%	730,716	22,268,693	30.475	-0.2%	31.055	30.649
Apr-13	60,560	1,922,752	31.750	8.0%	730,286	22,398,528	30.671	0.7%	31.103	30.666
May-13	60,431	1,930,145	31.940	5.1%	729,788	22,476,777	30.799	1.2%	31.151	30.684
Jun-13	60,739	1,836,042	30.228	2.1%	729,636	22,510,735	30.852	1.7%	31.200	30.701
Jul-13	61,204	1,956,545	31.968	8.5%	729,990	22,675,266	31.062	2.6%	31.247	30.718
Aug-13	61,332	1,980,844	32.297	4.4%	730,486	22,773,999	31.177	3.1%	31.296	30.736
Sep-13	61,148	1,915,656	31.328	9.3%	730,579	22,939,450	31.399	4.4%	31.346	30.754
Oct-13	60,840	2,060,681	33.870	4.8%	730,502	23,030,612	31.527	4.4%	31.393	30.771
Nov-13	60,849	1,928,700	31.696	2.6%	730,292	23,072,212	31.593	4.7%	31.443	30.789
Dec-13	60,315	2,201,920	36.507	12.8%	729,421	23,293,820	31.935	6.2%	31.491	30.806
								Exponential Trend:	1.9%	0.7%



BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

EXHIBIT 3B

PHARMACY TREND DEVELOPMENT
HISTORICAL GENERIC DISPENSING RATES

Brand	EFFEXOR	LIPOFEN	CONCERTA	FLOMAX	COZAAR	LIPITOR	LEXAPRO	SEROQUEL	PLAVIX	ACTOS	Other					
Generic	VENLAFAXINE	FENOFIBRATE	METHYLPHENIDATE	TAMSULOSIN	LOSARTAN	ATORVASTATIN	ESCITALOPRAM	QUETIAPINE	CLOPIDOGREL	PIOGLITAZONE	Generic	Brand	Specialty	Total	Generic Dispensing Rate	
Incurred Date	# DAYS SUPPLY BY INCURRED DATE														Monthly	Rolling 12
201001	1,696	870	1,183	0	0	0	0	0	0	0	805,465	269,549	11,710	1,090,473	74.2%	
201002	1,590	690	1,050	0	0	0	0	0	0	0	751,184	262,850	11,486	1,028,850	73.3%	
201003	1,876	960	1,175	2,042	0	0	0	0	0	0	896,453	298,148	13,323	1,213,977	74.3%	
201004	1,903	630	1,259	4,156	5,835	0	0	0	0	0	854,528	279,266	13,323	1,160,900	74.8%	
201005	1,892	957	1,121	4,479	10,725	0	0	0	0	0	820,656	258,075	13,276	1,111,181	75.6%	
201006	2,248	960	1,147	3,508	10,939	0	0	0	0	0	889,348	277,494	12,614	1,198,258	75.8%	
201007	7,509	840	1,316	4,181	9,937	0	0	0	0	0	853,433	253,859	13,088	1,144,163	76.7%	
201008	10,762	840	1,358	4,077	10,960	0	0	0	0	0	873,422	267,628	13,319	1,182,366	76.2%	
201009	10,082	930	1,451	4,055	10,072	0	0	0	0	0	874,522	262,005	12,079	1,175,196	76.7%	
201010	9,698	990	1,480	4,601	10,610	0	0	0	0	0	864,899	267,758	12,510	1,172,546	76.1%	
201011	11,337	1,170	1,423	4,648	10,549	0	0	0	0	0	891,091	272,711	12,515	1,205,444	76.3%	
201012	11,772	2,825	1,230	5,352	12,243	0	0	0	0	0	967,188	296,486	13,377	1,310,473	76.4%	75.6%
201101	11,068	2,338	1,496	4,465	10,160	0	0	0	0	0	895,518	246,553	11,536	1,183,134	78.2%	75.9%
201102	10,553	2,758	1,196	4,455	11,313	0	0	0	0	0	850,971	228,999	11,144	1,121,389	78.6%	76.3%
201103	12,903	2,698	1,934	5,914	11,064	0	0	0	0	0	1,006,629	273,235	12,961	1,327,338	78.4%	76.7%
201104	12,474	2,668	2,362	4,946	10,340	0	0	0	0	0	940,274	267,201	10,962	1,251,227	77.8%	76.9%
201105	12,925	2,938	2,936	4,938	12,775	0	0	0	0	0	996,140	267,249	14,134	1,314,035	78.6%	77.2%
201106	13,611	2,548	4,409	5,943	11,451	0	0	0	0	0	1,001,145	267,887	12,903	1,319,897	78.7%	77.4%
201107	12,676	3,028	4,153	5,733	12,184	0	0	0	0	0	968,445	260,463	13,132	1,279,814	78.6%	77.6%
201108	12,732	3,388	5,361	5,696	12,415	0	0	0	0	0	1,034,930	274,590	13,498	1,362,610	78.9%	77.8%
201109	12,995	2,368	6,746	5,065	12,220	0	0	0	0	0	1,000,458	277,214	13,068	1,330,135	78.2%	77.9%
201110	13,582	2,758	7,360	6,881	14,155	0	0	0	0	0	1,002,245	284,978	13,555	1,345,514	77.8%	78.0%
201111	14,156	3,386	6,754	5,875	12,620	0	0	0	0	0	1,027,612	281,464	12,380	1,364,248	78.5%	78.2%
201112	14,276	3,287	8,131	5,766	14,022	7,182	0	0	0	0	1,130,179	320,153	14,324	1,517,321	78.0%	78.3%
201201	16,771	3,686	10,170	7,929	18,584	10,852	0	0	0	0	1,329,558	326,502	16,127	1,740,180	80.3%	78.6%
201202	18,961	3,894	10,328	6,926	19,272	12,646	0	0	0	0	1,306,221	320,206	15,217	1,713,672	80.4%	78.8%
201203	19,874	3,326	11,050	8,520	19,878	13,222	9,577	0	0	0	1,411,204	338,751	17,020	1,852,425	80.8%	79.0%
201204	19,138	5,029	11,256	7,502	20,939	12,512	11,634	4,466	0	0	1,381,892	318,546	16,718	1,809,635	81.5%	79.3%
201205	21,828	4,134	11,108	7,578	20,871	18,563	12,697	3,123	3,145	0	1,422,236	326,612	18,782	1,870,678	81.5%	79.6%
201206	19,212	4,378	10,707	8,116	19,192	33,815	13,967	3,770	8,659	0	1,392,021	288,247	18,361	1,820,445	83.2%	80.0%
201207	18,295	4,014	10,589	7,053	23,098	33,820	13,202	4,897	8,703	0	1,377,538	290,804	18,031	1,810,045	82.9%	80.4%
201208	23,234	4,106	11,052	9,045	21,153	34,659	14,587	4,041	7,217	750	1,455,628	296,639	18,231	1,900,342	83.4%	80.8%
201209	19,733	4,659	10,740	7,677	19,937	33,388	14,986	3,900	8,386	1,980	1,348,623	276,196	16,834	1,767,038	83.4%	81.2%
201210	21,692	4,619	12,195	8,777	22,849	38,155	16,041	4,183	8,051	2,700	1,518,269	311,987	19,313	1,988,832	83.3%	81.6%
201211	21,464	4,949	11,799	8,763	22,576	35,438	15,401	3,300	7,905	2,430	1,451,234	301,841	17,010	1,904,109	83.3%	81.9%
201212	21,424	6,084	12,245	8,632	23,964	39,557	17,952	4,622	8,866	2,100	1,505,538	329,328	18,769	1,999,081	82.6%	82.3%
201301	21,374	4,497	11,576	8,490	23,455	37,408	15,768	3,804	7,410	2,731	1,485,571	286,375	18,757	1,927,215	84.2%	82.6%
201302	20,397	5,549	11,499	8,398	21,434	34,895	14,008	3,368	7,202	2,070	1,376,912	272,888	16,282	1,794,901	83.9%	82.8%
201303	22,123	7,298	11,542	8,281	24,255	41,275	16,702	4,366	7,451	1,770	1,450,783	277,613	18,983	1,892,443	84.3%	83.1%
201304	21,526	4,477	11,579	7,951	25,343	39,357	16,802	4,406	7,654	2,953	1,495,270	285,432	18,695	1,941,446	84.3%	83.4%
201305	21,587	6,195	12,744	8,621	24,042	42,402	15,651	3,718	9,049	2,536	1,495,541	288,059	19,655	1,949,799	84.2%	83.6%
201306	21,505	5,911	10,140	9,731	25,181	42,038	14,700	3,507	7,894	1,972	1,418,451	275,013	18,473	1,854,515	84.2%	83.7%
201307	22,227	5,361	11,906	8,169	26,869	43,272	18,509	3,366	8,266	2,461	1,515,089	291,050	19,637	1,976,182	84.3%	83.8%
201308	22,819	7,063	12,098	8,450	24,130	42,121	18,606	4,256	8,005	1,966	1,529,694	301,634	19,293	2,000,137	84.0%	83.8%
201309	21,684	5,753	12,103	9,345	26,221	44,417	17,256	3,780	9,063	2,102	1,473,011	290,921	18,760	1,934,416	84.0%	83.9%
201310	24,505	5,664	12,614	9,955	26,430	45,079	16,967	4,116	8,341	2,283	1,584,157	320,570	19,967	2,080,648	83.6%	83.9%
201311	20,836	5,515	12,005	7,666	25,607	40,593	18,554	4,071	8,471	2,378	1,487,832	295,173	19,850	1,948,549	83.8%	83.9%
201312	25,192	7,085	13,094	10,463	29,033	53,382	20,088	4,896	9,678	2,383	1,685,971	340,655	24,039	2,225,959	83.6%	84.0%
201401	21,018	4,483	11,033	9,165	23,328	38,955	15,504	3,686	7,506	2,022	1,370,263	236,901	15,390	1,759,253	85.7%	84.1%
201402	19,702	4,910	10,385	6,676	23,410	43,244	16,712	1,933	6,347	2,634	1,311,656	229,395	17,567	1,694,571	85.4%	84.3%
201403	20,862	6,555	11,419	9,879	29,414	49,410	17,314	4,187	7,283	3,003	1,574,276	255,513	16,159	2,005,275	86.5%	84.4%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

EXHIBIT 3C

PHARMACY TREND DEVELOPMENT
BRAND GOING OFF PATENT IN THE PROJECTION PERIOD

Brand Name	Patent Expiration Date	Percent of Total Brand Days Supply
DIOVAN	March 2014	0.91%
EVISTA	March 2014	0.32%
DETROL	March 2014	0.13%
NEXIUM	May 2014	1.53%
RESTASIS	May 2014	0.47%
LUNESTA	May 2014	0.47%
LUMIGAN	August 2014	0.23%
COMBIPATCH	August 2014	0.11%
OXYCONTIN	October 2014	0.77%
INTUNIV	December 2014	0.16%
NAMENDA	January 2015	0.16%
WELCHOL	March 2015	0.14%
ABILIFY	April 2015	1.04%
EPIPEN	June 2015	0.14%
ANDROGEL	August 2015	0.69%
ORTHO EVRA PATCH	November 2015	0.34%
CELEBREX	December 2015	1.50%
ORTHO TRI-CYCLEN LO TABLE	December 2015	1.04%
PATANOL	December 2015	0.15%
AVODART	December 2015	0.13%
Others		1.33%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

PHARMACY TREND DEVELOPMENT
GENERIC DISPENSING RATE DEVELOPMENT

date	rx_cat	_201301	_201302	_201303	_201304	_201305	_201306	_201307	_201308	_201309	_201310	_201311	_201312	CY Average	_201401	_201402	_201403	_201404	_201405	_201406
201301	ALL	747	133	68	143	61	63	142	31	68	103	63	102	144						
201302	ALL	30	30	0	0	0	0	0	0	0	0	0	0	5						
201303	ALL	445	637	577	593	607	485	650	537	601	372	758	823	591						
201304	ALL	246	120	129	94	3	32	262	57	82	145	74	126	114						
201305	ALL	489	655	332	616	798	173	192	304	39	207	83	175	339						
201306	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0						
201307	ALL	510	464	895	420	420	810	330	480	494	344	548	601	527						
201308	ALL	180	150	210	90	90	90	70	60	0	0	0	0	78	78					
201309	ALL	2,253	2,033	2,490	2,193	2,801	2,323	2,506	2,961	1,780	571	451	225	1,882	1,882	1,882				
201310	ALL	192	123	185	196	132	110	121	161	106	109	62	0	125	125	125	125			
201311	ALL	3,493	3,864	3,777	4,364	4,467	3,734	3,372	4,183	3,576	4,484	2,010	779	3,509	3,509	3,509	3,509	3,509		
201312	ALL	8,479	9,035	10,079	8,732	9,597	8,161	8,757	10,097	8,532	9,800	8,972	6,614	8,904	8,904	8,904	8,904	8,904	8,904	
201401	ALL	2,072	1,932	1,310	1,737	1,669	1,721	2,243	1,729	1,169	533	651	623	1,449	1,449	1,449	1,449	1,449	1,449	1,449
201402	ALL	90	0	0	90	0	90	0	0	0	0	0	0	23	23	23	23	23	23	23
201403	ALL	3,666	4,520	4,601	3,461	4,429	4,026	3,261	4,625	3,993	3,553	3,803	4,774	4,059	4,059	4,059	4,059	4,059	4,059	4,059
201404	ALL	457	406	170	399	583	248	435	335	511	261	584	726	426	426	426	426	426	426	426
201405	ALL	6,912	6,092	6,502	6,780	7,331	6,777	7,480	8,089	6,350	7,699	7,696	9,480	7,266	7,266	7,266	7,266	7,266	7,266	7,266
201406	ALL	409	60	141	173	248	174	605	322	332	246	131	550	283	283	283	283	283	283	283
201407	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201408	ALL	776	562	1,014	1,035	1,060	915	1,201	682	1,376	1,304	734	1,382	1,004	1,004	1,004	*1,004*	1,004	1,004	1,004
201409	ALL	344	456	444	389	210	220	313	190	259	388	192	493	325	325	325	325	325	325	325
201410	ALL	2,907	2,552	2,906	2,748	2,916	2,813	3,035	2,501	3,003	2,969	2,724	3,085	2,847	2,847	2,847	2,847	2,847	2,847	2,847
201411	ALL	0	0	0	5	0	5	0	0	0	0	0	40	4	4	4	4	4	4	4
201412	ALL	360	296	490	660	480	480	690	358	731	449	519	268	482	482	482	482	482	482	482
201501	ALL	462	360	330	600	360	525	330	330	508	511	631	601	462	462	462	462	462	462	462
201502	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201503	ALL	480	360	285	420	330	330	450	450	240	390	300	811	404	404	404	404	404	404	404
201504	ALL	2,835	2,956	2,498	2,945	3,207	2,621	4,046	3,153	3,129	3,428	3,106	3,052	3,081	3,081	3,081	3,081	3,081	3,081	3,081
201505	ALL	14	10	58	60	21	10	10	14	10	28	21	23	23	23	23	23	23	23	23
201506	ALL	336	193	414	496	595	336	410	1,044	449	531	383	274	455	455	455	455	455	455	455
201507	ALL	210	150	150	60	270	242	120	32	126	61	211	121	146	146	146	146	146	146	146
201508	ALL	1,950	1,775	2,028	2,152	1,740	2,052	2,058	1,927	1,797	2,153	2,234	2,521	2,032	2,032	2,032	2,032	2,032	2,032	2,032
201509	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201510	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201511	ALL	1,208	953	972	678	1,182	1,310	839	1,781	850	1,125	1,532	1,348	1,148	1,148	1,148	1,148	1,148	1,148	1,148
201512	ALL	8,496	7,253	8,326	8,216	8,011	10,150	8,906	8,091	9,343	9,187	8,031	9,540	8,629	8,629	8,629	8,629	8,629	8,629	8,629
	Brand	235,333	224,768	226,266	234,914	234,469	223,984	238,244	247,136	241,526	269,764	248,744	291,585	243,061	243,061	243,061	243,061	243,061	243,061	243,061
	Generic	1,622,076	1,505,719	1,595,813	1,637,290	1,642,055	1,561,029	1,665,465	1,679,180	1,624,675	1,739,963	1,633,451	1,861,177	1,647,325	1,649,043	1,649,122	1,651,004	1,651,129	1,654,637	1,663,542
	Total	**1,908,457**	**1,778,619**	**1,873,460**	**1,922,752**	**1,930,145**	**1,836,042**	**1,956,545**	**1,980,844**	**1,915,656**	**2,060,681**	**1,928,700**	**2,201,920**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**
Monthly GDR		85.0%	84.7%	85.2%	85.2%	85.1%	85.0%	85.1%	84.8%	84.8%	84.4%	84.7%	84.5%		85.0%	85.0%	85.1%	85.1%	85.2%	85.7%
Rolling 12													84.9%		84.9%	84.9%	84.9%	84.9%	84.9%	84.9%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

PHARMACY TREND DEVELOPMENT
GENERIC DISPENSING RATE DEVELOPMENT

date	rx_cat	_201407	_201408	_201409	_201410	_201411	_201412	_201501	_201502	_201503	_201504	_201505	_201506	_201507	_201508	_201509	_201510	_201511	_201512
201301	ALL																		
201302	ALL																		
201303	ALL																		
201304	ALL																		
201305	ALL																		
201306	ALL																		
201307	ALL																		
201308	ALL																		
201309	ALL																		
201310	ALL																		
201311	ALL																		
201312	ALL																		
201401	ALL																		
201402	ALL	23																	
201403	ALL	4,059	4,059																
201404	ALL	426	426	426															
201405	ALL	7,266	7,266	7,266	7,266														
201406	ALL	283	283	283	283	283													
201407	ALL	0	0	0	0	0	0												
201408	ALL	1,004	1,004	1,004	1,004	1,004	1,004	1,004											
201409	ALL	325	325	325	325	325	325	325	325										
201410	ALL	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847									
201411	ALL	4	4	4	4	4	4	4	4	4	4								
201412	ALL	482	482	482	482	482	482	482	482	482	482	482							
201501	ALL	462	462	462	462	462	462	462	462	462	462	462	462						
201502	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0					
201503	ALL	404	404	404	404	404	404	404	404	404	404	404	404	404	404				
201504	ALL	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081	3,081			
201505	ALL	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23		
201506	ALL	455	455	455	455	455	455	455	455	455	455	455	455	455	455	455	455	455	
201507	ALL	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146	146
201508	ALL	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032
201509	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201510	ALL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
201511	ALL	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148
201512	ALL	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629
	Brand	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061	243,061
	Generic	1,664,991	1,665,013	1,669,073	1,669,499	1,676,765	1,677,047	1,677,047	1,678,051	1,678,376	1,681,222	1,681,227	1,681,708	1,682,171	1,682,171	1,682,575	1,685,656	1,685,679	1,686,135
	Total	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**	**1,941,152**
Monthly GDR		85.8%	85.8%	86.0%	86.0%	86.4%	86.4%	86.4%	86.4%	86.5%	86.6%	86.6%	86.6%	86.7%	86.7%	86.7%	86.8%	86.8%	86.9%
Rolling 12		85.0%	85.1%	85.1%	85.3%	85.4%	85.6%	85.7%	85.9%	86.0%	86.1%	86.2%	86.3%	86.4%	86.4%	86.5%	86.6%	86.6%	**86.6%**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

EXHIBIT 3E

PHARMACY TREND DEVELOPMENT
NON-SPECIALTY DRUG TREND

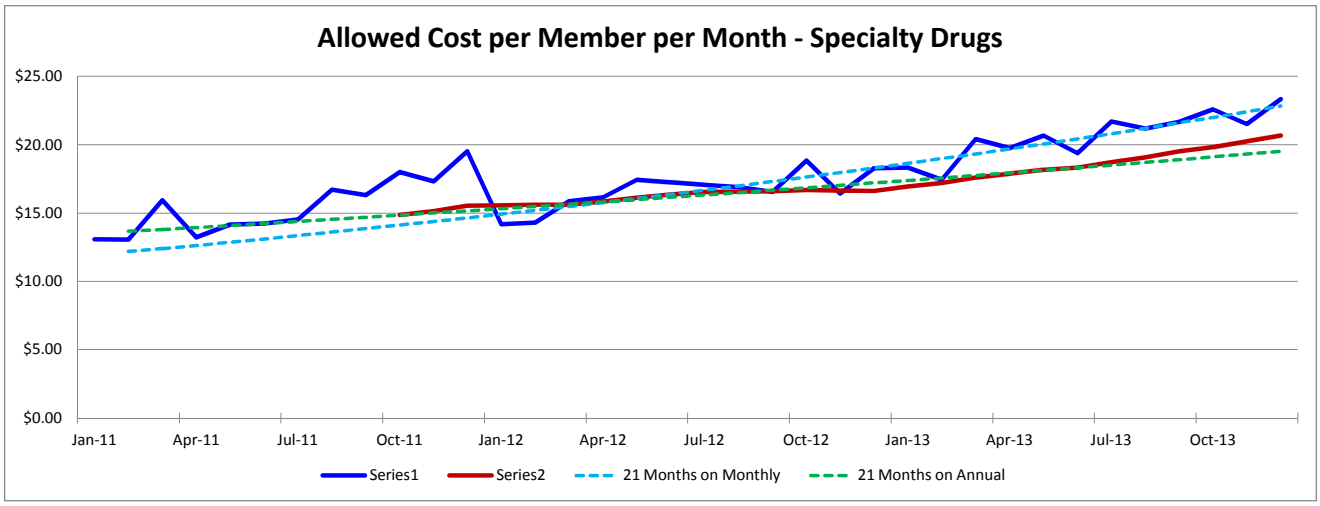
For the 12 months ending December 2013:		**Generic**	**Brand**	**Non-Specialty Total**
# Days Supply	a	19,768,438	3,525,383	23,293,820
Allowed Charge per Supply	b	$0.81	$6.89	
Total Allowed Charges	c=a*b	$16,004,521	$24,291,157	$40,295,678
Utilization Trends	d			**3.8%**
Projected # Days Supply (1 yr)	e=a*(1+d)			24,171,955
Projected Rolling-12 dispensing rate (Generic and Brand split)	f	**86.6%**	**13.4%**	
Non-Specialty Projected # Days Supply: Generic and Brand	g=e*f	20,942,843	3,229,112	
Utilization Trends: Generic and Brand	h=g/a-1	**5.9%**	**-8.4%**	
Calculated Annual Trend		*5.0%*	*13.1%*	
Contract Change for FY 2015		*0.9771*	*0.9973*	
Adjusted Annual Trend		*2.6%*	*12.8%*	
Cost Trends	i	**5.3%**	**27.3%**	
Projected Allowed Charge per Supply	j=b*(1+i)	$0.85	$8.77	
Projected Total Allowed Charges	k=g*j	$17,856,041	$28,324,147	*$46,180,188*
Total Trends - 2 years	l=k/c-1	**11.6%**	**16.6%**	***14.6%***
Annual Trend		**5.6%**	**8.0%**	**7.1%**
PMPM Calculation				
Member Months for the 12 months ending November 2013	m			729,421
PMPM by category	n=c/m	$21.94	$33.30	$55.24

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

EXHIBIT 3F

PHARMACY TREND DEVELOPMENT
SPECIALTY DRUGS - TOTAL TREND

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Members	Allowed Charge	PMPM	Monthly Trend	Members	Allowed Charge	PMPM	Rolling 12 Trend	Monthly Data	Rolling 12 Data
Nov-10	37,896	$526,408	$13.89							
Dec-10	37,708	$559,830	$14.85							
Jan-11	40,728	$532,878	$13.08							
Feb-11	41,137	$537,616	$13.07						$12.19	$13.66
Mar-11	41,544	$662,601	$15.95						$12.39	$13.79
Apr-11	41,847	$553,873	$13.24						$12.63	$13.94
May-11	42,167	$597,594	$14.17						$12.86	$14.09
Jun-11	42,279	$601,958	$14.24						$13.11	$14.24
Jul-11	42,536	$618,423	$14.54						$13.35	$14.39
Aug-11	42,651	$713,085	$16.72						$13.60	$14.54
Sep-11	42,862	$699,431	$16.32						$13.86	$14.70
Oct-11	42,747	$769,604	$18.00		496,102	$7,373,300	$14.86		$14.11	$14.85
Nov-11	42,728	$740,057	$17.32		500,934	$7,586,949	$15.15		$14.38	$15.01
Dec-11	42,763	$834,801	$19.52	31.5%	505,989	$7,861,920	$15.54		$14.65	$15.17
Jan-12	60,442	$857,027	$14.18	8.4%	525,703	$8,186,069	$15.57		$14.92	$15.33
Feb-12	60,483	$865,078	$14.30	9.4%	545,049	$8,513,531	$15.62		$15.21	$15.49
Mar-12	60,785	$964,067	$15.86	-0.6%	564,290	$8,814,997	$15.62		$15.48	$15.65
Apr-12	60,990	$985,265	$16.15	22.1%	583,433	$9,246,389	$15.85		$15.77	$15.82
May-12	60,929	$1,062,224	$17.43	23.0%	602,195	$9,711,019	$16.13		$16.06	$15.98
Jun-12	60,891	$1,050,184	$17.25	21.1%	620,807	$10,159,245	$16.36		$16.37	$16.15
Jul-12	60,850	$1,038,425	$17.07	17.4%	639,121	$10,579,248	$16.55		$16.67	$16.32
Aug-12	60,836	$1,027,878	$16.90	1.1%	657,306	$10,894,041	$16.57		$16.99	$16.50
Sep-12	61,055	$1,011,023	$16.56	1.5%	675,499	$11,205,633	$16.59		$17.31	$16.67
Oct-12	60,917	$1,147,616	$18.84	4.6%	693,669	$11,583,645	$16.70		$17.63	$16.85
Nov-12	61,059	$1,003,570	$16.44	-5.1%	712,000	$11,847,159	$16.64	9.9%	$17.96	$17.03
Dec-12	61,186	$1,119,152	$18.29	-6.3%	730,423	$12,131,509	$16.61	6.9%	$18.29	$17.21
Jan-13	60,791	$1,114,776	$18.34	29.3%	730,772	$12,389,258	$16.95	8.9%	$18.64	$17.39
Feb-13	60,577	$1,056,432	$17.44	21.9%	730,866	$12,580,612	$17.21	10.2%	$18.99	$17.58
Mar-13	60,635	$1,236,943	$20.40	28.6%	730,716	$12,853,488	$17.59	12.6%	$19.32	$17.75
Apr-13	60,560	$1,196,841	$19.76	22.3%	730,286	$13,065,064	$17.89	12.9%	$19.69	$17.94
May-13	60,431	$1,249,468	$20.68	18.6%	729,788	$13,252,309	$18.16	12.6%	$20.05	$18.12
Jun-13	60,739	$1,177,350	$19.38	12.4%	729,636	$13,379,474	$18.34	12.1%	$20.43	$18.32
Jul-13	61,204	$1,328,247	$21.70	27.2%	729,990	$13,669,296	$18.73	13.1%	$20.81	$18.51
Aug-13	61,332	$1,298,459	$21.17	25.3%	730,486	$13,939,878	$19.08	15.1%	$21.20	$18.71
Sep-13	61,148	$1,325,112	$21.67	30.9%	730,579	$14,253,966	$19.51	17.6%	$21.60	$18.91
Oct-13	60,840	$1,374,682	$22.60	19.9%	730,502	$14,481,032	$19.82	18.7%	$22.00	$19.11
Nov-13	60,849	$1,308,655	$21.51	30.8%	730,292	$14,786,117	$20.25	21.7%	$22.42	$19.31
Dec-13	60,315	$1,407,043	$23.33	27.5%	729,421	$15,074,008	$20.67	24.4%	$22.83	$19.51
								Exponential Trend:	24.8%	13.4%



BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

MEDICAL TREND DEVELOPMENT
ILLUSTRATION OF CONTRACT NORMALIZATION

Month	Contract Increase	Normalization Factor	Experience Claims	Normalized Claims
Jan-10		1.1699	$1,000,000	$1,169,859
Feb-10		1.1699	$1,000,000	$1,169,859
Mar-10		1.1699	$1,000,000	$1,169,859
Apr-10		1.1699	$1,000,000	$1,169,859
May-10		1.1699	$1,000,000	$1,169,859
Jun-10		1.1699	$1,000,000	$1,169,859
Jul-10		1.1699	$1,000,000	$1,169,859
Aug-10		1.1699	$1,000,000	$1,169,859
Sep-10		1.1699	$1,000,000	$1,169,859
Oct-10	1.0400	1.1249	$1,000,000	$1,124,864
Nov-10		1.1249	$1,000,000	$1,124,864
Dec-10		1.1249	$1,000,000	$1,124,864
Jan-11		1.1249	$1,000,000	$1,124,864
Feb-11		1.1249	$1,000,000	$1,124,864
Mar-11		1.1249	$1,000,000	$1,124,864
Apr-11		1.1249	$1,000,000	$1,124,864
May-11		1.1249	$1,000,000	$1,124,864
Jun-11		1.1249	$1,000,000	$1,124,864
Jul-11		1.1249	$1,000,000	$1,124,864
Aug-11		1.1249	$1,000,000	$1,124,864
Sep-11		1.1249	$1,000,000	$1,124,864
Oct-11	1.0400	1.0816	$1,000,000	$1,081,600
Nov-11		1.0816	$1,000,000	$1,081,600
Dec-11		1.0816	$1,000,000	$1,081,600
Jan-12		1.0816	$1,000,000	$1,081,600
Feb-12		1.0816	$1,000,000	$1,081,600
Mar-12		1.0816	$1,000,000	$1,081,600
Apr-12		1.0816	$1,000,000	$1,081,600
May-12		1.0816	$1,000,000	$1,081,600
Jun-12		1.0816	$1,000,000	$1,081,600
Jul-12		1.0816	$1,000,000	$1,081,600
Aug-12		1.0816	$1,000,000	$1,081,600
Sep-12		1.0816	$1,000,000	$1,081,600
Oct-12	1.0400	1.0400	$1,000,000	$1,040,000
Nov-12		1.0400	$1,000,000	$1,040,000
Dec-12		1.0400	$1,000,000	$1,040,000
Jan-13		1.0400	$1,000,000	$1,040,000
Feb-13		1.0400	$1,000,000	$1,040,000
Mar-13		1.0400	$1,000,000	$1,040,000
Apr-13		1.0400	$1,000,000	$1,040,000
May-13		1.0400	$1,000,000	$1,040,000
Jun-13		1.0400	$1,000,000	$1,040,000
Jul-13		1.0400	$1,000,000	$1,040,000
Aug-13		1.0400	$1,000,000	$1,040,000
Sep-13		1.0400	$1,000,000	$1,040,000
Oct-13	1.0400	1.0000	$1,000,000	$1,000,000
Nov-13		1.0000	$1,000,000	$1,000,000
Dec-13		1.0000	$1,000,000	$1,000,000

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

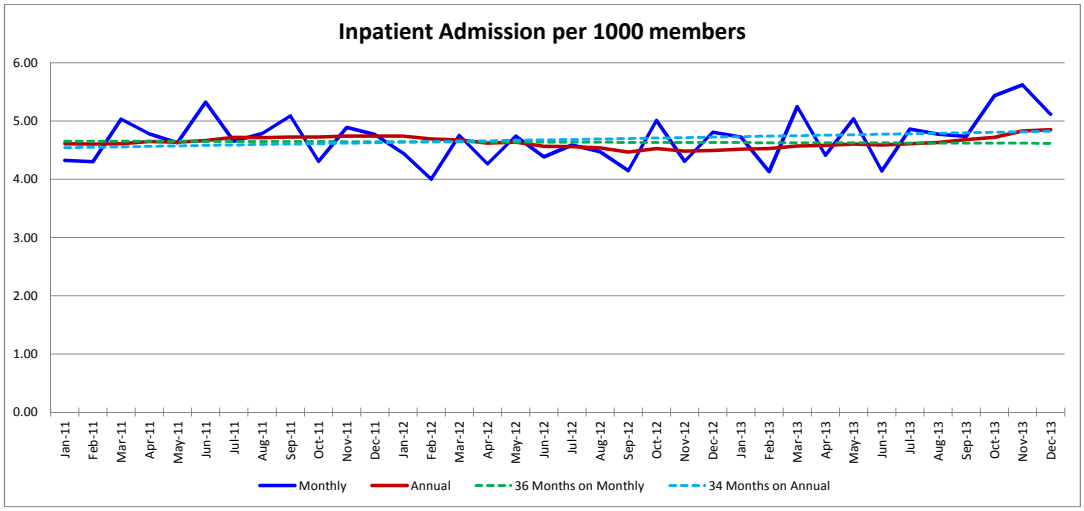
MEDICAL TREND DEVELOPMENT
UTILIZATION TREND CALCULATION

Month	Membership	Original Claims	Original PMPM	Adjusted Claims - Normalized for Contract Changes	Adjusted PMPM	Regression on Adjusted PMPM - 36 Months - Incl. Q4 2013	Regression on Adjusted PMPM - 24 Months - Incl. Q4 2013	Regression on Adjusted PMPM - 36 Months - Excl. Q4 2013	Regression on Adjusted PMPM - 24 Months - Excl. Q4 2013
Jan-10	37,505	$12,606,699	$336.13	$15,402,614	$410.68	$408.94	$376.24	$429.79	$449.39
Feb-10	37,454	$13,149,674	$351.09	$16,041,023	$428.29	$409.18	$377.28	$429.19	$448.18
Mar-10	37,460	$13,889,073	$370.77	$16,905,585	$451.30	$409.41	$378.22	$428.65	$447.10
Apr-10	37,594	$13,217,386	$351.58	$16,033,443	$426.49	$409.66	$379.26	$428.05	$445.90
May-10	37,802	$13,034,972	$344.82	$15,814,532	$418.35	$409.90	$380.27	$427.47	$444.74
Jun-10	37,461	$13,637,212	$364.04	$16,529,612	$441.25	$410.14	$381.31	$426.87	$443.55
Jul-10	37,547	$12,762,000	$339.89	$15,395,708	$410.04	$410.38	$382.33	$426.30	$442.40
Aug-10	37,491	$12,666,344	$337.85	$15,259,237	$407.01	$410.63	$383.38	$425.70	$441.21
Sep-10	37,394	$13,327,917	$356.42	$16,171,708	$432.47	$410.88	$384.43	$425.11	$440.03
Oct-10	37,710	$13,173,106	$349.33	$15,603,888	$413.79	$411.12	$385.45	$424.53	$438.89
Nov-10	37,896	$14,501,166	$382.66	$17,056,102	$450.08	$411.37	$386.51	$423.94	$437.71
Dec-10	37,708	$14,246,280	$377.81	$16,717,490	$443.34	$411.61	$387.54	$423.37	$436.58
Jan-11	40,728	$14,441,620	$354.59	$16,912,793	$415.26	$411.86	$388.61	$422.77	$435.41
Feb-11	41,137	$12,824,858	$311.76	$15,024,179	$365.22	$412.11	$389.68	$422.18	$434.24
Mar-11	41,544	$16,392,613	$394.58	$19,130,428	$460.49	$412.34	$390.65	$421.65	$433.19
Apr-11	41,847	$14,516,545	$346.90	$16,870,367	$403.14	$412.59	$391.72	$421.06	$432.03
May-11	42,167	$14,628,302	$346.91	$16,954,423	$402.08	$412.83	$392.76	$420.49	$430.90
Jun-11	42,279	$15,949,514	$377.24	$18,366,065	$434.40	$413.08	$393.84	$419.91	$429.75
Jul-11	42,536	$14,059,624	$330.53	$16,186,804	$380.54	$413.32	$394.89	$419.34	$428.63
Aug-11	42,651	$15,399,452	$361.06	$17,705,701	$415.13	$413.57	$395.98	$418.75	$427.48
Sep-11	42,862	$16,615,002	$387.64	$19,217,676	$448.36	$413.82	$397.07	$418.17	$426.34
Oct-11	42,747	$16,180,220	$378.51	$18,176,370	$425.21	$414.06	$398.12	$417.61	$425.23
Nov-11	42,728	$17,500,951	$409.59	$19,247,184	$450.46	$414.32	$399.22	$417.02	$424.09
Dec-11	42,763	$17,829,761	$416.94	$19,584,369	$457.97	$414.56	$400.28	$416.46	$422.99
Jan-12	60,442	$22,163,320	$366.69	$24,339,403	$402.69	$414.81	$401.38	$415.88	$421.86
Feb-12	60,483	$22,467,449	$371.47	$24,696,222	$408.32	$415.06	$402.49	$415.30	$420.73
Mar-12	60,785	$24,333,520	$400.32	$26,595,390	$437.53	$415.30	$403.52	$414.75	$419.67
Apr-12	60,990	$22,905,142	$375.56	$25,029,648	$410.39	$415.55	$404.63	$414.18	$418.55
May-12	60,929	$25,347,817	$416.02	$27,698,759	$454.61	$415.79	$405.71	$413.62	$417.46
Jun-12	60,891	$21,695,230	$356.30	$23,594,404	$387.49	$416.04	$406.82	$413.04	$416.34
Jul-12	60,850	$21,706,396	$356.72	$23,529,826	$386.69	$416.29	$407.91	$412.48	$415.26
Aug-12	60,836	$22,856,139	$375.70	$24,664,068	$405.42	$416.54	$409.03	$411.90	$414.15
Sep-12	61,055	$19,577,489	$320.65	$21,087,935	$345.39	$416.79	$410.15	$411.33	$413.04
Oct-12	60,917	$24,927,324	$409.20	$26,630,533	$437.16	$417.04	$411.24	$410.77	$411.96
Nov-12	61,059	$24,463,339	$400.65	$26,075,658	$427.06	$417.29	$412.38	$410.20	$410.86
Dec-12	61,186	$24,770,501	$404.84	$25,427,530	$415.58	$417.53	$413.47	$409.65	$409.79
Jan-13	60,791	$24,880,630	$409.28	$25,462,088	$418.85	$417.79	$414.61	$409.07	$408.69
Feb-13	60,577	$22,053,796	$364.06	$22,560,852	$372.43	$418.04	$415.75	$408.50	$407.60
Mar-13	60,635	$24,381,976	$402.11	$24,890,465	$410.50	$418.27	$416.78	$407.99	$406.61
Apr-13	60,560	$25,323,385	$418.15	$25,805,368	$426.11	$418.52	$417.93	$407.42	$405.52
May-13	60,431	$25,719,131	$425.59	$26,206,650	$433.66	$418.77	$419.04	$406.87	$404.47
Jun-13	60,739	$23,270,802	$383.13	$23,650,129	$389.37	$419.02	$420.19	$406.30	$403.38
Jul-13	61,204	$24,488,474	$400.11	$24,799,878	$405.20	$419.26	$421.31	$405.75	$402.34
Aug-13	61,332	$24,111,049	$393.12	$24,362,488	$397.22	$419.52	$422.47	$405.18	$401.26
Sep-13	61,148	$25,138,420	$411.11	$25,368,247	$414.87	$419.77	$423.63	$404.62	$400.18
Oct-13	60,840	$29,176,396	$479.56	$29,297,871	$481.56	$420.02	$424.76	$404.07	$399.15
Nov-13	60,849	$26,631,687	$437.67	$26,678,535	$438.44	$420.27	$425.93	$403.51	$398.07
Dec-13	60,315	$27,345,508	$453.38	$27,345,508	$453.38	$420.52	$427.06	$402.96	$397.04
				Annual Increase		0.7%	3.3%	-1.6%	-3.1%

MEDICAL TREND DEVELOPMENT

Inpatient Admissions per 1000 members

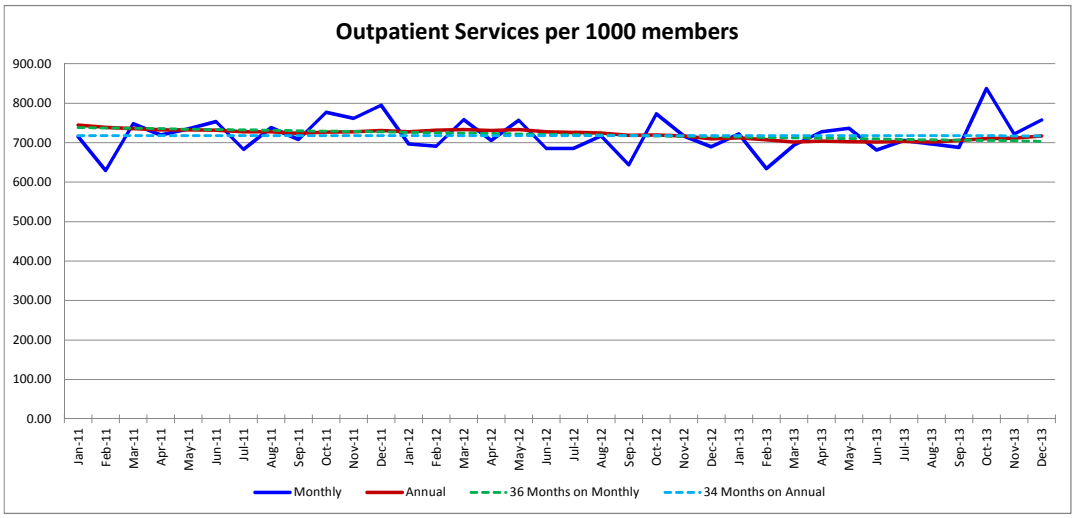
	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Admissions	Members	Admission per 1000 members	Monthly Utilization Trend	Admissions	Members	Admission per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Jan-10	160	37,505	4.27							
Feb-10	165	37,454	4.41							
Mar-10	186	37,460	4.97							
Apr-10	164	37,594	4.36							
May-10	180	37,802	4.76							
Jun-10	188	37,461	5.02							
Jul-10	149	37,547	3.97							
Aug-10	181	37,491	4.83							
Sep-10	187	37,394	5.00							
Oct-10	160	37,710	4.24							
Nov-10	179	37,896	4.72							
Dec-10	180	37,708	4.77		2,079	451,022	4.61		4.53	4.66
Jan-11	176	40,728	4.32		2,095	454,245	4.61		4.54	4.66
Feb-11	177	41,137	4.30		2,107	457,928	4.60		4.55	4.65
Mar-11	209	41,544	5.03		2,130	462,012	4.61		4.56	4.65
Apr-11	200	41,847	4.78		2,166	466,265	4.65		4.56	4.65
May-11	195	42,167	4.62		2,181	470,630	4.63		4.57	4.65
Jun-11	225	42,279	5.32		2,218	475,448	4.67		4.58	4.65
Jul-11	198	42,536	4.65		2,267	480,437	4.72		4.59	4.65
Aug-11	204	42,651	4.78		2,290	485,597	4.72		4.60	4.65
Sep-11	218	42,862	5.09		2,321	491,065	4.73		4.60	4.65
Oct-11	184	42,747	4.30		2,345	496,102	4.73		4.61	4.65
Nov-11	209	42,728	4.89		2,375	500,934	4.74		4.62	4.64
Dec-11	204	42,763	4.77		2,399	505,989	4.74		4.63	4.64
Jan-12	269	60,442	4.45	3.0%	2,492	525,703	4.74		4.64	4.64
Feb-12	242	60,483	4.00	-7.0%	2,557	545,049	4.69		4.64	4.64
Mar-12	289	60,785	4.75	-5.5%	2,637	564,290	4.67		4.65	4.64
Apr-12	260	60,990	4.26	-10.8%	2,697	583,433	4.62		4.66	4.64
May-12	289	60,929	4.74	2.6%	2,791	602,195	4.63		4.67	4.64
Jun-12	267	60,891	4.38	-17.6%	2,833	620,807	4.56		4.68	4.64
Jul-12	279	60,850	4.59	-1.5%	2,914	639,121	4.56		4.68	4.64
Aug-12	272	60,836	4.47	-6.5%	2,982	657,306	4.54		4.69	4.63
Sep-12	253	61,055	4.15	-18.5%	3,017	675,499	4.47		4.70	4.63
Oct-12	305	60,917	5.01	16.4%	3,138	693,669	4.52		4.71	4.63
Nov-12	263	61,059	4.31	-11.9%	3,192	712,000	4.48		4.72	4.63
Dec-12	294	61,186	4.81	0.8%	3,283	730,423	4.49	-5.2%	4.72	4.63
Jan-13	287	60,791	4.72	6.1%	3,301	730,772	4.52	-4.7%	4.73	4.63
Feb-13	250	60,577	4.13	3.2%	3,309	730,866	4.53	-3.5%	4.74	4.63
Mar-13	318	60,635	5.25	10.4%	3,338	730,716	4.57	-2.2%	4.75	4.63
Apr-13	267	60,560	4.41	3.5%	3,345	730,286	4.58	-0.9%	4.76	4.63
May-13	304	60,431	5.04	6.2%	3,361	729,788	4.61	-0.6%	4.76	4.62
Jun-13	252	60,739	4.14	-5.6%	3,345	729,636	4.58	0.5%	4.77	4.62
Jul-13	297	61,204	4.86	6.0%	3,364	729,990	4.61	1.1%	4.78	4.62
Aug-13	293	61,332	4.77	6.7%	3,384	730,486	4.63	2.1%	4.79	4.62
Sep-13	289	61,148	4.73	14.2%	3,421	730,579	4.68	4.8%	4.80	4.62
Oct-13	330	60,840	5.43	8.5%	3,446	730,502	4.72	4.3%	4.81	4.62
Nov-13	342	60,849	5.62	30.4%	3,525	730,292	4.83	7.6%	4.81	4.62
Dec-13	308	60,315	5.11	6.3%	3,539	729,421	4.85	8.0%	4.82	4.62
								Exponential Trend:	2.1%	-0.3%



MEDICAL TREND DEVELOPMENT

Outpatient Services per 1000 members

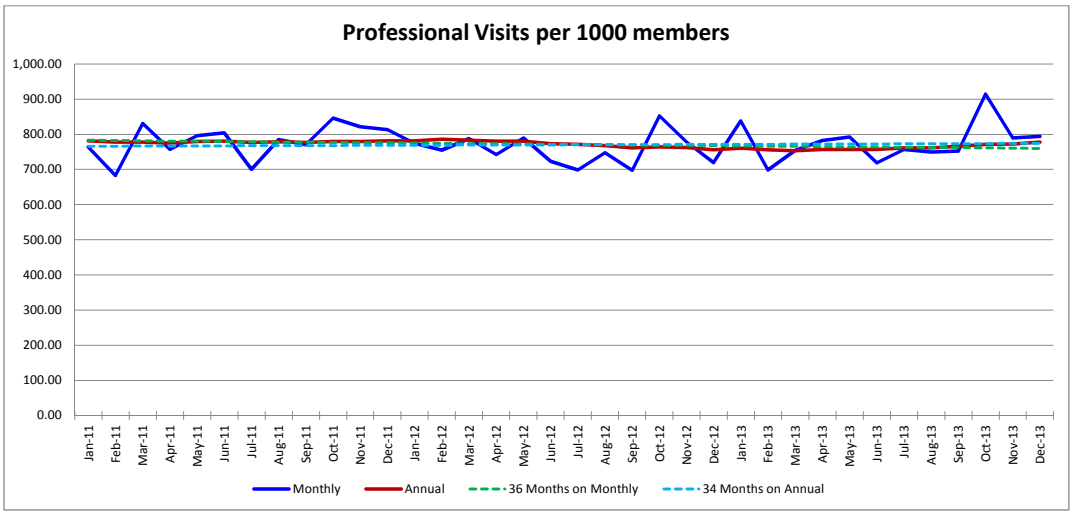
	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Services	Members	Service per 1000 members	Monthly Utilization Trend	Services	Members	Service per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Jan-10	26,064	37,505	694.95							
Feb-10	25,668	37,454	685.32							
Mar-10	29,576	37,460	789.54							
Apr-10	28,560	37,594	759.70							
May-10	27,701	37,802	732.79							
Jun-10	29,024	37,461	774.78							
Jul-10	27,052	37,547	720.48							
Aug-10	27,867	37,491	743.30							
Sep-10	28,187	37,394	753.78							
Oct-10	28,067	37,710	744.29							
Nov-10	28,582	37,896	754.22							
Dec-10	28,852	37,708	765.14		335,200	451,022	743.20		718.06	739.31
Jan-11	29,141	40,728	715.50		338,277	454,245	744.70		718.04	738.27
Feb-11	25,889	41,137	629.34		338,498	457,928	739.19		718.02	737.24
Mar-11	31,073	41,544	747.95		339,995	462,012	735.90		718.00	736.30
Apr-11	30,095	41,847	719.17		341,530	466,265	732.48		717.98	735.27
May-11	30,987	42,167	734.86		344,816	470,630	732.67		717.96	734.27
Jun-11	31,852	42,279	753.38		347,644	475,448	731.19		717.94	733.24
Jul-11	29,051	42,536	682.97		349,643	480,437	727.76		717.92	732.24
Aug-11	31,474	42,651	737.94		353,250	485,597	727.46		717.90	731.21
Sep-11	30,352	42,862	708.13		355,415	491,065	723.76		717.88	730.19
Oct-11	33,211	42,747	776.92		360,559	496,102	726.78		717.86	729.19
Nov-11	32,531	42,728	761.35		364,508	500,934	727.66		717.84	728.17
Dec-11	34,004	42,763	795.18		369,661	505,989	730.57		717.82	727.18
Jan-12	42,095	60,442	696.46	-2.7%	382,615	525,703	727.82		717.80	726.16
Feb-12	41,787	60,483	690.89	9.8%	398,513	545,049	731.15		717.78	725.14
Mar-12	46,105	60,785	758.50	1.4%	413,546	564,290	732.86	-0.4%	717.76	724.19
Apr-12	43,048	60,990	705.83	-1.9%	426,499	583,433	731.02	-0.2%	717.74	723.17
May-12	46,089	60,929	756.44	2.9%	441,601	602,195	733.32	0.1%	717.72	722.19
Jun-12	41,709	60,891	684.99	-9.1%	451,458	620,807	727.21	-0.5%	717.69	721.17
Jul-12	41,712	60,850	685.49	0.4%	464,120	639,121	726.18	-0.2%	717.67	720.19
Aug-12	43,625	60,836	717.10	-2.8%	476,271	657,306	724.58	-0.4%	717.65	719.18
Sep-12	39,342	61,055	644.36	-9.0%	485,261	675,499	718.37	-0.7%	717.63	718.17
Oct-12	47,106	60,917	773.28	-0.5%	499,156	693,669	719.59	-1.0%	717.61	717.20
Nov-12	43,779	61,059	717.00	-5.8%	510,404	712,000	716.86	-1.5%	717.59	716.19
Dec-12	42,156	61,186	688.99	-13.4%	518,556	730,423	709.94	-2.8%	717.57	715.22
Jan-13	43,882	60,791	721.85	3.6%	520,342	730,772	712.04	-2.2%	717.55	714.21
Feb-13	38,406	60,577	634.01	-8.2%	516,961	730,866	707.33	-3.3%	717.53	713.21
Mar-13	42,023	60,635	693.05	-8.6%	512,880	730,716	701.89	-4.2%	717.51	712.31
Apr-13	44,075	60,560	727.79	3.1%	513,906	730,286	703.71	-3.7%	717.49	711.30
May-13	44,523	60,431	736.76	-2.6%	512,340	729,788	702.04	-4.3%	717.47	710.34
Jun-13	41,364	60,739	681.02	-0.6%	511,995	729,636	701.71	-3.5%	717.45	709.34
Jul-13	43,192	61,204	705.71	2.9%	513,475	729,990	703.40	-3.1%	717.43	708.38
Aug-13	42,717	61,332	696.49	-2.9%	512,567	730,486	701.68	-3.2%	717.41	707.38
Sep-13	42,061	61,148	687.86	6.8%	515,287	730,579	705.31	-1.8%	717.39	706.39
Oct-13	50,911	60,840	836.80	8.2%	519,092	730,502	710.60	-1.2%	717.37	705.43
Nov-13	43,901	60,849	721.48	0.6%	519,214	730,292	710.97	-0.8%	717.35	704.44
Dec-13	45,684	60,315	757.42	9.9%	522,742	729,421	716.65	0.9%	717.33	703.48
								Exponential Trend:	0.0%	-1.6%



MEDICAL TREND DEVELOPMENT

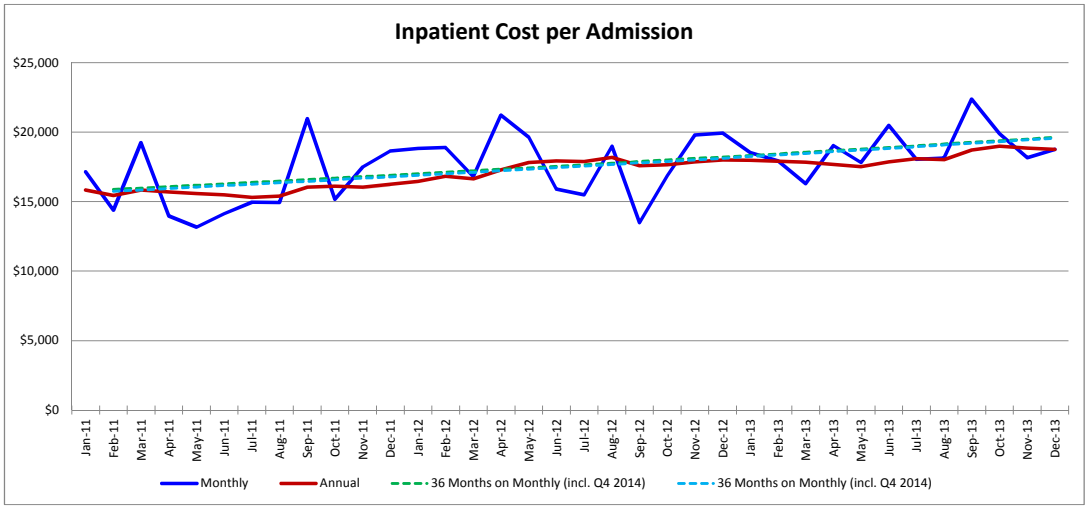
Professional Visits per 1000 members

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Visits	Members	Visits per 1000 members	Monthly Utilization Trend	Visits	Members	Visits per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Jan-10	29,150	37,505	777.23							
Feb-10	26,636	37,454	711.17							
Mar-10	31,685	37,460	845.84							
Apr-10	29,347	37,594	780.63							
May-10	28,072	37,802	742.61							
Jun-10	30,019	37,461	801.34							
Jul-10	27,648	37,547	736.36							
Aug-10	28,606	37,491	763.01							
Sep-10	29,637	37,394	792.56							
Oct-10	30,955	37,710	820.87							
Nov-10	31,022	37,896	818.61							
Dec-10	30,142	37,708	799.35		352,919	451,022	782.49		765.82	783.46
Jan-11	31,133	40,728	764.41		354,902	454,245	781.30		766.05	782.79
Feb-11	28,083	41,137	682.67		356,349	457,928	778.18		766.28	782.11
Mar-11	34,508	41,544	830.64		359,172	462,012	777.41		766.48	781.50
Apr-11	31,660	41,847	756.57		361,485	466,265	775.28		766.71	780.83
May-11	33,573	42,167	796.19		366,986	470,630	779.78		766.93	780.17
Jun-11	33,998	42,279	804.14		370,965	475,448	780.24		767.16	779.50
Jul-11	29,803	42,536	700.65		373,120	480,437	776.63		767.39	778.85
Aug-11	33,489	42,651	785.19		378,003	485,597	778.43		767.61	778.18
Sep-11	33,032	42,862	770.66		381,398	491,065	776.68		767.84	777.50
Oct-11	36,181	42,747	846.40		386,624	496,102	779.32		768.07	776.85
Nov-11	35,091	42,728	821.27		390,693	500,934	779.93		768.30	776.18
Dec-11	34,768	42,763	813.05		395,320	505,989	781.28	-0.2%	768.52	775.53
Jan-12	46,781	60,442	773.99	1.3%	410,968	525,703	781.75	0.1%	768.75	774.86
Feb-12	45,669	60,483	755.08	10.6%	428,554	545,049	786.27	1.0%	768.98	774.20
Mar-12	47,894	60,785	787.93	-5.1%	441,941	564,290	783.18	0.7%	769.19	773.57
Apr-12	45,273	60,990	742.31	-1.9%	455,554	583,433	780.82	0.7%	769.42	772.90
May-12	48,108	60,929	789.58	-0.8%	470,089	602,195	780.63	0.1%	769.65	772.26
Jun-12	44,015	60,891	722.86	-10.1%	480,107	620,807	773.36	-0.9%	769.88	771.59
Jul-12	42,507	60,850	698.55	-0.3%	492,810	639,121	771.07	-0.7%	770.10	770.94
Aug-12	45,474	60,836	747.49	-4.8%	504,795	657,306	767.98	-1.3%	770.33	770.28
Sep-12	42,612	61,055	697.92	-9.4%	514,375	675,499	761.47	-2.0%	770.56	769.61
Oct-12	51,913	60,917	852.20	0.7%	530,107	693,669	764.21	-1.9%	770.78	768.97
Nov-12	47,530	61,059	778.42	-5.2%	542,546	712,000	762.00	-2.3%	771.02	768.31
Dec-12	44,040	61,186	719.77	-11.5%	551,817	730,423	755.48	-3.3%	771.24	767.66
Jan-13	50,908	60,791	837.42	8.2%	555,944	730,772	760.76	-2.7%	771.47	767.00
Feb-13	42,310	60,577	698.45	-7.5%	552,584	730,866	756.07	-3.8%	771.70	766.34
Mar-13	45,740	60,635	754.35	-4.3%	550,430	730,716	753.27	-3.8%	771.91	765.74
Apr-13	47,379	60,560	782.34	5.4%	552,535	730,286	756.60	-3.1%	772.14	765.08
May-13	47,879	60,431	792.29	0.3%	552,306	729,788	756.80	-3.1%	772.36	764.44
Jun-13	43,636	60,739	718.42	-0.6%	551,926	729,636	756.44	-2.2%	772.59	763.78
Jul-13	46,306	61,204	756.58	8.3%	555,725	729,990	761.28	-1.3%	772.82	763.14
Aug-13	45,952	61,332	749.23	0.2%	556,203	730,486	761.41	-0.9%	773.05	762.48
Sep-13	45,972	61,148	751.82	7.7%	559,563	730,579	765.92	0.6%	773.28	761.83
Oct-13	55,602	60,840	913.91	7.2%	563,252	730,502	771.05	0.9%	773.51	761.19
Nov-13	48,039	60,849	789.48	1.4%	563,762	730,292	771.97	1.3%	773.74	760.53
Dec-13	47,896	60,315	794.09	10.3%	567,618	729,421	778.18	3.0%	773.96	759.90
								Exponential Trend:	0.4%	-1.0%



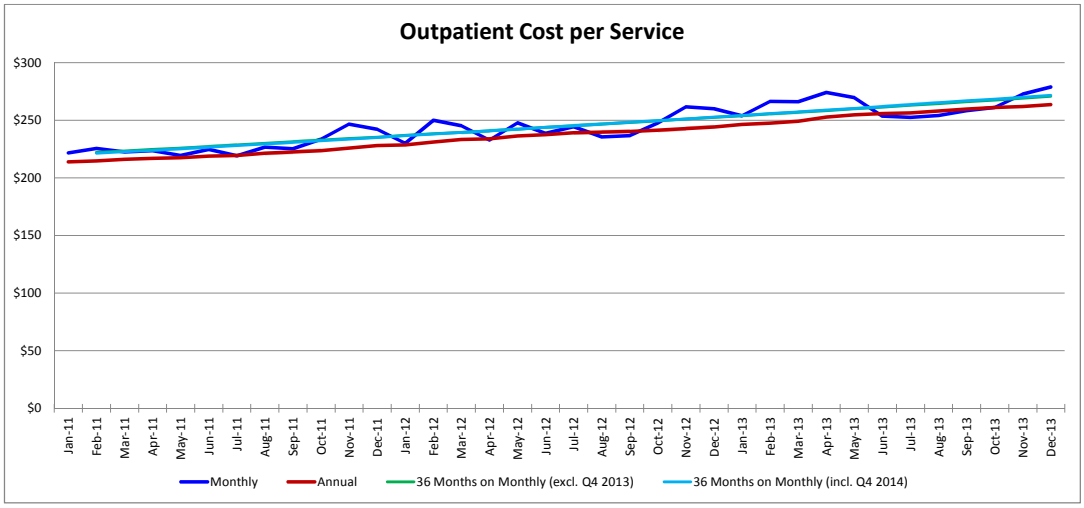
MEDICAL TREND DEVELOPMENT
Inpatient Costs per Admission

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Admission	Allowed Charge	Cost/ Admission	Monthly Cost Trend	Admission	Allowed Charge	Cost/ Admission	Annual Cost Trend	Including Q4 2013	Excluding Q4 2013
Jan-10	160	$2,345,182	$14,657							
Feb-10	165	$3,210,533	$19,458							
Mar-10	186	$2,791,509	$15,008							
Apr-10	164	$2,528,361	$15,417							
May-10	180	$2,583,019	$14,350							
Jun-10	188	$2,816,787	$14,983							
Jul-10	149	$2,612,514	$17,534							
Aug-10	181	$2,478,630	$13,694							
Sep-10	187	$2,629,661	$14,062							
Oct-10	160	$2,238,564	$13,991							
Nov-10	179	$3,312,371	$18,505							
Dec-10	180	$2,967,822	$16,488		2,079	$32,514,952	$15,640			
Jan-11	176	$3,016,500	$17,139		2,095	$33,186,270	$15,841			
Feb-11	177	$2,546,343	$14,386		2,107	$32,522,080	$15,435		$15,752	$15,885
Mar-11	209	$4,022,363	$19,246		2,130	$33,752,935	$15,846		$15,845	$15,976
Apr-11	200	$2,794,145	$13,971		2,166	$34,018,719	$15,706		$15,948	$16,078
May-11	195	$2,564,978	$13,154		2,181	$34,000,678	$15,589		$16,049	$16,177
Jun-11	225	$3,180,328	$14,135		2,218	$34,364,219	$15,493		$16,153	$16,280
Jul-11	198	$2,964,318	$14,971		2,267	$34,716,023	$15,314		$16,255	$16,380
Aug-11	204	$3,045,395	$14,928		2,290	$35,282,788	$15,407		$16,361	$16,484
Sep-11	218	$4,572,894	$20,977		2,321	$37,226,021	$16,039		$16,468	$16,589
Oct-11	184	$2,790,369	$15,165		2,345	$37,777,827	$16,110		$16,572	$16,691
Nov-11	209	$3,656,863	$17,497		2,375	$38,122,318	$16,051		$16,680	$16,797
Dec-11	204	$3,802,892	$18,641		2,399	$38,957,388	$16,239		$16,785	$16,901
Jan-12	269	$5,062,241	$18,819	9.8%	2,492	$41,003,129	$16,454		$16,895	$17,008
Feb-12	242	$4,573,422	$18,898	31.4%	2,557	$43,030,208	$16,828		$17,005	$17,116
Mar-12	289	$4,858,178	$16,810	-12.7%	2,637	$43,866,022	$16,635		$17,108	$17,218
Apr-12	260	$5,519,735	$21,230	52.0%	2,697	$46,591,612	$17,275		$17,220	$17,328
May-12	289	$5,677,447	$19,645	49.3%	2,791	$49,704,081	$17,809		$17,329	$17,434
Jun-12	267	$4,244,786	$15,898	12.5%	2,833	$50,768,539	$17,920		$17,442	$17,545
Jul-12	279	$4,325,718	$15,498	3.5%	2,914	$52,129,940	$17,889		$17,552	$17,653
Aug-12	272	$5,162,521	$18,980	27.1%	2,982	$54,247,066	$18,191		$17,666	$17,766
Sep-12	253	$3,410,802	$13,477	-35.8%	3,017	$53,084,975	$17,594		$17,781	$17,879
Oct-12	305	$5,144,891	$16,864	11.2%	3,138	$55,439,496	$17,666		$17,893	$17,989
Nov-12	263	$5,205,961	$19,787	13.1%	3,192	$56,988,594	$17,851		$18,010	$18,103
Dec-12	294	$5,867,786	$19,945	7.0%	3,283	$59,053,488	$17,990	10.8%	$18,124	$18,214
Jan-13	287	$5,318,164	$18,518	-1.6%	3,301	$59,309,411	$17,968	9.2%	$18,242	$18,330
Feb-13	250	$4,484,063	$17,925	-5.1%	3,309	$59,220,053	$17,897	6.4%	$18,361	$18,447
Mar-13	318	$5,187,161	$16,300	-3.0%	3,338	$59,549,036	$17,839	7.2%	$18,469	$18,553
Apr-13	267	$5,087,649	$19,043	-10.3%	3,345	$59,116,949	$17,672	2.3%	$18,589	$18,671
May-13	304	$5,425,685	$17,822	-9.3%	3,361	$58,865,187	$17,515	-1.6%	$18,706	$18,786
Jun-13	252	$5,154,370	$20,494	28.9%	3,345	$59,774,770	$17,868	-0.3%	$18,828	$18,905
Jul-13	297	$5,366,699	$18,040	16.4%	3,364	$60,815,751	$18,080	1.1%	$18,947	$19,022
Aug-13	293	$5,308,097	$18,135	-4.5%	3,384	$60,961,327	$18,013	-1.0%	$19,071	$19,143
Sep-13	289	$6,476,670	$22,379	66.0%	3,421	$64,027,195	$18,718	6.4%	$19,195	$19,264
Oct-13	330	$6,573,677	$19,893	18.0%	3,446	$65,455,982	$18,995	7.5%	$19,316	$19,383
Nov-13	342	$6,205,846	$18,154	-8.3%	3,525	$66,455,867	$18,854	5.6%	$19,442	$19,506
Dec-13	308	$5,784,032	$18,759	-5.9%	3,539	$66,372,113	$18,755	4.3%	$19,565	$19,626
								Exponential Trend:	8.0%	7.8%



MEDICAL TREND DEVELOPMENT
Outpatient Costs per Service

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Services	Allowed Charge	Cost/Service	Monthly Cost Trend	Services	Allowed Charge	Cost/Service	Annual Cost Trend	Including Q4 2013	Excluding Q4 2013
Jan-10	26,064	$5,852,777	$225							
Feb-10	25,668	$5,525,042	$215							
Mar-10	29,576	$6,117,621	$207							
Apr-10	28,560	$6,100,659	$214							
May-10	27,701	$5,949,521	$215							
Jun-10	29,024	$6,046,628	$208							
Jul-10	27,052	$5,748,785	$213							
Aug-10	27,867	$5,683,894	$204							
Sep-10	28,187	$5,970,504	$212							
Oct-10	28,067	$6,184,774	$220							
Nov-10	28,582	$6,272,030	$219							
Dec-10	28,852	$6,330,499	$219							
Jan-11	29,141	$6,460,617	$222		338,277	$72,390,573	$214			
Feb-11	25,889	$5,840,856	$226		338,498	$72,706,387	$215		$221	$222
Mar-11	31,073	$6,911,282	$222		339,995	$73,500,049	$216		$223	$223
Apr-11	30,095	$6,732,338	$224		341,530	$74,131,728	$217		$224	$225
May-11	30,987	$6,804,307	$220		344,816	$74,986,514	$217		$225	$226
Jun-11	31,852	$7,160,986	$225		347,644	$76,100,873	$219		$227	$227
Jul-11	29,051	$6,371,416	$219		349,643	$76,723,503	$219		$228	$229
Aug-11	31,474	$7,134,479	$227		353,250	$78,174,088	$221		$230	$230
Sep-11	30,352	$6,836,112	$225		355,415	$79,039,695	$222		$231	$231
Oct-11	33,211	$7,755,909	$234		360,559	$80,610,831	$224		$232	$233
Nov-11	32,531	$8,025,654	$247		364,508	$82,364,456	$226		$234	$234
Dec-11	34,004	$8,236,268	$242		369,661	$84,270,226	$228		$235	$235
Jan-12	42,095	$9,684,272	$230	3.8%	382,615	$87,493,880	$229		$237	$237
Feb-12	41,787	$10,443,727	$250	10.8%	398,513	$92,096,751	$231		$238	$238
Mar-12	46,105	$11,310,340	$245	10.3%	413,546	$96,495,809	$233		$239	$240
Apr-12	43,048	$10,023,140	$233	4.1%	426,499	$99,786,610	$234		$241	$241
May-12	46,089	$11,415,435	$248	12.8%	441,601	$104,397,738	$236		$242	$242
Jun-12	41,709	$9,953,370	$239	6.1%	451,458	$107,190,121	$237		$244	$244
Jul-12	41,712	$10,195,352	$244	11.4%	464,120	$111,014,058	$239		$245	$245
Aug-12	43,625	$10,281,629	$236	4.0%	476,271	$114,161,208	$240		$247	$247
Sep-12	39,342	$9,305,952	$237	5.0%	485,261	$116,631,049	$240		$248	$248
Oct-12	47,106	$11,660,044	$248	6.0%	499,156	$120,535,184	$241		$250	$250
Nov-12	43,779	$11,456,020	$262	6.1%	510,404	$123,965,550	$243		$251	$251
Dec-12	42,156	$10,957,317	$260	7.3%	518,556	$126,686,598	$244	7.2%	$253	$252
Jan-13	43,882	$11,138,222	$254	10.3%	520,342	$128,140,548	$246	7.7%	$254	$254
Feb-13	38,406	$10,228,944	$266	6.6%	516,961	$127,925,765	$247	7.1%	$256	$255
Mar-13	42,023	$11,184,257	$266	8.5%	512,880	$127,799,682	$249	6.8%	$257	$257
Apr-13	44,075	$12,081,871	$274	17.7%	513,906	$129,858,413	$253	8.0%	$259	$258
May-13	44,523	$12,003,483	$270	8.8%	512,340	$130,446,461	$255	7.7%	$260	$260
Jun-13	41,364	$10,487,629	$254	6.2%	511,995	$130,980,721	$256	7.7%	$262	$261
Jul-13	43,192	$10,903,430	$252	3.3%	513,475	$131,688,799	$256	7.2%	$264	$263
Aug-13	42,717	$10,858,183	$254	7.9%	512,567	$132,265,353	$258	7.7%	$265	$264
Sep-13	42,061	$10,869,372	$258	9.2%	515,287	$133,828,773	$260	8.1%	$267	$266
Oct-13	50,911	$13,298,035	$261	5.5%	519,092	$135,466,764	$261	8.1%	$268	$268
Nov-13	43,901	$11,974,622	$273	4.2%	519,214	$135,985,365	$262	7.8%	$270	$269
Dec-13	45,684	$12,739,799	$279	7.3%	522,742	$137,767,847	$264	7.9%	$272	$271
								Exponential Trend:	7.5%	7.2%



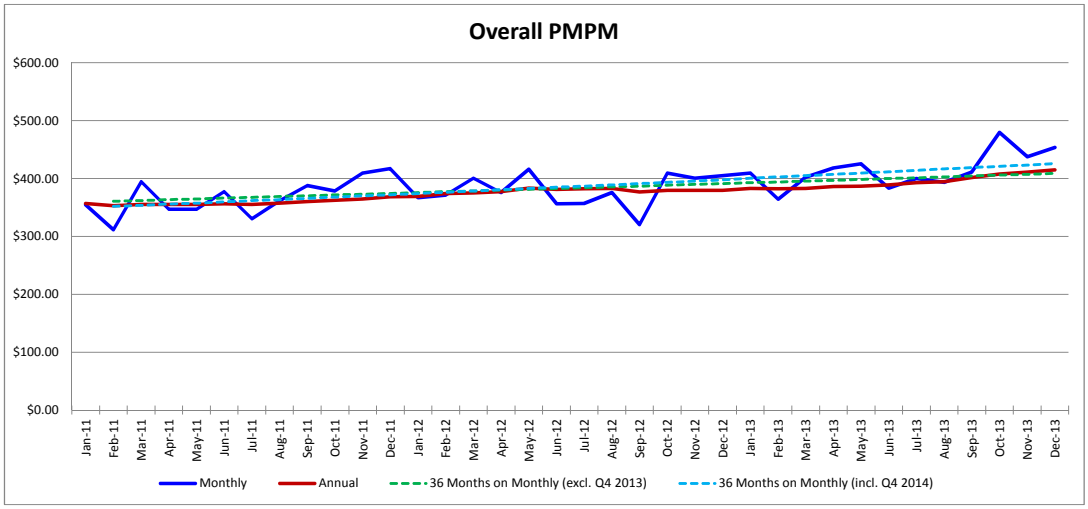
MEDICAL TREND DEVELOPMENT
Professional and Other Costs per Visit

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Visit	Allowed Charge	Cost/ Visit	Monthly Cost Trend	Visit	Adjusted Allowed Charge	Cost/ Visit	Annual Cost Trend	Including Q4 2013	Excluding Q4 2013
Jan-10	29,150	$4,408,739	$151							
Feb-10	26,636	$4,414,099	$166							
Mar-10	31,685	$4,979,943	$157							
Apr-10	29,347	$4,588,366	$156							
May-10	28,072	$4,502,431	$160							
Jun-10	30,019	$4,773,797	$159							
Jul-10	27,648	$4,400,701	$159							
Aug-10	28,606	$4,503,819	$157							
Sep-10	29,637	$4,727,752	$160							
Oct-10	30,955	$4,749,768	$153							
Nov-10	31,022	$4,916,765	$158							
Dec-10	30,142	$4,947,960	$164							
Jan-11	31,133	$4,964,502	$159							
Feb-11	28,083	$4,437,659	$158		356,349	$56,493,465	$159		$157	$158
Mar-11	34,508	$5,458,967	$158		359,172	$56,972,489	$159		$158	$158
Apr-11	31,660	$4,990,062	$158		361,485	$57,374,185	$159		$158	$159
May-11	33,573	$5,259,017	$157		366,986	$58,130,771	$158		$159	$159
Jun-11	33,998	$5,608,200	$165		370,965	$58,965,174	$159		$159	$160
Jul-11	29,803	$4,723,891	$159		373,120	$59,288,364	$159		$160	$160
Aug-11	33,489	$5,219,579	$156		378,003	$60,004,123	$159		$160	$161
Sep-11	33,032	$5,205,996	$158		381,398	$60,482,367	$159		$161	$161
Oct-11	36,181	$5,633,941	$156		386,624	$61,366,540	$159		$161	$162
Nov-11	35,091	$5,818,434	$166		390,693	$62,268,209	$159		$162	$162
Dec-11	34,768	$5,790,601	$167		395,320	$63,110,850	$160		$163	$163
Jan-12	46,781	$7,416,807	$159	-0.6%	410,968	$65,563,155	$160		$163	$163
Feb-12	45,669	$7,450,300	$163	3.2%	428,554	$68,575,795	$160		$164	$164
Mar-12	47,894	$8,165,003	$170	7.8%	441,941	$71,281,831	$161		$164	$164
Apr-12	45,273	$7,362,267	$163	3.2%	455,554	$73,654,035	$162		$165	$165
May-12	48,108	$8,254,934	$172	9.5%	470,089	$76,649,952	$163		$165	$165
Jun-12	44,015	$7,497,074	$170	3.3%	480,107	$78,538,827	$164		$166	$166
Jul-12	42,507	$7,185,326	$169	6.6%	492,810	$81,000,262	$164		$166	$167
Aug-12	45,474	$7,411,988	$163	4.6%	504,795	$83,192,671	$165		$167	$167
Sep-12	42,612	$6,860,735	$161	2.2%	514,375	$84,847,410	$165		$168	$168
Oct-12	51,913	$8,122,389	$156	0.5%	530,107	$87,335,858	$165		$168	$168
Nov-12	47,530	$7,801,358	$164	-1.0%	542,546	$89,318,782	$165		$169	$169
Dec-12	44,040	$7,945,398	$180	8.3%	551,817	$91,473,580	$166	3.8%	$169	$169
Jan-13	50,908	$8,424,244	$165	4.4%	555,944	$92,481,016	$166	4.3%	$170	$170
Feb-13	42,310	$7,340,790	$174	6.4%	552,584	$92,371,506	$167	4.5%	$170	$170
Mar-13	45,740	$8,010,559	$175	2.7%	550,430	$92,217,063	$168	3.9%	$171	$171
Apr-13	47,379	$8,153,866	$172	5.8%	552,535	$93,008,661	$168	4.1%	$172	$171
May-13	47,879	$8,289,963	$173	0.9%	552,306	$93,043,690	$168	3.3%	$172	$172
Jun-13	43,636	$7,628,802	$175	2.6%	551,926	$93,175,418	$169	3.2%	$173	$172
Jul-13	46,306	$8,218,344	$177	5.0%	555,725	$94,208,437	$170	3.1%	$173	$173
Aug-13	45,952	$7,944,769	$173	6.1%	556,203	$94,741,217	$170	3.4%	$174	$173
Sep-13	45,972	$7,792,378	$170	5.3%	559,563	$95,672,861	$171	3.7%	$175	$174
Oct-13	55,602	$9,304,684	$167	7.0%	563,252	$96,855,155	$172	4.4%	$175	$175
Nov-13	48,039	$8,451,220	$176	7.2%	563,762	$97,505,017	$173	5.1%	$176	$175
Dec-13	47,896	$8,821,677	$184	2.1%	567,618	$98,381,296	$173	4.6%	$176	$176
								Exponential Trend:	4.1%	3.8%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

MEDICAL TREND DEVELOPMENT
Overall PMPM

	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
Incurred Date	Membership	Allowed Charge	PMPM	Monthly Cost Trend	Admission	Allowed Charge	Cost/ Admission	Annual Cost Trend	Including Q4 2013	Excluding Q4 2013
Jan-10	37,505	$12,606,699	$336.13							
Feb-10	37,454	$13,149,674	$351.09							
Mar-10	37,460	$13,889,073	$370.77							
Apr-10	37,594	$13,217,386	$351.58							
May-10	37,802	$13,034,972	$344.82							
Jun-10	37,461	$13,637,212	$364.04							
Jul-10	37,547	$12,762,000	$339.89							
Aug-10	37,491	$12,666,344	$337.85							
Sep-10	37,394	$13,327,917	$356.42							
Oct-10	37,710	$13,173,106	$349.33							
Nov-10	37,896	$14,501,166	$382.66							
Dec-10	37,708	$14,246,280	$377.81		451,022	$160,211,828	$355.22			
Jan-11	40,728	$14,441,620	$354.59		454,245	$162,046,749	$356.74			
Feb-11	41,137	$12,824,858	$311.76		457,928	$161,721,933	$353.16		$351.71	$360.81
Mar-11	41,544	$16,392,613	$394.58		462,012	$164,225,473	$355.46		$353.54	$362.03
Apr-11	41,847	$14,516,545	$346.90		466,265	$165,524,633	$355.00		$355.57	$363.39
May-11	42,167	$14,628,302	$346.91		470,630	$167,117,963	$355.09		$357.54	$364.70
Jun-11	42,279	$15,949,514	$377.24		475,448	$169,430,266	$356.36		$359.60	$366.07
Jul-11	42,536	$14,059,624	$330.53		480,437	$170,727,890	$355.36		$361.59	$367.40
Aug-11	42,651	$15,399,452	$361.06		485,597	$173,460,998	$357.21		$363.67	$368.78
Sep-11	42,862	$16,615,002	$387.64		491,065	$176,748,083	$359.93		$365.76	$370.16
Oct-11	42,747	$16,180,220	$378.51		496,102	$179,755,197	$362.34		$367.79	$371.50
Nov-11	42,728	$17,500,951	$409.59		500,934	$182,754,983	$364.83		$369.91	$372.89
Dec-11	42,763	$17,829,761	$416.94		505,989	$186,338,464	$368.27		$371.96	$374.24
Jan-12	60,442	$22,163,320	$366.69	3.4%	525,703	$194,060,164	$369.14		$374.10	$375.65
Feb-12	60,483	$22,467,449	$371.47	19.2%	545,049	$203,702,754	$373.73		$376.25	$377.06
Mar-12	60,785	$24,333,520	$400.32	1.5%	564,290	$211,643,661	$375.06		$378.27	$378.38
Apr-12	60,990	$22,905,142	$375.56	8.3%	583,433	$220,032,257	$377.13		$380.44	$379.80
May-12	60,929	$25,347,817	$416.02	19.9%	602,195	$230,751,772	$383.18		$382.56	$381.17
Jun-12	60,891	$21,695,230	$356.30	-5.6%	620,807	$236,497,487	$380.95		$384.75	$382.60
Jul-12	60,850	$21,706,396	$356.72	7.9%	639,121	$244,144,259	$382.00		$386.89	$383.99
Aug-12	60,836	$22,856,139	$375.70	4.1%	657,306	$251,600,946	$382.78		$389.11	$385.43
Sep-12	61,055	$19,577,489	$320.65	-17.3%	675,499	$254,563,433	$376.85		$391.35	$386.87
Oct-12	60,917	$24,927,324	$409.20	8.1%	693,669	$263,310,538	$379.59		$393.52	$388.28
Nov-12	61,059	$24,463,339	$400.65	-2.2%	712,000	$270,272,925	$379.60		$395.78	$389.73
Dec-12	61,186	$24,770,501	$404.84	-2.9%	730,423	$277,213,665	$379.52	3.1%	$397.98	$391.14
Jan-13	60,791	$24,880,630	$409.28	11.6%	730,772	$279,930,976	$383.06	3.8%	$400.27	$392.61
Feb-13	60,577	$22,053,796	$364.06	-2.0%	730,866	$279,517,324	$382.45	2.3%	$402.57	$394.08
Mar-13	60,635	$24,381,976	$402.11	0.4%	730,716	$279,565,780	$382.59	2.0%	$404.66	$395.42
Apr-13	60,560	$25,323,385	$418.15	11.3%	730,286	$281,984,023	$386.13	2.4%	$406.98	$396.90
May-13	60,431	$25,719,131	$425.59	2.3%	729,788	$282,355,338	$386.90	1.0%	$409.24	$398.34
Jun-13	60,739	$23,270,802	$383.13	7.5%	729,636	$283,930,909	$389.14	2.1%	$411.59	$399.83
Jul-13	61,204	$24,488,474	$400.11	12.2%	729,990	$286,712,987	$392.76	2.8%	$413.88	$401.28
Aug-13	61,332	$24,111,049	$393.12	4.6%	730,486	$287,967,898	$394.21	3.0%	$416.26	$402.78
Sep-13	61,148	$25,138,420	$411.11	28.2%	730,579	$293,528,828	$401.78	6.6%	$418.65	$404.29
Oct-13	60,840	$29,176,396	$479.56	17.2%	730,502	$297,777,901	$407.63	7.4%	$420.98	$405.76
Nov-13	60,849	$26,631,687	$437.67	9.2%	730,292	$299,946,249	$410.72	8.2%	$423.39	$407.28
Dec-13	60,315	$27,345,508	$453.38	12.0%	729,421	$302,521,256	$414.74	9.3%	$425.75	$408.76
								Exponential Trend:	7.0%	4.5%



BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

MEDICAL TREND DEVELOPMENT
PROJECTION FACTOR FOR INDEX RATE CALCULATION

TREND FACTORS

Annual	Cost	Utilization	Total
Medical	4.4%	0.0%	4.4%
Pharmacy	6.4%	1.9%	8.4%

MEDICAL

Coverage Category in the Experience	Membership	CY 2013 Allowed PMPM Adjuted for Network	Cost Trend (24mths)	Adding Cost	Utilization Trend (24mths)	CY 2015 EPO Allowed
Catamount	196,948	$523.92	1.0903	$571.21	1.0000	$571.21
Indemnity/PPO	261,297	$368.37	1.0903	$401.62	1.0000	$401.62
Point-of-Service	3,893	$383.50	1.0903	$418.11	1.0000	$418.11
HMO	267,283	$380.08	1.0903	$414.39	1.0000	$414.39

PHARMACY

Coverage Category in the Experience	Membership	CY 2013 Allowed PMPM Adjuted for Network	Cost Trend (24mths)	Adding Cost	Utilization Trend (24mths)	CY 2015 EPO Allowed
Catamount	196,948	$107.71	1.1318	$121.91	1.0377	$126.50
Indemnity/PPO	261,297	$61.32	1.1318	$69.40	1.0377	$72.02
Point-of-Service	3,893	$75.65	1.1318	$85.62	1.0377	$88.85
HMO	267,283	$69.21	1.1318	$78.33	1.0377	$81.29

		Cost Trend (24mths)		Utilization Trend (24mths)	
Medical	$414.74	1.0903	$452.18	1.0000	$452.18
Rx	$76.81	1.1318	$86.94	1.0377	$90.21
Total	$491.56	1.0968	$539.11	1.0061	$542.39

Cost Trend	$1+d_1$	1.0968
Utilization Trend	$1+d_2$	1.0061

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

EXPECTED TRANSITIONAL REINSURANCE RECOVERIES

Product	Expected Transitional Reinsurance Recoveries (PMPM)	Projected Individual Members
Catastrophic	-$12.88	88
Non-Standard Gold	-$34.66	797
Non-Standard Gold - CSR 100%	-$36.73	-
Non-Standard Silver	-$33.58	847
Non-Standard Silver - CSR 100%	-$36.73	-
Non-Standard Silver - CSR 73%	-$34.04	350
Non-Standard Silver - CSR 77%	-$34.08	593
Non-Standard Silver - CSR 87%	-$35.47	828
Non-Standard Silver - CSR 94%	-$36.18	187
Non-Standard Bronze CDHP - CSR 100%	-$36.73	1
Non-Standard Bronze CDHP	-$33.41	1,346
Standard Platinum	-$35.71	3,773
Standard Platinum - CSR 100%	-$36.73	-
Standard Gold	-$34.16	2,657
Standard Gold - CSR 100%	-$36.73	-
Standard Silver	-$33.64	2,115
Standard Silver - CSR 100%	-$36.73	2
Standard Silver - CSR 73%	-$34.17	767
Standard Silver - CSR 77%	-$34.72	1,264
Standard Silver - CSR 87%	-$35.83	1,708
Standard Silver - CSR 94%	-$36.35	524
Standard Silver CDHP	-$34.02	1,698
Standard Silver CDHP - CSR 100%	-$36.73	1
Standard Silver CDHP - CSR 73%	-$34.85	393
Standard Silver CDHP - CSR 77%	-$35.32	555
Standard Silver CDHP - CSR 87%	-$36.15	722
Standard Silver CDHP - CSR 94%	-$36.46	211
Standard Bronze	-$33.34	1,006
Standard Bronze - CSR 100%	-$36.73	-
Standard Bronze CDHP	-$33.42	1,092
Standard Bronze CDHP - CSR 100%	-$36.73	-
Weighted Average on Individual Members Only	-$34.54	23,525
Projected Small Group Members		34,665
Projected Total Members		58,190
Total Recoveried spread across all 58,190 members	**-$13.96**	
Uniform Reinsurance Contribution Rate of $44 per Member per Year	**$3.67**	
Market Wide Adjustment for the Transitional Reinsurance Program	**-$10.29**	

INDEX RATE CALCULATION

Index Rate : Experience Period Allowed Claims for EHB	A	$445.21
Adjustments from Experience Period to Projection Period		
Population Risk Morbidity		
Impact of Guarantee Issue	$1+b_1$	1.0000
Impact of the take-up rate of the Uninsured	$1+b_2$	1.0000
Impact of the Health Status of the newly insured	$1+b_3$	0.9918
Impact of insured formerly on Employer coverage	$1+b_4$	1.0000
Impact of new enrollment from prior high risk pool	$1+b_5$	1.0000
Impact of mandated coverage on morbidity	$1+b_6$	1.0000
Impact of Pent-up demand	$1+b_7$	1.0000
Impact of Premium Subsidy	$1+b_8$	1.0000
Changes in pool morbidity	$1+b_9$	0.9426
Other		
Impact of different benefit plans (in experience vs projection)	$1+c_1$	1.0096
Changes in provider networks	$1+c_2$	1.1041
Changes in demographics (age, gender, region, etc.)	$1+c_3$	0.9978
Changes in pharmacy rebates	$1+c_4$	1.0000
Changes in network delivery system	$1+c_5$	1.0000
Changes in Family Tiering	$1+c_6$	0.9644
Adjusted Experience Period Allowed Claims for EHB		$446.47
Trend Factors		
Cost Trend	$1+d_1$	1.0968
Utilization Trend	$1+d_2$	1.0061
Projected Period Allowed Claims for Experience EHB		$492.65
Additional Adjustments for Non System Claims		
Projected Pharmacy Rebates	e_1	-$4.01
Projected Blue Print Payments	e_2	$2.09
Projected ITS Fees	e_3	$1.79
Projected Vaccine Payments	e_4	$1.24
Projected Net cost of Reinsurance	e_5	$1.08
Additional Adjustments for Additional Mandated Benefits		
Projected Allowed Claims for Pediatric Vision	e_6	$0.58
Projected Allowed Claims for Pediatric Dental	e_7	$7.99
Projected Index Rate : Projected Period Expected Allowed Claims	$F = A\prod_{n=1}^{9}(1+b_n)\prod_{n=1}^{6}(1+c_n)\prod_{n=1}^{2}(1+d_n)+\sum_{n=1}^{7}e_n$	$503.40
Market Wide Adjustments		
Risk Adjustment Payments and Fees	g_1	$0.08
Transitional Reinsurance Payments and Recoveries	g_2	-$10.29
Vermont Exchange Fees	g_3	$0.00
Market Adjusted Index Rate	$H = F + \sum_{n=1}^{3} g_n$	**$493.19**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 6A

PLAN LEVEL ADJUSTMENT SUMMARY

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	Weighted
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	Average
Market Adjusted Index Rate	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	
Paid to Allowed Ratio	82.04%	74.65%	65.36%	92.48%	84.39%	75.84%	76.01%	66.89%	68.87%	66.59%	
Benefit Richness Adjustment	1.0125	0.9545	0.9035	1.1115	1.0335	0.9677	0.9672	0.9136	0.9213	0.9091	
Changes in Family Tiers	0.9752	0.9598	0.9462	1.0328	1.0308	1.0262	0.9528	1.0178	0.9487	0.9459	
For Catastrophic Only - Impact of Eligibility	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.5920	
Expected Claims Cost	**$399.52**	**$337.31**	**$275.57**	**$523.59**	**$443.36**	**$371.43**	**$345.49**	**$306.73**	**$296.87**	**$167.18**	**$395.56**
Administrative Charges Plan Level Adjustment	1.0688	1.0806	1.0987	1.0521	1.0613	1.0731	1.0788	1.0887	1.0919	1.1623	
Taxes and Fees Plan Level Adjustment	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0395	
Contribution to Reserve Plan Level Adjustment	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	
Plan Level Adjusted Index Rate	**$448.40**	**$382.77**	**$317.91**	**$578.46**	**$494.10**	**$418.56**	**$391.37**	**$350.65**	**$340.37**	**$204.02**	**$443.96**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 6B

PLAN LEVEL ADJUSTMENT
PAID TO ALLOWED RATIOS

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	Total
Projected Period Allowed Claims for Experience EHB	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65	$492.65
Paid to Allowed Ratio for EHB Portion	82.43%	75.15%	66.70%	92.61%	84.71%	76.34%	76.97%	67.49%	69.94%	67.99%	
Projected Period Paid Claims for Experience EHB	$406.09	$370.24	$328.62	$456.26	$417.30	$376.09	$379.21	$332.49	$344.54	$334.94	$393.77
Additional EHB Allowed Claims	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57	$8.57
Additional EHB Paid Claims	$6.57	$5.95	$1.76	$7.87	$6.90	$5.99	$3.69	$5.42	$3.16	$1.51	$5.73
Non-System Claims	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18
Market Wide Adjustments	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21
Market Adjusted Index Rate	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19
Total Paid Claims	$404.62	$368.16	$322.35	$456.10	$416.18	$374.05	$374.87	$329.87	$339.67	$328.42	$391.47
Paid to Allowed Ratio	82.04%	74.65%	65.36%	92.48%	84.39%	75.84%	76.01%	66.89%	68.87%	66.59%	79.38%
Projected Membership	2,765	3,677	2,792	12,857	7,088	12,638	9,439	2,711	4,135	88	58,190

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 6C

PLAN LEVEL ADJUSTMENT
BENEFIT RICHNESS ADJUSTMENT FACTOR

	NON-STANDARD PLANS			STANDARD PLANS								
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic		
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	TOTAL	*% of Total*
Projected Membership	2,765	3,677	2,792	12,857	7,088	12,638	9,439	2,711	4,135	88	58,190	
Modeled Benefit Richness Adjustment - For Medical	0.9982	0.9327	0.8739	1.0881	0.9991	0.9303	0.9419	0.8768	0.8909	0.8837	0.9707	*83.37%*
Modeled Benefit Richness Adjustment - For Pharmacy	0.9158	0.9074	0.9135	1.0445	1.0347	0.9967	0.9363	0.9518	0.9280	0.8965	0.9815	*16.63%*
Projected Period Paid Claims for Experience EHB	$406.09	$370.24	$328.62	$456.26	$417.30	$376.09	$379.21	$332.49	$344.54	$334.94		
Normalized Benefit Richness Adjustment for EHB	1.0125	0.9548	0.9053	1.1115	1.0334	0.9679	0.9676	0.9143	0.9224	0.9109	1.0000	
Additional EHB Paid Claims	$6.57	$5.95	$1.76	$7.87	$6.90	$5.99	$3.69	$5.42	$3.16	$1.51		
Non-System Claims	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18		
Market Wide Adjustments	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21		
Total Paid Claims with Benefit Richness Adjustment	$409.68	$351.42	$291.23	$506.96	$430.10	$361.96	$362.58	$301.38	$312.92	$298.56		
Overall Benefit Richness Adjustment	1.0125	0.9545	0.9035	1.1115	1.0335	0.9677	0.9672	0.9136	0.9213	0.9091		

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

PLAN LEVEL ADJUSTMENT
CHANGE IN FAMILY TIER FACTOR

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	TOTAL
Projected Membership	2,765	3,677	2,792	12,857	7,088	12,638	9,439	2,711	4,135	88	58,190
Family Multiplier PMPM Adjustment	0.9405	0.9259	0.9135	0.9960	0.9940	0.9895	0.9194	0.9814	0.9156	0.9132	0.9644
Projected Period Paid Claims for Experience EHB	$406.09	$370.24	$328.62	$456.26	$417.30	$376.09	$379.21	$332.49	$344.54	$334.94	
Normalized Family Multiplier for EHB	0.9753	0.9601	0.9472	1.0328	1.0307	1.0260	0.9534	1.0176	0.9494	0.9469	1.0000
Additional EHB Paid Claims	$6.57	$5.95	$1.76	$7.87	$6.90	$5.99	$3.69	$5.42	$3.16	$1.51	
Non-System Claims	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	$2.18	
Market Wide Adjustments	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	-$10.21	
Total Paid Claims with Family Multiplier Adjustment	$394.59	$353.38	$305.01	$471.07	$429.00	$383.84	$357.20	$335.73	$322.24	$310.64	
Overall Family Multiplier Adjustment	0.9752	0.9598	0.9462	1.0328	1.0308	1.0262	0.9528	1.0178	0.9487	0.9459	

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 6E

PLAN LEVEL ADJUSTMENTS
IMPACT OF SPECIFIC ELIGIBILITY CAREGORIES FOR THE CATASTROPHIC PLAN

	Eligible Members	Projected Allowed Charges for Experience EHB	Paid to Allowed Ratio for EHB Claims	Projected Paid Claims for EHB Claims
Average Population	7,861	$542.39	68.0%	$368.76
Individual Ages 30 or Less	6,125	$269.87	56.6%	$152.71
Individual Ages over 30	1,736	$664.07	70.1%	$465.22
Weighted Average		$356.92	62.1%	$221.72
Allowed Charges Adjustment		0.6581		
Paid to Allowed Ratio Adjustment			0.9137	
Additional Normalization Adjustment *			0.9846	
Total Adjustment for Catastrophic Plan			**0.5920**	

Expected Claims Cost Calculation for Catastrophic	
Projected Period Paid Claims for Experience EHB	$334.94
Normalized Benefit Richness Adjustment for EHB	0.9109
Normalized Family Multiplier for EHB	0.9469
Catastrophic Adjustment	0.6013
Other Paid Claims	-$6.52
Expected Plan Level Adjusted Index Rate	$167.18
Calculated Plan Level Adjusted Index Rate without Normalization Adjustment	$169.79
Needed Normalization Adjustment	0.9846

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 7A

DETAILS OF ADMINISTRATIVE CHARGES

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	**TOTAL**
BCBSVT Base Administrative Charges	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78	$25.78
Administrative Charges for Outside Vendors	$1.70	$1.42	$1.40	$1.48	$1.38	$1.38	$1.43	$1.41	$1.49	$1.34	$1.44
Blue For You Reward Program	$0.00	$0.00	$0.00							$0.00	$0.00
Total Administrative Charges PMPM	**$27.49**	**$27.20**	**$27.19**	**$27.27**	**$27.16**	**$27.16**	**$27.21**	**$27.19**	**$27.28**	**$27.12**	**$27.22**
Administrative Charges Plan Level Adjustment	1.0688	1.0806	1.0987	1.0521	1.0613	1.0731	1.0788	1.0887	1.0919	1.1623	1.0688
Administrative Charges as a percent of Premium	6.13%	7.11%	8.55%	4.71%	5.50%	6.49%	6.95%	7.76%	8.01%	13.29%	**6.13%**

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

DETAILS OF CONTRIBUTION TO RESERVE

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	**TOTAL**
BCBSVT Contribution to Reserve	$4.48	$3.83	$3.18	$5.78	$4.94	$4.19	$3.91	$3.51	$3.40	$2.04	$4.44
Total Contribution to Reserve PMPM	**$4.48**	**$3.83**	**$3.18**	**$5.78**	**$4.94**	**$4.19**	**$3.91**	**$3.51**	**$3.40**	**$2.04**	$4.44
Contribution to Reserve Plan Level Adjustment	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101	1.0101
Contribution to Reserve as a percent of Premium	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

DETAILS OF TAXES AND FEES

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	**Total**
State Assessment - HCCA	$3.25	$2.75	$2.26	$4.25	$3.60	$3.03	$2.82	$2.51	$2.43	$1.39	$3.22
State Tax - VITL	$0.81	$0.69	$0.56	$1.06	$0.90	$0.76	$0.70	$0.63	$0.61	$0.35	$0.80
Federal Assessment - PCORI	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18
Federal Insurer Fee	$12.67	$10.81	$8.98	$16.34	$13.96	$11.82	$11.06	$9.91	$9.62	$5.76	$12.54
Total Taxes and Fees PMPM	**$16.91**	**$14.43**	**$11.98**	**$21.82**	**$18.64**	**$15.78**	**$14.76**	**$13.22**	**$12.83**	**$7.68**	**$16.74**
Taxes and Fees Plan Level Adjustment	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0396	1.0395	1.0396
Taxes and Fees as a percent of Premium	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%	3.77%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

AV PRICING VALUE

	NON-STANDARD PLANS			STANDARD PLANS						
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards
Market Wide Adjusted Index Rate	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19	$493.19
Plan Level Adjusted Index Rate	$448.40	$382.77	$317.91	$578.46	$494.10	$418.56	$391.37	$350.65	$340.37	$204.02
AV Pricing Value	90.92%	77.61%	64.46%	117.29%	100.18%	84.87%	79.35%	71.10%	69.02%	41.37%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 8

FEDERAL MINIMUM LOSS RATIO for COMBINED MARKET
(PROJECTION)

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	**TOTAL**
Expected Direct Claims PMPM	$409.73	$347.52	$285.75	$533.80	$453.57	$381.65	$355.69	$316.95	$307.06	$177.39	$405.77
Transitional Reinsurance Recoveries PMPM	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96	-$13.96
Adjustments for Health Care Quality PMPM*	$7.19	$7.17	$7.17	$7.17	$7.16	$7.16	$7.17	$7.17	$7.17	$7.16	$7.17
MLR Claims	**$402.96**	**$340.72**	**$278.95**	**$527.01**	**$446.77**	**$374.85**	**$348.90**	**$310.15**	**$300.27**	**$170.59**	**$398.98**
Premium PMPM	$448.40	$382.77	$317.91	$578.46	$494.10	$418.56	$391.37	$350.65	$340.37	$204.02	$443.96
Licensing and regulatory fees	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75	-$3.75
Taxes & Fees PMPM	-$16.91	-$14.43	-$11.98	-$21.82	-$18.64	-$15.78	-$14.76	-$13.22	-$12.83	-$7.68	-$16.74
MLR Premium	**$427.74**	**$364.59**	**$302.18**	**$552.89**	**$471.71**	**$399.03**	**$372.86**	**$333.68**	**$323.80**	**$192.59**	**$423.47**
Expected Loss Ratio	94.2%	93.5%	92.3%	95.3%	94.7%	93.9%	93.6%	92.9%	92.7%	88.6%	94.2%
Projected Membership	2,765	3,677	2,792	12,857	7,088	12,638	9,439	2,711	4,135	88	58,190

*Approximately 8.59% of current BCBSVT Administrative Charges are for health care quality plus the Blue For You PMPM

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS RATE FILING

Exhibit 9

CONSUMER ADJUSTED PREMIUM RATES

	NON-STANDARD PLANS			STANDARD PLANS							
	GOLD	SILVER	BRONZE	PLATINUM	GOLD	SILVER		BRONZE		Catastrophic	
	Blue Rewards	Blue Rewards	Blue Rewards CDHP	Deductible	Deductible	Deductible	CDHP	Deductible	CDHP	Blue Rewards	Total Annual Premium
Plan Level Adjusted Index Rate	$448.40	$382.77	$317.91	$578.46	$494.10	$418.56	$391.37	$350.65	$340.37	$204.02	
PMPM to Single Contract Conversion Factor	1.1246	1.1246	1.1246	1.1246	1.1246	1.1246	1.1246	1.1246	1.1246	1.1246	
2015 Proposed Rates											
Single Rate	$504.25	$430.45	$357.52	$650.52	$555.65	$470.70	$440.12	$394.33	$382.78	$229.44	
Couple Rate	$1,008.51	$860.91	$715.03	$1,301.04	$1,111.30	$941.40	$880.24	$788.67	$765.55	$458.88	
Adult and Child(ren) Rate	$973.21	$830.78	$690.00	$1,255.50	$1,072.40	$908.46	$849.44	$761.06	$738.76	$442.82	
Family Rate	$1,416.95	$1,209.58	$1,004.62	$1,827.96	$1,561.37	$1,322.67	$1,236.74	$1,108.08	$1,075.60	$644.72	$310,011,258.04
2014 Approved Rates											
Single Rate	$460.37	$395.26	$341.15	$582.79	$497.06	$425.19	$412.83	$359.47	$362.34	$213.68	
Couple Rate	$920.74	$790.52	$682.30	$1,165.58	$994.12	$850.38	$825.66	$718.94	$724.68	$427.36	
Adult and Child(ren) Rate	$888.51	$762.85	$658.42	$1,124.78	$959.33	$820.62	$796.76	$693.78	$699.32	$412.40	
Family Rate	$1,293.64	$1,110.68	$958.63	$1,637.64	$1,396.74	$1,194.78	$1,160.05	$1,010.11	$1,018.18	$600.44	$282,312,944.26
2015 Proposed Rate Increases											
Single Rate	9.5%	8.9%	4.8%	11.6%	11.8%	10.7%	6.6%	9.7%	5.6%	7.4%	
Couple Rate	9.5%	8.9%	4.8%	11.6%	11.8%	10.7%	6.6%	9.7%	5.6%	7.4%	
Adult and Child(ren) Rate	9.5%	8.9%	4.8%	11.6%	11.8%	10.7%	6.6%	9.7%	5.6%	7.4%	
Family Rate	9.5%	8.9%	4.8%	11.6%	11.8%	10.7%	6.6%	9.7%	5.6%	7.4%	**9.8%**
Projected 2015 Contracts											
Single Rate	1,013	1,348	1,023	4,713	2,598	4,632	3,460	994	1,516	32	
Couple Rate	321	427	324	1,491	822	1,466	1,095	314	480	10	
Adult and Child(ren) Rate	56	75	57	263	145	258	193	55	84	2	
Family Rate	247	329	250	1,150	634	1,130	844	242	370	8	

WAKELY CONSULTING GROUP
CONSULTING ACTUARIES & HEALTHCARE SPECIALISTS
Clearwater, FL • Louisville, KY • Denver, CO

March 21, 2014

Ms. Lindsey Tucker
Deputy Commissioner, Health Benefit Exchange
Department of Vermont Health Access
Via Email Only

RE: State of Vermont Actuarial Value Certification for 2015 Standard Plan Designs - Revised

Dear Lindsey:

The Affordable Care Act requires that health care coverage provided by issuers to non-grandfathered individual and small groups must cover all Essential Health Benefits (EHBs) and have Actuarial Values (AVs) that fall under the Platinum (90% AV), Gold (80% AV), Silver (70% AV) or Bronze (60% AV) tiers. The ACA allows for a 2% de minimis range around these target AVs. For example, any plan design that has an AV from 68-72%, would be considered a Silver plan. The Center for Consumer Information and Insurance Oversight (CCIIO) recently released the final 2015 Actuarial Value Calculator (AVC)[1] that issuers must use to determine the AV of a plan. While CCIIO anticipates that most plans will be able to use the AVC without modification, some plan designs will have features which are not supported by the AVC. In these instances, an actuary can either modify the inputs to most closely represent the plan design or an actuary can modify the results of the AVC to account for the features not supported by the AVC. An actuarial certification documenting the development of the AV for these plan designs is required.

The State of Vermont (State) is standardizing several plan designs that all issuers offering plans in the exchange, Vermont Health Connect, must offer. Issuers must offer the standard plan designs in the individual and small group merged market. One Platinum, one Gold, two Silver and two Bronze standard plan designs were developed for Vermont Health Connect. There is a traditional deductible plan at each of the four metal levels and a High Deductible Health Plan (HDHP) at each of the Silver and Bronze levels. For each of the Silver standard plan designs, the cost sharing reduction plan designs are also standard. Cost sharing reduction plan (CSR) designs were developed at each of the 73% (federal), 77% (Vermont specific), 87% (federal) and 94% (federal) AV levels.

The State contracted with Wakely Consulting Group, Inc. (Wakely) to assist in the development of the standard plan designs. The standard plan designs for 2015 include the following changes from the 2014 standard plan designs.

- If pediatric dental benefits are covered, there is no cost sharing for Class I (basic) pediatric oral health essential health benefits and the deductible must be waived
- The primary care and specialist office visits were increased by $5 on both the Standard Silver Deductible plan and the Standard Silver Deductible 73% AV CSR plan. This increased the copays from $20 to $25 for primary care visits and from $40 to $45 for specialist visits
- The medical deductible on the Standard Silver Deductible 87% AV CSR plan decreased from $750 to $600
- The drug deductible on the Standard Bronze Deductible plan increased from $200 to $300

[1] http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/index.html

The IRS has yet to release the minimum deductible amount for HDHPs for 2015. The drug deductibles and MOOPs for HDHPs may need to change if the IRS changes the minimum deductible. The likely amounts for 2015 are $1250 or $1300 compared to the 2014 amount of $1250. The current plan designs use the 2014 amounts, although Wakely did verify that if the minimum deductible is increased to $1300, all plan designs are still within the required ranges.

Three of the standard plan designs (and the HDHP cost sharing reduction plan designs) have features not supported by the AVC and thus an actuarial certification is required. The remaining standard plan designs and their corresponding CSR plans have features that may warrant an AV adjustment but no explicit adjustment or actuarial certification has been done for these plans. In developing these standard plan designs and the resulting actuarial certification, Wakely also followed applicable Actuarial Standards of Practice (ASOP) as detailed in Appendix C and including:

- ASOP No. 23 *Data Quality*;
- ASOP No. 25 *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage; and*
- ASOP No. 41 *Actuarial Communications*.

EXECUTIVE SUMMARY

A summary of Vermont's standard plan designs is in Appendix B. The Silver HDHP and both Bronze plans have design features that are both significant and not supported by the AVC. The Silver HDHP cost sharing reduction plan designs have similar features. The issuers that opt to offer pediatric dental would also have design features that could be significant and not supported by the AVC. While most plans have some subtleties in their design that are not supported by the AVC, CCIIO has stated and regulations dictate that modifications should be made only for substantial differences. The four potential substantial differences that Wakely considered include:

1. Family deductible and Maximum Out of Pockets (MOOPs). There are two common types of applications for deductibles and MOOPs, commonly referred to in Vermont as stacked and aggregate[2]. The data supporting the AVC is only at the member level, and thus most closely resembles the stacked application of deductibles and MOOPs. Most HDHP plans use the aggregate application of deductible and MOOPs which can significantly lower the AV since a family of two would need to accumulate to a deductible that is twice that of a single contract. The impact is greater at higher deductible and MOOP amounts. Wakely had previously developed a model to account for aggregate family deductibles and thus, a specific adjustment has been made to the appropriate AVs for HDHPs.

[2] Stacked deductibles and MOOPs are typical in traditional deductible plans where the individual deductible and MOOP apply to each member of a contract and the family deductible and MOOP is used as a protection for contracts where multiple members have claims. For example, if the family MOOP is two times the individual MOOP but three members of a contract all would have reached their individual MOOP, it limits the family's liability to two times the individual MOOP.

Aggregate deductible and MOOPs are typical in HDHPs where all claims for all members of a non-single contract accumulate to the family deductible and MOOP. For two person or family contracts where only one member has significant claims, the member still must reach the higher deductible and MOOP amounts which makes the average member liability higher under an aggregate deductible.

2. Vermont implemented a regulation (H.559 Sec. 32. 8 V.S.A. § 4089) for prescription drug deductibles and MOOPs. The requirement mandates, in part, that the MOOP for prescription drug costs in any plan design shall not exceed the minimum deductible amount for HDHPs per Section 223(c)(2)(A)(i) of the Internal Revenue Code of 1986 ($1250 and $2500 for individual and family coverage in 2014; 2015 amounts are not known so remain at 2014 levels). The requirement also states that for HDHPs the cost sharing benefit for prescription drugs must start after the minimum deductible amount for HDHPs (same $1250 and $2500 for individuals and family coverage) is met, but the amount may be met with either medical or prescription drug claims. This means that for all HDHPs, for purposes of prescription drug coverage, the deductible is considered met when accumulated medical and drug claims reach $1250 for individual or $2500 for family, regardless of what the medical deductible amount is. Similarly, the MOOP for only drug claims (including amounts used to accumulate to the deductible) is $1250 or $2500, regardless of the amount of the overall MOOP which will include both drug and medical claims.

   Since for an integrated deductible and MOOP, only one amount is able to be input in the AVC, the value of the lower drug deductible and MOOP cannot be modeled in the AVC. This regulation has a significant impact on AV, particularly at the lower AV tiers where the difference between the medical and prescription drug deductible and MOOP is greater. Wakely had previously developed a model to account for Vermont's prescription drug regulation and thus, where appropriate, a specific adjustment has been made to the AVs using this model.

3. In the current market, most Vermont HDHPs waive the deductible for preventive prescription drugs. This is another plan feature not currently supported by the AVC. While Wakely has a list of the drugs for which the deductible is waived, Wakely has not analyzed the exact portion of drugs this represents. The impact to AV would only apply to drug costs that would normally be incurred prior to the member reaching the deductible. Any costs after the deductible is met and after the MOOP is met would be similar to the AVC. It is possible that this design feature could have a significant impact on the AV. However the impact of this benefit is likely not enough to warrant an additional analysis. Based on some high level estimates, Wakely believes the maximum impact to AV for this design feature is approximately 0.5% with the likely expected impact to be half of that. Since Wakely did not quantify the exact adjustment of the preventive drug difference for HDHPs, Wakely did not make a specific adjustment but did make sure that any AVs developed for HDHPs were at least 0.5% below the high end of the de minimis range in order to account for this increased benefit. It is expected that the impact for these drugs would be highest for the bronze plan where the deductible is highest and the impact would decrease as deductibles decrease (and AVs increase).

4. If a plan covers pediatric dental, starting in 2015 there can be no cost sharing for Class I (basic) pediatric oral health essential health benefits. Pediatric dental is not explicitly reflected in the federal AVC. It is included as part of the "other" benefits which are assumed to have average cost sharing for the plan. The reduction in cost sharing for the Class I benefits will result in a higher AV than what is modeled in the AVC, particularly for the higher deductible plans. It is possible that this design feature could have a significant impact on the AV. Based on some high level estimates, Wakely believes the maximum impact to AV for this design feature is approximately 0.5%. Since this adjustment may apply to some issuers and not to others, Wakely did not make a specific adjustment but did make sure that any AVs developed were at least 0.5% below the high end of the de minimis range in order to account for this benefit. It is expected that the impact for these drugs would be highest for the bronze plan where the deductible is highest and the impact would decrease as deductibles decrease (and AVs increase).

In addition to the four features listed above, the federal AVC can produce results that are counter intuitive. For example, when the Standard Bronze drug deductible is increased from $200 to $300 the federal AVC produces an AV that increases by almost 2% when the AV should decrease. As a result, Wakely believes the AVC is not accurately capturing the AV of this plan design change and has made an additional adjustment to account for the change in the drug deductible. This adjustment is discussed further in the methodology section.

There are other potential design features for which adjustments could be made. However, given the expectation that adjustments be made for only the most substantive deviations, Wakely does not believe additional adjustments are warranted. It is also important to note that the bucketing of claims and the methodology used to calculate the AVC are not always clearly defined. Thus, at times it is difficult to ascertain whether an adjustment is warranted and how that adjustment would be estimated.

As stated, Wakely made explicit adjustments to account for the aggregate family deductible/MOOP and Vermont's prescription drug regulation. These adjustments are described in detail in the Methodology section. For the preventive prescription drug and pediatric dental benefits, Wakely did not make an explicit adjustment but did allow room in the AV such that an increase of up to 0.5% would not result in the AV falling outside of the required range.

The following table shows all plan designs for which adjustments were made, the adjustments considered, the original AV from the AVC, and the final adjusted AV. The pediatric dental consideration may also apply to the Platinum, Gold and Silver Deductible and CSR plans when issuers include the benefit but no explicit adjustment was made since coverage of the pediatric dental benefit is optional.

Table 1: Summary of Adjustments Considered and Final Adjusted AVs

Adjustments Considered	Silver HDHP	Bronze HDHP	Bronze Deductible *	Silver HDHP - CSR 73%	Silver HDHP - CSR 77%	Silver HDHP - CSR 87%	Silver HDHP - CSR 94%
Aggregate Ded/MOOP	Yes	Yes	No	Yes	Yes	Yes	Yes
Drug Regulation	Yes	Yes	Yes	Yes	Yes	No	No
Preventive Drugs	Yes	Yes	No	Yes	Yes	Yes	Yes
Pediatric Dental	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AV from AVC	70.3%	63.6%	59.9%	74.4%	78.6%	87.7%	93.9%
Final Adjusted AV	68.7%	60.9%	61.5%	72.8%	76.8%	87.2%	93.8%

*The bronze deductible plan was also adjusted for counter intuitive AVC changes

METHODOLOGY

Since several of the standard plan designs have features not supported by the AVC, Wakely developed an HDHP model to capture the impact of these features on the AV. It was anticipated that the AVC would not accommodate all of the Vermont plan design features and this model was developed several months prior to the draft 2014 AVC being released. While there are similarities in the data used (for example, only group data is included in both models), there are also differences (for example, the HDHP model includes all members regardless of duration while the AVC includes only members who are enrolled the full 12 months).

If a plan does have substantive differences from what the AVC allows, there are two allowed approaches defined in the federal regulations. The first allows the actuary to adjust the inputs of the plan design to "fit" it into the AVC. The second allows the actuary to put in as many of the design features as possible into the AVC and then adjust the resulting AV to account for the unique design features. Wakely determined the second approach was most appropriate for the Vermont plan design differences. Thus for the seven plan designs where adjustments were made, Wakely first input as much of the plan design as possible into the AVC and then modified the resulting AV to account for the unique features.

The following discusses the HDHP model that Wakely developed and the process used to adjust the actuarial values from the AVC.

HDHP Model

Anticipating the need to quantify some of Vermont's unique plan design features, in mid-2012 Wakely developed an HDHP model that would account for both aggregate deductibles and MOOPs as well as quantify the impact of Vermont's prescription drug regulation.

In developing the model Wakely was provided with membership and medical and pharmacy claims data extracts from the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES). Filters were then applied to the data to target a specific population for the model and reduce the amount of records to work with. The data used included:

- Allowed commercial medical and prescription drug data that was incurred in 2010
- Products types HMO (non-Medicare risk), PPO, POS and EPO
- Used claims with a Useflag='0'
- All market categories except individual
- Limited to members in select payer ids

After all filters were applied, the remaining data included allowed claims and membership for approximately 2.5 million member months.

The methodology developed for the HDHP model does not use the traditional approach of continuance tables. When determining the paid claims and resulting actuarial value of the plan designs where the prescription drug regulation is a factor, the order in which the claims occur is important. Continuance tables fail to recognize the impact of the order of the claims on actuarial values. Thus, the HDHP model re-prices the claims based on the inputs provided in the model rather than rely on continuance tables.

The HDHP model allows a user to enter the following:

- Medical and Prescription drug deductible amounts for both individual and family contracts. These amounts can differ but the model assumes the amounts are always integrated, or that both medical and drug claims will accumulate to both deductibles, even if different amounts.

- Medical and prescription drug maximum out of pocket amounts for both individual and family contracts. These amounts can differ and the model allows for different treatment of the MOOPs as noted below.

- Medical and prescription drug coinsurance amounts. If the plan design includes copays, an effective coinsurance needs to be input.

- The structure of the deductibles and MOOPs. As can be seen in the table below, the model can distinguish between aggregate and stacked deductibles and MOOPs. It also allows for different accumulations of claims to the medical and prescription drug MOOPs. There are five structural selections available in the model, described in the table below. Option 5 is most closely aligned to the federal AVC. Option 1 represents the design of the Vermont HDHPs.

Options	Costs that Accumulate			Deductible / MOOP Type
	Deductible	Maximum Out-of-Pocket (MOOP)		
		Medical	Rx	
1	Medical & Rx	Medical & Rx	Rx Only	Aggregate
2	Medical & Rx	Medical & Rx	Rx Only	Stacked
3	Medical & Rx	Medical Only	Rx Only	Aggregate
4	Medical & Rx	Medical Only	Rx Only	Stacked
5	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Adjusted AV Calculations

Using the federal AV calculator and the HDHP model as outlined above, the following methodology was used to develop the adjusted AV calculations for the HDHPs:

1. The plan designs were entered into the AVC ignoring the separate prescription drug deductible and MOOP thresholds. The resulting AV is the unadjusted value, which does not account for the prescription drug regulations or the aggregate family deductible and MOOP levels.

2. The HDHP model was used to determine the revised AV.
    a. The same plan design input into the AVC was input into the HDHP model. The HDHP model only allows for coinsurance. Since the HDHP designs include copays, an effective coinsurance was developed for each plan design. The effective coinsurance amounts were developed separately for medical and prescription drug services using the allowed weights and average cost per service from the federal AVC continuance tables for the relevant metal tier.
    b. The HDHP model was normalized to the AVC for each plan design. This means the same plan design, ignoring the prescription drug thresholds and assuming a stacked family deductible and MOOP, was input into the HDHP model and the underlying data was adjusted to arrive at the same AV as the AVC. This was done to ensure the same starting AV in both models and to try to mirror the induced utilization in the AVC. The normalization factors were reviewed for reasonability and deemed reasonable given they are accounting for trend, regional differences in cost and utilization and induced utilization.
    c. The plan design in the HDHP model was adjusted to lower the prescription drug deductible and MOOP inputs (if applicable) to the appropriate plan design amounts. The application of deductible and MOOP was also changed to use an aggregate family deductible and MOOP and also to adjust the prescription drug MOOP to only consider prescription drug claims (the medical MOOP amount continues to use both medical and prescription drug claims).

3. The resulting AV from the HDHP model is used as the final AV for tier placement.

The HDHP model was intended only for HDHPs where medical and drug claims both accumulate to the deductible. The Bronze deductible plan needs to be adjusted to account for the lower prescription drug MOOP, but the deductible plan has separate medical and drug deductibles. Thus, the HDHP model was used but with a slight variation in methodology. The following highlight the differences in methodology used only for the Bronze Deductible plan.

1. Same as for HDHPs, as much of the plan design as possible was entered into the AVC. This is the unadjusted AV. Since the increase from a $200 drug deductible to a $300 drug deductible produced counter intuitive results, the 2014 plan design with the $200 drug deductible was entered into the 2015 AVC. The Bronze Deductible plan then needs to be adjusted for the increased deductible and to account for the lower and separate prescription drug MOOP.

2. The $200 plan design results in a reasonable AV in the final 2015 AVC so this AV was used as the starting point. The change in plan design was then accounted for using the Truven Wakely Benefit Modeler[3]. The ratio of the 2015 plan design ($300 deductible) AV over the 2014 plan design ($200 deductible) AV was applied to the federal AV for the 2014 plan design. This produced an adjusted AV that more accurately accounts for the change in the drug deductible. The AV was then further adjusted for the lower prescription drug MOOP.

3. The HDHP model was used to develop the AV adjustments in a slightly different process than for the HDHPs.
    a. The HDHP model cannot accommodate plan designs where both medical and drug claims do not accumulate to the deductible. Thus, the same plan design was entered into the HDHP model as in the AVC but the model selection indicated that both medical and drug claims accumulated to the deductible amounts.
    b. The HDHP model was then re-run with the lower drug MOOP and to adjust the prescription drug MOOP to only consider prescription drug claims (the medical MOOP amount continues to use both medical and prescription drug claims). The model continued to use a stacked application for deductible and MOOP since it is a traditional deductible plan.

4. The final AV is the ratio of the AV from 3c and 3b applied to the adjusted AV from 2.

Appendix D includes screen shots from the AVC and the HDHP model for each plan design with an adjusted actuarial value. Also included is a summary of the AVs and in the instance of the Bronze Deductible plan, a calculation of the adjustment.

Wakely followed the same methodology to verify that the AVs for HDHP plans remained in the acceptable range using a $1300 deductible and MOOP for drug benefits. Appendix E includes screen shots of the HDHP results with the $1300 deductible.

[3] The Truven Wakely Benefit Modeler uses Truven's MarketScan data as the underlying data and uses continuance tables and other actuarial adjustments to estimate the paid, allowed and AVs for various plan designs.

RELIANCES

We have relied on others for information used in the actuarial value adjustments. For the original AV, the final 2015 federal AVC model was relied on. While reasonability tests have shown some errors in the calculations and there are some assumptions and methodologies that are not consistent with expectations, the AVC was developed for plan classification and not pricing. Thus, the model is being used as such and we make no warranties for the accuracy of the AVs that result from the AVC.

VHCURES data supplied by the state was used in the development of the HDHP model. We have reviewed the data for reasonableness, but have not performed any independent audit or otherwise verified the accuracy of the data/information.

DISCLOSURES AND LIMITATIONS

Wakely is financially and organizationally independent from the State of Vermont and any issuer in the state.

Wakely does not warrant or guarantee that actual experience will tie to the AV estimated for the placement of plan designs into tiers. The developed actuarial values are for the purposes of classifying plan designs of similar value and do not represent the expected actuarial value of a plan. Actual AVs will vary based on a plan's specific population, utilization, unit cost and other variables.

The distribution of this report to other users is limited to the State of Vermont and issuers within that state that will be submitting standard plan designs. Distribution to such parties should be made in its entirety. Distribution to other parties should only be made with Wakely's consent.

Exhibit A contains the formal actuarial certification. If you have any questions regarding this letter or the certification, please contact me.

Sincerely,

Julie A. Peper, FSA, MAAA
Director and Senior Consulting Actuary

WAKELY CONSULTING GROUP
CONSULTING ACTUARIES & HEALTHCARE SPECIALISTS
Clearwater, FL • Louisville, KY • Denver, CO

APPENDIX A

Actuarial Certification
State of Vermont
Actuarial Value of Standard Plan Designs
Effective January 1, 2015

I, Julie A. Peper, am associated with the firm of Wakely Consulting Group, Inc. (Wakely), am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries, and meet its Qualification Standards for Statements of Actuarial Opinion. Wakely was retained by the State of Vermont to provide a certification of the actuarial value of the state's standard plan designs that are effective January 1, 2015 on Vermont Health Connect. This certification may not be appropriate for other purposes.

To the best of my information, knowledge and belief, the actuarial values provided with this certification are considered actuarially sound for purposes of § 156.135(b), according to the following criteria:

- The final 2015 federal Actuarial Value Calculator was used to determine the AV for the plan provisions that fit within the calculator parameters;
- Appropriate adjustments were calculated, to the AV identified by the calculator, for plan design features that deviate substantially from the parameters of the AV calculator;
- The actuarial values have been developed in accordance with generally accepted actuarial principles and practices; and
- The actuarial values meet the requirements of § 156.135(b).

The assumptions and methodology used to development the actuarial values have been documented in my correspondence with the State of Vermont. The actuarial values associated with this certification are for standard plan designs (Silver HDHP, Bronze HDHP, Bronze Deductible, Silver HDHP CSR 73%, Silver HDHP CSR 77%, Silver HDHP CSR 87% and Silver HDHP CSR 94%) that will be effective as of January 1, 2015 on Vermont Health Connect.

The developed actuarial values are for the purposes of classifying plan designs of similar value and do not represent the expected actuarial value of a plan. Actual AVs will vary based on a plan's specific population, utilization, unit cost and other variables.

In developing the actuarial values, I have relied upon the federal Actuarial Value calculator and data from the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES). I did not audit the data provided; however, I did review the data for reasonableness and consistency.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time-to-time by the Actuarial Standards Board, whose standards form the basis of this Statement of Opinion.

Julie A. Peper, FSA, MAAA
March 21, 2014

APPENDIX B

Standard Plan Designs

	Deductible Plans				HDHPs	
Deductible/OOP Max	**Platinum**	**Gold**	**Silver**	**Bronze**	**Silver**	**Bronze**
Type of Plan	Deductible	Deductible	Deductible	Deductible	HSA Q/HDHP	HSA Q/HDHP
Medical Ded	$150	$750	$1,900	$3,500	$1,550	$2,000
Rx Ded	$0	$50	$100	$300	$1,250	$1,250
Integrated Ded	No	No	No	No	Yes	Yes
Medical OOPM	$1,250	$4,250	$5,100	$6,350	$5,750	$6,250
Rx OOPM	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250
Integrated OOPM	No	No	No	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb	Preventive	Preventive	Preventive
Drug Deductible waived for:	N/A	Generic scripts	Generic scripts	Applies to all scripts	Wellness scripts	Wellness scripts
Service Category	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**
Inpatient [1]	10%	20%	40%	50%	20%	50%
Outpatient [2]	10%	20%	40%	50%	20%	50%
ER [3]	$100	$150	$250	50%	20%	50%
Radiology (MRI, CT, PET)	10%	20%	40%	50%	20%	50%
Preventive	$0	$0	$0	$0	0%	0%
PCP Office Visit	$10	$15	$25	$35	10%	50%
MH/SA Office Visit	$10	$15	$25	$35	10%	50%
Specialist Office Visit [4]	$20	$25	$45	$80	20%	50%
Urgent Care	$40	$45	$60	$100	20%	50%
Ambulance	$50	$50	$100	$100	20%	50%
Rx Generic	$5	$5	$12	$20	$10	$12
Rx Preferred Brand	$40	$40	$50	$80	$40	40%
Rx Non-Preferred Brand	50%	50%	50%	60%	50%	60%
Actuarial Value						
Federal AVC, Adjusted if Necessary	88.1%	80.2%	71.5%	61.5%	68.7%	60.9%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.
2 Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

Standard Plan Designs – Cost Sharing Reduction Plans (Deductibles)

	Cost Sharing Reduction Plan Designs - Deductible Plans				
Deductible/OOP Max	**300% FPL + (70% AV)**	**250-300% FPL (73% AV)**	**200-250% FPL (77% AV)**	**150-200% FPL (87% AV)**	**133-150% FPL (94% AV)**
Type of Plan	Deductible	Deductible	Deductible	Deductible	Deductible
Medical Ded	$1,900	$1,900	$1,500	$600	$100
Rx Ded	$100	$100	$100	$100	$0
Integrated Ded	No	No	No	No	No
Medical OOPM	$5,100	$4,000	$3,000	$1,250	$500
Rx OOPM	$1,250	$1,200	$1,000	$400	$200
Integrated OOPM	No	No	No	No	No
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb
Drug Deductible waived for:	Generic scripts	Generic scripts	Generic scripts	Generic scripts	N/A
Service Category	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**
Inpatient [1]	40%	40%	40%	40%	10%
Outpatient [2]	40%	40%	40%	40%	10%
ER [3]	$250	$250	$250	$250	$75
Radiology (MRI, CT, PET)	40%	40%	40%	40%	10%
Preventive	$0	$0	$0	$0	$0
PCP Office Visit	$25	$25	$20	$10	$5
MH/SA Office Visit	$25	$25	$20	$10	$5
Specialist Office Visit [4]	$45	$45	$40	$30	$15
Urgent Care	$60	$60	$60	$50	$35
Ambulance	$100	$100	$100	$100	$50
Rx Generic	$12	$12	$12	$10	$5
Rx Preferred Brand	$50	$50	$50	$50	$20
Rx Non-Preferred Brand	50%	50%	50%	50%	30%
Actuarial Value					
Federal AVC, Adjusted if Necessary	71.5%	73.6%	76.9%	87.0%	94.0%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.
2 Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

Standard Plan Designs – Cost Sharing Reduction Plans (HDHPs)

	Cost Sharing Reduction Plan Designs - HDHPs				
Deductible/OOP Max	**300% FPL + (70% AV)**	**250-300% FPL (73% AV)**	**200-250% FPL (77% AV)**	**150-200% FPL (87% AV)**	**133-150% FPL (94% AV)**
Type of Plan	HSA Q/HDHP	HSA Q/HDHP	HSA Q/HDHP	Deductible (NOT HSAQ)	Deductible (NOT HSAQ)
Medical Ded	$1,550	$1,400	$1,250	$1,000	$450
Rx Ded	$1,250	$1,250	N/A	N/A	N/A
Integrated Ded	Yes	Yes	Yes	Yes	Yes
Medical OOPM	$5,750	$3,400	$2,500	$1,000	$450
Rx OOPM	$1,250	$1,250	$1,250	N/A	N/A
Integrated OOPM	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Yes	Yes
Family Deductible / OOP	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Preventive	Preventive	Preventive	Preventive	Preventive
Drug Deductible waived for:	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts
Service Category	**Copay / Coinsurance**				
Inpatient [1]	20%	20%	20%	0%	0%
Outpatient [2]	20%	20%	20%	0%	0%
ER [3]	20%	20%	20%	0%	0%
Radiology (MRI, CT, PET)	20%	20%	20%	0%	0%
Preventive	0%	0%	0%	0%	0%
PCP Office Visit	10%	10%	10%	0%	0%
MH/SA Office Visit	10%	10%	10%	0%	0%
Specialist Office Visit [4]	20%	20%	20%	0%	0%
Urgent Care	20%	20%	20%	0%	0%
Ambulance	20%	20%	20%	0%	0%
Rx Generic	$10	$10	$5	$0	$0
Rx Preferred Brand	$40	$40	$30	$0	$0
Rx Non-Preferred Brand	50%	50%	50%	0%	0%
Actuarial Value					
Federal AVC, Adjusted if Necessary	68.7%	72.8%	76.8%	87.2%	93.8%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.
2 Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

APPENDIX C

Comments Relative to Applicable ASOPs

This appendix includes comments relative to the following applicable Actuarial Standards of Practice (ASOP).

• ASOP No. 23, *Data Quality*;

• ASOP No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*; and

• ASOP No. 41, *Actuarial Communications*.

ASOP 23: Data Quality

3.1 Overview – VHCURES data was used as the basis for the HDHP model and this data source was deemed reasonable for the analysis discussed in the management report.

3.2 Selection of Data - The data was considered reasonable for our analysis subject to the following considerations -

a. The data sources contained all material data elements.

b. The following considerations were reviewed as part of our analysis:

1. Data was appropriate and sufficiently current. The data was for similar/same populations and the most applicable data set available.
2. Data was reasonable and comprehensive of the necessary data elements.
3. There were no known, material limitations of the data.
4. No alternative data sets were reasonably available. The reliability of the data underlying our analysis did not require support from alternative data sets.
5. Alternative data sets were not deemed necessary to complete the analysis.
6. Sampling methods were not required.

3.3 Reliance on Data Supplied by Others - Reliance is discussed in the management report to which this appendix is attached.

3.4 Reliance on Other Information Relevant to the Use of Data - We relied on information contained in the report. We did not detect any material errors in the data provided and relied upon the data as part of our analysis.

3.5 Review of Data - We reviewed the data. Data definitions were included as part of the VHCURES data. Ultimately the data was reasonable with the adjustments discussed in our management report.

3.6 Limitation of the Actuary's Responsibility - We did not audit the data.

3.7 Use of Data– Use and adjustments to the data are discussed in this management report. In addition:

a. We deem that the data are of sufficient quality to perform the analysis;

b. The data did not require enhancement before the analysis could be performed

c. The data was reasonable for the analysis and did not require adjustment beyond that discussed in the management report;

d. We did not detect any material defects in any data source;

e. The data were adequate to perform our analysis.

ASOP 25: Credibility Procedures

The HDHP model uses data as its starting point. The experience used is fully credible and therefore no credibility blending or adjustments were necessary.

ASOP41: Actuarial Communications

This report and the actuarial memorandum submitted are consistent with the guidance in ASOP 41.

3.1 General Requirements for Actuarial Communications

3.1.1 Principal and Scope of Engagement – These results were developed to comply with § 156.135(b) and should not be used for any other purpose. The distribution of this report to other users is limited to the State of Vermont.
3.1.2 Form and Content – The State of Vermont was the principal for this engagement and the scope of the engagement included developing and certifying the actuarial values for the standard plan designs as discussed in the management report.
3.1.3 Timing of Communication – This report is provided in conjunction with the actuarial certification of the submitted actuarial values.
3.1.4 Identification of Responsible Actuary – The responsible actuary is identified in the attestation and this management report.

3.2 Actuarial Report – This management report is an Actuarial Report as defined in this ASOP. Correspondence between Wakely and the State of Vermont as part of this engagement should also be considered part of the Actuarial Report.

3.3 Specific Circumstances – No constraints apply beyond any discussed in the attachment management report.

3.4 Disclosures Within an Actuarial Report - all relevant disclosures have been made in the management report. Consistent with this ASOP, we make specific mention to the following items here:

3.4.1 Uncertainty or Risk – Uncertainty is discussed in the management report.
3.4.2 Conflict of Interest – Wakely is financially, organizationally, and otherwise independent from the State of Vermont and any reliant parties.
3.4.3 Reliance on Other Sources for Data and Other Information - Reliance regarding data and assumptions are discussed in this management report.
3.4.4 Responsibility for Assumptions and Methods - Assumptions and methods are discussed in the management report and the parties associated with the assumptions and methods have been delineated. Therefore, pursuant to this ASOP, no additional disclosure is necessary.
3.4.5 Information Date of Report -The management report list the applicable dates for the analysis and correspondence.
3.4.6 Subsequent Events - There are no subsequent events, as of the date of this report that would materially affect the results presented herein.

3.5 Explanation of Material Differences - Wakely has issued no other report regarding the development of these actuarial values. No comparison to prior results is necessary.

3.6 Oral Communications - No oral communication is considered part of this actuarial report. Any material assumptions or methods discussed in oral communications have been documented in written form as well.

3.7 Responsibility to Other Users - Intended users of this report have been specifically noted in the document.

Appendix D

Screen shots and AV Development

1. Silver HDHP
2. Bronze HDHP
3. Bronze Deductible Plan
4. Silver HDHP CSR – 73%
5. Silver HDHP CSR – 77%
6. Silver HDHP CSR – 87%
7. Silver HDHP CSR – 94%

1. Silver HDHP

AV from AVC = 70.3%
Adjusted AV = 68.7%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,550.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$5,750.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑	90%		☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑	90%		☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$10.00	☑	☑		
Preferred Brand Drugs	☑	☐		$40.00	☑	☑		
Non-Preferred Brand Drugs	☑	☑	50%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	50%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments? Specialty Rx Coinsurance Maximum:	☐
Set a Maximum Number of Days for Charging an IP Copay? # Days (1-10):	☐
Begin Primary Care Cost-Sharing After a Set Number of Visits? # Visits (1-10):	☐
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):	☐

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	70.3%
Metal Tier:	Silver

1. Silver HDHP, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,550	1,550
Family Deductible	3,100	3,100
Individual Out-of-Pocket	5,750	5,750
Family Out-of-Pocket	11,500	11,500
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$201.61	$50.40	$252.01
Plan PMPM	$148.76	$28.45	$177.21
Actuarial Value	73.8%	56.4%	70.3%

1. **Silver HDHP, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,550	1,250
Family Deductible	3,100	2,500
Individual Out-of-Pocket	5,750	1,250
Family Out-of-Pocket	11,500	2,500
Coinsurance (50% or Less)	18%	33%

Costs that Accumulate

	Deductible	OOP Medical	OOP Rx	Deductible / OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$201.61	$50.40	$252.01
Plan PMPM	$140.46	$32.61	$173.08
Actuarial Value	69.7%	64.7%	68.7%

2. Bronze HDHP

AV from AVC = 63.6%
Adjusted AV = 60.9%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$2,000.00			
Coinsurance (%, Insurer's Cost Share)			50.00%			
OOP Maximum ($)			$6,250.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$12.00	☑	☑		
Preferred Brand Drugs	☑	☑	60%		☑	☑		
Non-Preferred Brand Drugs	☑	☑	40%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	40%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Error: Result is outside of +/- 2 percent de minimis variation.
Actuarial Value:	63.6%
Metal Tier:	

2. Bronze HDHP, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	2,000	2,000
Family Deductible	4,000	4,000
Individual Out-of-Pocket	6,250	6,250
Family Out-of-Pocket	12,500	12,500
Coinsurance (50% or Less)	50%	45%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$236.89	$59.22	$296.11
Plan PMPM	$156.43	$31.76	$188.19
Actuarial Value	66.0%	53.6%	63.6%

2. **Bronze HDHP, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	2,000	1,250
Family Deductible	4,000	2,500
Individual Out-of-Pocket	6,250	1,250
Family Out-of-Pocket	12,500	2,500
Coinsurance (50% or Less)	50%	45%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$236.89	$59.22	$296.11
Plan PMPM	$141.48	$38.92	$180.41
Actuarial Value	59.7%	65.7%	60.9%

3. Bronze Deductible

AV from AVC = 59.9%
Adjustments

- Wakely pricing model at $300 Deductible / Wakely pricing model at $200 Deductible = 59.5%/60.0% = .992 x .59.9% = 59.4%
- HDHP Model with drug adjustments / HDHP Model without drug adjustments = 61.5%/59.4% = 1.035 x .594 = 61.5%

Adjusted AV = 61.5%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible? ☐
Apply Inpatient Copay per Day? ☐
Apply Skilled Nursing Facility Copay per Day? ☐
Use Separate OOP Maximum for Medical and Drug Spending? ☐
Indicate if Plan Meets CSR Standard? ☐
Desired Metal Tier: Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)	$3,500.00	$200.00				
Coinsurance (%, Insurer's Cost Share)	50.00%	40.00%				
OOP Maximum ($)	$6,350.00					
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☐		$35.00	☑	☑		
Specialist Visit	☑	☐		$80.00	☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☐		$35.00	☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☐		$80.00	☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☐		$80.00	☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$20.00	☑	☑		
Preferred Brand Drugs	☑	☐		$80.00	☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	59.9%
Metal Tier:	Bronze

3. Bronze Deductible, Continued

HDHP Model – Without Prescription Drug Adjustments:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	3,500	300
Family Deductible	7,000	600
Individual Out-of-Pocket	6,350	6,350
Family Out-of-Pocket	12,700	12,700
Coinsurance (50% or Less)	48%	57%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$223.21	$55.80	$279.01
Plan PMPM	$134.44	$31.27	$165.72
Actuarial Value	60.2%	56.0%	59.4%

3. **Bronze Deductible, Continued**

HDHP Model – With Prescription Drug Adjustments:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	3,500	300
Family Deductible	7,000	600
Individual Out-of-Pocket	6,350	1,250
Family Out-of-Pocket	12,700	2,500
Coinsurance (50% or Less)	48%	57%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$223.21	$55.80	$279.01
Plan PMPM	$132.11	$39.39	$171.50
Actuarial Value	59.2%	70.6%	61.5%

4. Silver HDHP CSR – 73%

AV from AVC = 74.4%
Adjusted AV = 72.8%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,400.00			
Coinsurance (% Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$3,400.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑	90%		☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑	90%		☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$10.00	☑	☑		
Preferred Brand Drugs	☑	☐		$40.00	☑	☑		
Non-Preferred Brand Drugs	☑	☑	50%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	50%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Error: Result is outside of +/- 1 percent de minimis variation for CSRs.
Actuarial Value:	74.4%
Metal Tier:	

4. Silver HDHP CSR – 73%, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,400	1,400
Family Deductible	2,800	2,800
Individual Out-of-Pocket	3,400	3,400
Family Out-of-Pocket	6,800	6,800
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$218.41	$54.60	$273.01
Plan PMPM	$169.34	$33.82	$203.16
Actuarial Value	77.5%	61.9%	74.4%

4. **Silver HDHP CSR – 73%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,400	1,250
Family Deductible	2,800	2,500
Individual Out-of-Pocket	3,400	1,250
Family Out-of-Pocket	6,800	2,500
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$218.41	$54.60	$273.01
Plan PMPM	$162.25	$36.51	$198.75
Actuarial Value	74.3%	66.9%	72.8%

5. Silver HDHP CSR – 77%

AV from AVC = 78.6%
Adjusted AV = 76.8%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,250.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$2,500.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑	90%		☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑	90%		☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$5.00	☑	☑		
Preferred Brand Drugs	☑	☐		$30.00	☑	☑		
Non-Preferred Brand Drugs	☑	☑	50%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	50%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	78.6%
Metal Tier:	Gold

5. Silver HDHP CSR – 77%, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,250	1,250
Family Deductible	2,500	2,500
Individual Out-of-Pocket	2,500	2,500
Family Out-of-Pocket	5,000	5,000
Coinsurance (50% or Less)	18%	25%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$237.61	$59.40	$297.01
Plan PMPM	$192.32	$41.15	$233.47
Actuarial Value	80.9%	69.3%	78.6%

5. **Silver HDHP CSR – 77%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,250	1,250
Family Deductible	2,500	2,500
Individual Out-of-Pocket	2,500	1,250
Family Out-of-Pocket	5,000	2,500
Coinsurance (50% or Less)	18%	25%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$237.61	$59.40	$297.01
Plan PMPM	$186.32	$41.75	$228.08
Actuarial Value	78.4%	70.3%	76.8%

6. Silver HDHP CSR – 87%

AV from AVC = 87.7%
Adjusted AV = 87.2%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,000.00			
Coinsurance (%, Insurer's Cost Share)			100.00%			
OOP Maximum ($)			$1,000.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. M-ISA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments? Specialty Rx Coinsurance Maximum:	☐
Set a Maximum Number of Days for Charging an IP Copay? # Days (1-10):	☐
Begin Primary Care Cost-Sharing After a Set Number of Visits? # Visits (1-10):	☐
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? # Copays (1-10):	☐

Output

Calculate

Status/Error Messages:	Calculation resolved without matching metal tiers.
Actuarial Value:	87.7%
Metal Tier:	Platinum

6. Silver HDHP CSR – 87%, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,000	1,000
Family Deductible	2,000	2,000
Individual Out-of-Pocket	1,000	1,000
Family Out-of-Pocket	2,000	2,000
Coinsurance (50% or Less)	0%	0%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$256.81	$64.20	$321.01
Plan PMPM	$228.28	$53.31	$281.58
Actuarial Value	88.9%	83.0%	87.7%

6. **Silver HDHP CSR – 87%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,000	1,000
Family Deductible	2,000	2,000
Individual Out-of-Pocket	1,000	1,000
Family Out-of-Pocket	2,000	2,000
Coinsurance (50% or Less)	0%	0%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$256.81	$64.20	$321.01
Plan PMPM	$226.90	$53.08	$279.99
Actuarial Value	88.4%	82.7%	87.2%

7. Silver HDHP CSR – 94%

AV from AVC = 93.9%
Adjusted AV = 93.8%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$450.00			
Coinsurance (%, Insurer's Cost Share)			100.00%			
OOP Maximum ($)			$450.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	CSR Level of 94% (100-150% FPL), Calculation Successful.
Actuarial Value:	93.9%
Metal Tier:	Platinum

7. Silver HDHP CSR – 94%, Continued

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	450	450
Family Deductible	900	900
Individual Out-of-Pocket	450	450
Family Out-of-Pocket	900	900
Coinsurance (50% or Less)	0%	0%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$264.01	$66.00	$330.01
Plan PMPM	$249.44	$60.28	$309.73
Actuarial Value	94.5%	91.3%	93.9%

7. **Silver HDHP CSR – 94%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	450	450
Family Deductible	900	900
Individual Out-of-Pocket	450	450
Family Out-of-Pocket	900	900
Coinsurance (50% or Less)	0%	0%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$264.01	$66.00	$330.01
Plan PMPM	$249.35	$60.26	$309.61
Actuarial Value	94.4%	91.3%	93.8%

Appendix E

Screen shots and AV Development – using $1300 drug deductible and MOOP

1. Silver HDHP
2. Bronze HDHP
3. Silver HDHP CSR – 73%
4. Silver HDHP CSR – 77%

1. **Silver HDHP**

AV from AVC = 70.3%
Adjusted AV = 68.5%

No change in AVC calculation

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,550	1,550
Family Deductible	3,100	3,100
Individual Out-of-Pocket	5,750	5,750
Family Out-of-Pocket	11,500	11,500
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$202.21	$50.55	$252.76
Plan PMPM	$149.01	$28.62	$177.63
Actuarial Value	73.7%	56.6%	70.3%

1, **Silver HDHP, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,550	1,300
Family Deductible	3,100	2,600
Individual Out-of-Pocket	5,750	1,300
Family Out-of-Pocket	11,500	2,600
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$202.21	$50.55	$252.76
Plan PMPM	$140.71	$32.44	$173.16
Actuarial Value	69.6%	64.2%	68.5%

2. **Bronze HDHP**

AV from AVC = 63.6%
Adjusted AV = 60.9%

No change in AVC calculation

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	2,000	2,000
Family Deductible	4,000	4,000
Individual Out-of-Pocket	6,250	6,250
Family Out-of-Pocket	12,500	12,500
Coinsurance (50% or Less)	50%	45%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$237.61	$59.40	$297.01
Plan PMPM	$157.02	$31.94	$188.96
Actuarial Value	66.1%	53.8%	63.6%

2. **Bronze HDHP, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	2,000	1,300
Family Deductible	4,000	2,600
Individual Out-of-Pocket	6,250	1,300
Family Out-of-Pocket	12,500	2,600
Coinsurance (50% or Less)	50%	45%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$237.61	$59.40	$297.01
Plan PMPM	$142.15	$38.68	$180.83
Actuarial Value	59.8%	65.1%	60.9%

3. **Silver HDHP CSR – 73%**

AV from AVC = 74.4%
Adjusted AV = 72.7%

No change in AVC calculation

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,400	1,400
Family Deductible	2,800	2,800
Individual Out-of-Pocket	3,400	3,400
Family Out-of-Pocket	6,800	6,800
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$219.01	$54.75	$273.76
Plan PMPM	$169.69	$34.00	$203.70
Actuarial Value	77.5%	62.1%	74.4%

3. **Silver HDHP CSR – 73%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,400	1,300
Family Deductible	2,800	2,600
Individual Out-of-Pocket	3,400	1,300
Family Out-of-Pocket	6,800	2,600
Coinsurance (50% or Less)	18%	33%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$219.01	$54.75	$273.76
Plan PMPM	$162.63	$36.32	$198.95
Actuarial Value	74.3%	66.3%	72.7%

4. **Silver HDHP CSR – 77%**

AV from AVC = 78.4%
Adjusted AV = 76.4%

AVC Screen Shot:

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,300.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$2,500.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance?	Tier 1 Coinsurance, if different	Tier 1 Copay, if separate	Tier 2 Subject to Deductible?	Tier 2 Subject to Coinsurance?	Tier 2 Coinsurance, if different	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑	90%		☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑	90%		☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☐		$5.00	☑	☑		
Preferred Brand Drugs	☑	☐		$30.00	☑	☑		
Non-Preferred Brand Drugs	☑	☑	50%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	50%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	78.4%
Metal Tier:	Gold

4. **Silver HDHP CSR – 77%, Continued**

HDHP Model – Normalization:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,300	1,300
Family Deductible	2,600	2,600
Individual Out-of-Pocket	2,500	2,500
Family Out-of-Pocket	5,000	5,000
Coinsurance (50% or Less)	18%	25%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Medical & Rx	Stacked

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$238.81	$59.70	$298.51
Plan PMPM	$192.65	$41.25	$233.90
Actuarial Value	80.7%	69.1%	78.4%

4. **Silver HDHP CSR – 77%, Continued**

HDHP Model – Adjusted Actuarial Value:

Inputs

Enter values in the blue cells below, choose a setting option from the drop down box, and press 'Calculate'.
Press 'Calculate' anytime an input or dropdown selection is changed.
Note that the model run-time will vary based on the computers processing speed.
A message box will appear to indicate that the calculations are done.

	Medical	Rx
Individual Deductible	1,300	1,300
Family Deductible	2,600	2,600
Individual Out-of-Pocket	2,500	1,300
Family Out-of-Pocket	5,000	2,600
Coinsurance (50% or Less)	18%	25%

	Costs that Accumulate			
		OOP		Deductible /
	Deductible	Medical	Rx	OOP Type
Settings	Medical & Rx	Medical & Rx	Rx Only	Aggregate

Calculate

Results

	Medical	Rx	Total
Allowed PMPM	$238.81	$59.70	$298.51
Plan PMPM	$186.61	$41.58	$228.19
Actuarial Value	78.1%	69.7%	76.4%

ATTACHMENT A

State of Vermont
Standard Plan Designs
Revised May 5, 2014

	Deductible Plans				HDHPs	
Deductible/OOP Max	**Platinum**	**Gold**	**Silver**	**Bronze**	**Silver**	**Bronze**
Type of Plan	Deductible	Deductible	Deductible	Deductible	HSA Q/HDHP	HSA Q/HDHP
Medical Ded	$150	$750	$1,900	$3,500	$1,550	$2,000
Rx Ded	$0	$50	$100	$300	$1,300	$1,300
Integrated Ded	No	No	No	No	Yes	Yes
Medical OOPM	$1,250	$4,250	$5,100	$6,350	$5,750	$6,250
Rx OOPM	$1,250	$1,250	$1,250	$1,250	$1,300	$1,300
Integrated OOPM	No	No	No	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb, ER	Prev, OV, UC, Amb	Preventive	Preventive	Preventive
Drug Deductible waived for:	N/A	Generic scripts	Generic scripts	Applies to all scripts	Wellness scripts	Wellness scripts
Service Category	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**
Inpatient [1]	10%	20%	40%	50%	20%	50%
Outpatient [2]	10%	20%	40%	50%	20%	50%
ER [3]	$100	$150	$250	50%	20%	50%
Radiology (MRI, CT, PET)	10%	20%	40%	50%	20%	50%
Preventive	$0	$0	$0	$0	0%	0%
PCP Office Visit	$10	$15	$25	$35	10%	50%
MH/SA Office Visit	$10	$15	$25	$35	10%	50%
Specialist Office Visit [4]	$20	$25	$45	$80	20%	50%
Urgent Care	$40	$45	$60	$100	20%	50%
Ambulance	$50	$50	$100	$100	20%	50%
Rx Generic	$5	$5	$12	$20	$10	$12
Rx Preferred Brand	$40	$40	$50	$80	$40	40%
Rx Non-Preferred Brand	50%	50%	50%	60%	50%	60%
Actuarial Value						
Federal AVC, Adjusted if Necessary	88.1%	80.2%	71.5%	61.5%	68.5%	60.9%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.
2 Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

State of Vermont
Standard Plan Designs - CSRs
Revised May 5, 2014

	Cost Sharing Reduction Plan Designs - Deductible Plans				
Deductible/OOP Max	**300% FPL + (70% AV)**	**250-300% FPL (73% AV)**	**200-250% FPL (77% AV)**	**150-200% FPL (87% AV)**	**133-150% FPL (94% AV)**
Type of Plan	Deductible	Deductible	Deductible	Deductible	Deductible
Medical Ded	$1,900	$1,900	$1,500	$600	$100
Rx Ded	$100	$100	$100	$100	$0
Integrated Ded	No	No	No	No	No
Medical OOPM	$5,100	$4,000	$3,000	$1,250	$500
Rx OOPM	$1,250	$1,200	$1,000	$400	$200
Integrated OOPM	No	No	No	No	No
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual
Medical Deductible waived for:	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb	Prev, OV, UC, Amb
Drug Deductible waived for:	Generic scripts	Generic scripts	Generic scripts	Generic scripts	N/A
Service Category	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**	**Copay / Coinsurance**
Inpatient [1]	40%	40%	40%	40%	10%
Outpatient [2]	40%	40%	40%	40%	10%
ER [3]	$250	$250	$250	$250	$75
Radiology (MRI, CT, PET)	40%	40%	40%	40%	10%
Preventive	$0	$0	$0	$0	$0
PCP Office Visit	$25	$25	$20	$10	$5
MH/SA Office Visit	$25	$25	$20	$10	$5
Specialist Office Visit [4]	$45	$45	$40	$30	$15
Urgent Care	$60	$60	$60	$50	$35
Ambulance	$100	$100	$100	$100	$50
Rx Generic	$12	$12	$12	$10	$5
Rx Preferred Brand	$50	$50	$50	$50	$20
Rx Non-Preferred Brand	50%	50%	50%	50%	30%
Actuarial Value					
Federal AVC, Adjusted if Necessary	71.5%	73.6%	76.9%	87.0%	94.0%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF and MH/SA. This cost sharing will also include physician and anesthesia costs, as appropriate.
2 Outpatient includes ASCs. This cost sharing will also include physician and anesthesia costs, as appropriate.
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, and any alternative medicine benefits, as appropriate.

State of Vermont
Standard Plan Designs - CSRs
Revised May 5, 2014

	Cost Sharing Reduction Plan Designs - HDHPs				
Deductible/OOP Max	**300% FPL + (70% AV)**	**250-300% FPL (73% AV)**	**200-250% FPL (77% AV)**	**150-200% FPL (87% AV)**	**133-150% FPL (94% AV)**
Type of Plan	HSA Q/HDHP	HSA Q/HDHP	HSA Q/HDHP	Deductible (NOT HSAQ)	Deductible (NOT HSAQ)
Medical Ded	$1,550	$1,400	$1,300	$1,000	$450
Rx Ded	$1,300	$1,300	N/A	N/A	N/A
Integrated Ded	Yes	Yes	Yes	Yes	Yes
Medical OOPM	$5,750	$3,400	$2,500	$1,000	$450
Rx OOPM	$1,300	$1,300	$1,300	N/A	N/A
Integrated OOPM	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Yes	Yes
Family Deductible / OOP	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual	Aggregate, 2x Individual
Medical Deductible waived for:	Preventive	Preventive	Preventive	Preventive	Preventive
Drug Deductible waived for:	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts	Wellness scripts
Service Category	**Copay / Coinsurance**				
Inpatient [1]	20%	20%	20%	0%	0%
Outpatient [2]	20%	20%	20%	0%	0%
ER [3]	20%	20%	20%	0%	0%
Radiology (MRI, CT, PET)	20%	20%	20%	0%	0%
Preventive	0%	0%	0%	0%	0%
PCP Office Visit	10%	10%	10%	0%	0%
MH/SA Office Visit	10%	10%	10%	0%	0%
Specialist Office Visit [4]	20%	20%	20%	0%	0%
Urgent Care	20%	20%	20%	0%	0%
Ambulance	20%	20%	20%	0%	0%
Rx Generic	$10	$10	$5	$0	$0
Rx Preferred Brand	$40	$40	$30	$0	$0
Rx Non-Preferred Brand	50%	50%	50%	0%	0%
Actuarial Value					
Federal AVC, Adjusted if Necessary	68.5%	72.7%	76.4%	87.2%	93.8%

1 Inpatient includes surgery, ICU/NICU, maternity, SNF
2 Outpatient includes ASCs. This cost sharing will also
3 ER copay is waived if admitted.
4 Specialist copay also applies to PT/ST/OT, vision, ar

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Introduction

On March 5, 2014, CMS released the final Rules on the Actuarial Value and the final Actuarial Value Calculator (AVC) for 2015. The final 2015 AVC is the final 2014 AVC with updated cost sharing limits. Since the AVC did not change, BCBSVT started its analysis with the 2014 results and updated the plans for known benefit changes.

Limitations of the Federal Actuarial Calculator

The AVC is known to have some limitations with respect to certain benefit designs. The most important limitations in the Final Actuarial Value Calculator for the Non-Standard plans are:

- The AVC does not support the Rx OOPM Limit as dictated by Act 171.
- The AVC does not support copayments after the deductible.
- The AVC does not support Wellness (Safe Harbor) pharmacy drugs outside the deductible on HSA compliant plans.
- The AVC does not support certain MH/SA visits at no cost share before the deductible.
- The AVC does not support a copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services nor Home Health Care.
- The AVC does not support Class I Pediatric Dental covered at no cost share.

Method Used to Calculate Adjustments

The objective of the adjustment process is to produce an estimate of the result the AVC would have produced with respect to the specific plan in question had it been able to produce a value for that plan. We modified our pricing model to calculate the ratio of expected benefits to allowed charges. See the description of the BCBSVT AV Model (BAVM) below. We then compared the results of the BAVM with the results of the AVC for various benefit plans for which results could be obtained from both. This was done separately for blocks of plans within each of the AVC's metallic range categories. We observed that the results of the two were highly correlated. This allowed us to normalize the results of the BAVM to those of the AVC.

We begin with the result of the AVC model value for the plan incorporating all the features of the plan in question that the AVC is able to value. We then adjust this value to estimate the result of the AVC on the plan in question by applying the difference between the normalized value of the BAVM applied to the plan incorporating all the features of the plan in question, and the normalized value of the BAVM applied to the plan incorporating all the features of the plan in question that could be valued by the AVC. See the more detailed description of the adjustment method below.

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BCBSVT AV Model Methodology[1]

BCBSVT uses a re-adjudication model to assess the impact of various deductible types, Rx limits, and out-of-pocket maximums to calculate the paid-to-allowed ratio for different benefit designs. The re-adjudication is performed using the same set of claims for all benefit plans. Claims data was taken from BCBSVT's data warehouse. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance). Although the model is similar to that used for our Benefit Relativity factors, it did not include the benefit level adjustments.

The in-network claims from Insured Group and Self Funded business are included in the analysis; Individual lines of business claims have been excluded. Only plans with both medical and pharmacy benefits are included since both medical and pharmacy data is included.

The claims were categorized according to how benefits are paid, and one record was generated for each member/ service date.

For all products, claims for preventive mandated benefits were kept separate and the model assumes they are paid in a manner consistent with the mandates.

A total of 368,039 member months were used for this analysis. Because of the normalization adjustment described below, it is appropriate to use this large, credible data set as a proxy for the HHS data underlying the AV model. Non-permitted factors such as projected demographic changes were not considered in the analysis.

The model has the flexibility to apply either coinsurance or copayments after the deductible is met.

Adjustment of the Federal Actuarial Value Calculator Result using the BCBSVT Actuarial Value Model

For each Metal tier and CSR tier, we observed a correlation between the outputs of the AVC for various integrated deductible plans and BCBSVT model's paid-to-allowed ratio for those plans. From these we calculated the appropriate linear regression function to normalize the results of the BAVM to approximate those of the AVC.

The tables following the Actuarial Opinion show the relationship between the BAVM and the AVC. All the benefits used to fit the regression lines have integrated medical and drug for both the deductible and the OOPM. These benefits designs are only for In-Network claims. For each Metal tier and CSR tier, we show the regression line used to calculate the adjustment needed for items not supported by the AVC.

[1] This methodology is consistent with that described in the approved Q2 2012 Benefit Relativity Factor Filing (SERFF Tracking # BCVT-127786182, VFN 57179).

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The adjustment is calculated as:

{the difference between the actuarial value estimate from the BCBSVT model for the non-standard plan and the actuarial value estimate from the BCBSVT model for the corresponding plan having only the features supported by the AV calculator} times {the linear parameter 'm' from the regression function}[2].

A complete description of plan provisions is attached at the end of this document. The tables following the Actuarial Opinion contain information regarding the specific benefits that were calculated as adjustments to the AVC model.

Actuarial Opinion

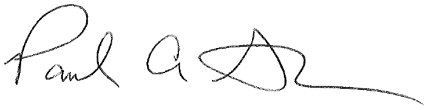
The purpose of this calculation is to comply with the requirements of 45 CFR 156.135(b)(3). The Actuarial Values were determined based on the plans' benefits and coverage data, the standard population, utilization and continuance tables published by HHS for purposes of valuation of Actuarial Value. These calculations are not intended to be used for other purposes.

I am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United Stated promulgated by the American Academy of Actuaries, and have the education and experience necessary to perform the work.

In my opinion, each of the plans described herein meets the AV requirements in the metal tiers for calendar year 2015.

The adjustments for plan design features unable to be determined directly through application of the AV calculator were developed in accordance with generally accepted actuarial principals and methodologies, Actuarial Standards of Practice established by the Actuarial Standards Board, and applicable laws and regulations, and are appropriate for the purpose intended.

Data used for the analysis were taken from the BCBSVT claims adjudication system, and normalized to the data underlying the AV calculator. This data was reviewed for reasonableness and consistency, but an audit was not performed.



Paul Schultz, F.S.A., M.A.A.A.
Actuarial Director
Blue Cross and Blue Shield of Vermont

[2] m*BAVM(x)-b is the normalized value of the BAVM result for plan x {normalized to approximate the AVC(x)}.

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Bronze Design

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$5,000	50%	$6,500	60.89%	58.15%
$4,500	50%	$6,500	61.25%	58.61%
$4,000	50%	$6,500	61.72%	59.16%
$3,500	50%	$6,500	62.32%	59.80%
$3,000	50%	$6,500	63.06%	60.57%
$2,500	50%	$6,500	63.98%	61.68%
$2,250	50%	$6,500	64.52%	62.31%
$5,000	50%	$6,250	61.52%	58.78%
$4,500	50%	$6,250	61.84%	59.24%
$4,000	50%	$6,250	62.28%	59.78%

Linear Regression Output		
m	b	r^2
1.13966	-0.11236	99.89%

Plan : Non-Standard CDHP Plan - Bronze			
Items supported by the AV Calculator	Deductible	$5,000	
	Coinsurance	50%	
	OOPM	$6,250	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	58.78%
BCBSVT Model Output for items supported by the AVC		(b)	61.52%
BCBSVT Model Output for complete benefit design		(c)	63.70%
Adjustment to the AVC	Difference	(d)=(c)-(b)	2.18%
	m	(e)	1.13966
	adjustment	(f)=(d)*(e)	2.48%
	Estimated AVC value	(g)=(a)+(f)	**61.26%**

Items not supported by the AVC:

- Rx OOPM limit of $1,300
- Wellness (Safe Harbor) pharmacy drugs outside of the deductible
- Copays applied after the deductible

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User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$5,000.00			
Coinsurance (%, Insurer's Cost Share)			50.00%			
OOP Maximum ($)			$6,250.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance	Tier 1 Coinsurance, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductible	Tier 2 Subject to Coinsurance	Tier 2 Coinsurance, if	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%		☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑	60%		☑	☑		
Non-Preferred Brand Drugs	☑	☑	40%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	60%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☐
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	58.78%
Metal Tier:	Bronze

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Silver Design

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$2,000	80%	$6,350	72.30%	70.42%
$2,000	80%	$6,250	72.38%	70.50%
$2,000	80%	$6,150	72.45%	70.59%
$2,000	80%	$5,500	73.00%	71.16%
$2,000	80%	$5,000	73.51%	71.75%
$1,750	80%	$6,250	73.56%	71.81%
$2,000	80%	$4,500	74.12%	72.40%
$1,750	80%	$5,000	74.63%	72.98%
$1,750	80%	$4,500	75.20%	73.57%
$1,500	80%	$5,850	75.14%	73.54%

Linear Regression Output		
m	b	r^2
1.09541	-0.08784	99.99%

Plan : Non-Standard Plan - Silver			
Items supported by the AV Calculator	Deductible	$2,000	
	Coinsurance	80%	
	OOPM	$6,250	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	70.50%
BCBSVT Model Output for items supported by the AVC		(b)	72.38%
BCBSVT Model Output for complete benefit design		(c)	72.88%
Adjustment to the AVC	Difference	(d)=(c)-(b)	0.50%
	m	(e)	1.09541
	adjustment	(f)=(d)*(e)	0.55%
	Estimated AVC value	(g)=(a)+(f)	**71.05%**

* Since the Federal AV Calculator does not support copays applied after the deductible, we used 80% (Insurer's cost share) as a place holder to represent that the plan has some cost sharing between the deductible and Out-of-Pocket maximum.

Items not supported by the AVC:

- Rx OOPM limit of $1,250
- Three Mental Health office visit at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment applied after the deductible
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care.

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User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization: 2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$2,000.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$6,250.00			
OOP Maximum if Separate ($)						

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Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsuranc	Tier 1 Coinsuranc e, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsuran ce, if	Tier 2 Copay, if separate
Medical	☑ All	☑ All			☑ All	☑ All		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ All	☑ All			☑ All	☑ All		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Calculation Successful.
Actuarial Value:	70.50%
Metal Tier:	Silver

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Gold Designs

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$1,250	80%	$5,250	77.00%	75.53%
$1,250	80%	$5,000	77.22%	75.74%
$1,250	80%	$4,750	77.46%	76.04%
$1,250	80%	$4,500	77.72%	76.34%
$1,250	80%	$4,250	78.00%	76.64%
$1,225	80%	$4,250	78.14%	76.79%
$1,200	80%	$4,250	78.28%	76.94%
$1,150	80%	$4,250	78.56%	77.24%
$1,100	80%	$4,250	78.86%	77.54%
$1,000	80%	$4,250	79.47%	78.17%

Linear Regression Output		
m	b	r^2
1.08031	-0.07643	99.92%

Plan : Non-Standard Plan - Gold			
Items supported by the AV Calculator	Deductible	$1,250	
	Coinsurance	80%	
	OOPM	$4,250	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	76.64%
BCBSVT Model Output for items supported by the AVC		(b)	78.00%
BCBSVT Model Output for complete benefit design		(c)	80.97%
Adjustment to the AVC	Difference	(d)=(c)-(b)	2.97%
	m	(e)	1.08031
	adjustment	(f)=(d)*(e)	3.21%
	Estimated AVC value	(g)=(a)+(f)	**79.85%**

* Since the Federal AV Calculator does not support copays applied after the deductible, we used 80% (Insurer's cost share) as a place holder to represent that the plan has some cost sharing between the deductible and Out-of-Pocket maximum.

Items not supported by the AV Calculator:

- Rx OOPM limit of $1,250
- Three Mental Health office visit at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment applied after the deductible
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care.

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User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☐
Desired Metal Tier	Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☑	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,250.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$4,250.00			
OOP Maximum if Separate ($)						

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Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsuranc	Tier 1 Coinsuranc e, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsuran ce, if	Tier 2 Copay, if separate
Medical	☑ AI	☑ AI			☑ AI	☑ AI		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ AI	☑ AI			☑ AI	☑ AI		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Error: Result is outside of +/- 2 percent de minimis variation.
Actuarial Value:	76.64%
Metal Tier:	

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

Cost Sharing Reduction (73%) Design

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$1,750	80%	$5,200	74.43%	72.75%
$1,700	80%	$5,200	74.67%	73.01%
$1,650	80%	$5,200	74.91%	73.27%
$1,600	80%	$5,200	75.16%	73.53%
$1,550	80%	$5,200	75.41%	73.81%
$1,500	80%	$5,200	75.67%	74.08%
$1,450	80%	$5,200	75.93%	74.37%
$1,350	80%	$5,200	76.48%	74.97%
$1,300	80%	$5,200	76.76%	75.27%
$1,250	80%	$5,200	77.05%	75.57%

Linear Regression Output		
m	b	r^2
1.08191	-0.07781	100.00%

Plan : Non-Standard Plan - CSR 73%			
Items supported by the AV Calculator	Deductible	$1,550	
	Coinsurance	80%	
	OOPM	$5,200	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	73.81%
BCBSVT Model Output for items supported by the AVC		(b)	75.41%
BCBSVT Model Output for complete benefit design		(c)	75.38%
Adjustment to the AVC	Difference	(d)=(c)-(b)	-0.03%
	m	(e)	1.08191
	adjustment	(f)=(d)*(e)	-0.03%
	Estimated AVC value	(g)=(a)+(f)	**73.78%**

* Since the Federal AV Calculator does not support copays applied after the deductible, we used 80% (Insurer's cost share) as a place holder to represent that the plan has some cost sharing between the deductible and Out-of-Pocket maximum.

Items not supported by the AV Calculator:

- Rx OOPM limit of $1,250
- Three Mental Health office visit at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment applied after the deductible
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care.

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☑	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,550.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$5,200.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsurance	Tier 1 Coinsurance, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsurance, if	Tier 2 Copay, if separate
Medical	☑ AI	☑ AI			☑ AI	☑ AI		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ AI	☑ AI			☑ AI	☑ AI		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	CSR Level of 73% (200-250% FPL), Calculation Successful.
Actuarial Value:	73.81%
Metal Tier:	Silver

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

Cost Sharing Reduction (77%) Design

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$1,000	80%	$5,200	78.57%	77.16%
$950	80%	$5,200	78.90%	77.50%
$900	80%	$5,200	79.24%	77.83%
$850	80%	$5,200	79.58%	78.18%
$800	80%	$5,200	79.93%	78.52%
$750	80%	$5,200	80.29%	78.87%
$700	80%	$5,200	80.66%	79.22%
$650	80%	$5,200	81.04%	79.59%
$600	80%	$5,200	81.43%	79.95%
$550	80%	$5,200	81.84%	80.33%

Linear Regression Output		
m	b	r^2
0.96980	0.00985	99.98%

Plan : Non-Standard Plan – CSR 77%			
Items supported by the AV Calculator	Deductible	$1,000	
	Coinsurance	80%	
	OOPM	$5,200	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	77.16%
BCBSVT Model Output for items supported by the AVC		(b)	78.57%
BCBSVT Model Output for complete benefit design		(c)	78.07%
Adjustment to the AVC	Difference	(d)=(c)-(b)	-0.50%
	m	(e)	0.96980
	adjustment	(f)=(d)*(e)	-0.48%
	Estimated AVC value	(g)=(a)+(f)	**76.68%**

* Since the Federal AV Calculator does not support copays applied after the deductible, we used 80% (Insurer's cost share) as a place holder to represent that the plan has some cost sharing between the deductible and Out-of-Pocket maximum.

Items not supported by the AV Calculator:

- Rx OOPM limit of $1,250
- Three Mental Health office visit at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment applied after the deductible
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care.

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2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☑	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$1,000.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$5,200.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsuranc	Tier 1 Coinsurance, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsurance, if	Tier 2 Copay, if separate
Medical	☑ AI	☑ AI			☑ AI	☑ AI		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ AI	☑ AI			☑ AI	☑ AI		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	Error: Result is outside of +/- 1 percent de minimis variation for CSRs.
Actuarial Value:	77.16%
Metal Tier:	

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

Cost Sharing Reduction (87%) Design

Deductible	Coinsurance	OOPM	BCBSVT Model AV	AV Calculator
$400	20%	$2,250	86.60%	85.45%
$350	20%	$2,250	87.00%	85.78%
$300	20%	$2,250	87.41%	86.13%
$250	20%	$2,250	87.84%	86.52%
$200	20%	$2,250	88.29%	86.91%
$150	20%	$2,250	88.76%	87.34%
$100	20%	$2,250	89.26%	87.76%
$50	20%	$2,250	89.78%	88.30%
$0	20%	$2,100	90.60%	89.10%
$0	20%	$2,000	90.79%	89.29%

Linear Regression Output		
m	b	r^2
0.91729	0.05955	99.90%

Plan : Non-Standard Plan – CSR 87%			
Items supported by the AV Calculator	Deductible	$200	
	Coinsurance	80%	
	OOPM	$2,250	
AVC Output for items supported by the AVC (Screen Print Below)		(a)	86.91%
BCBSVT Model Output for items supported by the AVC		(b)	88.29%
BCBSVT Model Output for complete benefit design		(c)	87.35%
Adjustment to the AVC	Difference	(d)=(c)-(b)	-0.94%
	m	(e)	0.91729
	adjustment	(f)=(d)*(e)	-0.86%
	Estimated AVC value	(g)=(a)+(f)	**86.05%**

* Since the Federal AV Calculator does not support copays applied after the deductible, we used 80% (Insurer's cost share) as a place holder to represent that the plan has some cost sharing between the deductible and Out-of-Pocket maximum.

Items not supported by the AV Calculator:

- Rx OOPM limit of $1,250
- Three Mental Health office visit at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment applied after the deductible
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care.

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☑	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$200.00			
Coinsurance (%, Insurer's Cost Share)			80.00%			
OOP Maximum ($)			$2,250.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsuranc	Tier 1 Coinsurance, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsurance, if	Tier 2 Copay, if separate
Medical	☑ AI	☑ AI			☑ AI	☑ AI		
Emergency Room Services	☑	☑			☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☑			☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☑			☑	☑		
Specialist Visit	☑	☑			☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☑			☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☑			☑	☑		
Rehabilitative Speech Therapy	☑	☑			☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☑			☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☑			☑	☑		
X-rays and Diagnostic Imaging	☑	☑			☑	☑		
Skilled Nursing Facility	☑	☑			☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☑			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☑			☑	☑		
Drugs	☑ AI	☑ AI			☑ AI	☑ AI		
Generics	☑	☑			☑	☑		
Preferred Brand Drugs	☑	☑			☑	☑		
Non-Preferred Brand Drugs	☑	☑			☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑			☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	CSR Level of 87% (150-200% FPL), Calculation Successful.
Actuarial Value:	86.91%
Metal Tier:	Gold

BLUE CROSS AND BLUE SHIELD OF VERMONT
2015 VERMONT EXCHANGE PRODUCTS
METAL ACTUARIAL VALUES CERTIFICATION

Cost Sharing Reduction (94%) Design

The inclusion of Mental Health office visits in the three PCP or Mental Health Office visits at no cost share before the deductible benefit and copays on Urgent Care, Emergency Medical Transportation, DME services and Home Health Care are not supported by the AVC for this plan. The difference between the AVC benefit of three PCP visits at no cost share before the deductible and the BCBSVT benefit of three PCP or MHSA visits at no cost share is immaterial[3] and the addition of copays on Urgent Care, Emergency Medical Transportation, DME services and Home Health Care is also immaterial; therefore we are using the AVC directly for this plan.

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?	☑
Apply Inpatient Copay per Day?	☐
Apply Skilled Nursing Facility Copay per Day?	☐
Use Separate OOP Maximum for Medical and Drug Spending?	☐
Indicate if Plan Meets CSR Standard?	☑
Desired Metal Tier	Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	☐	Blended Network/POS Plan?	☐
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible ($)			$0.00			
Coinsurance (%, Insurer's Cost Share)			100.00%			
OOP Maximum ($)			$850.00			
OOP Maximum if Separate ($)						

Click Here for Important Instructions

Type of Benefit	Tier 1 Subject to Deductible?	Tier 1 Subject to Coinsuranc	Tier 1 Coinsuranc e, if	Tier 1 Copay, if separate	Tier 2 Subject to Deductibl	Tier 2 Subject to Coinsuran	Tier 2 Coinsuran ce, if	Tier 2 Copay, if separate
Medical	☑ AI	☐ AI			☑ AI	☑ AI		
Emergency Room Services	☑	☐		$250.00	☑	☑		
All Inpatient Hospital Services (inc. MHSA)	☑	☐		$0.00	☑	☑		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	☑	☐		$15.00	☑	☑		
Specialist Visit	☑	☐		$35.00	☑	☑		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	☑	☐		$15.00	☑	☑		
Imaging (CT/PET Scans, MRIs)	☑	☐		$0.00	☑	☑		
Rehabilitative Speech Therapy	☑	☐		$35.00	☑	☑		
Rehabilitative Occupational and Rehabilitative Physical Therapy	☑	☐		$35.00	☑	☑		
Preventive Care/Screening/Immunization	☐	☐	100%	$0.00	☐	☐	100%	$0.00
Laboratory Outpatient and Professional Services	☑	☐		$0.00	☑	☑		
X-rays and Diagnostic Imaging	☑	☐		$35.00	☑	☑		
Skilled Nursing Facility	☑	☐		$0.00	☑	☑		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	☑	☐			☑	☑		
Outpatient Surgery Physician/Surgical Services	☑	☐			☑	☑		
Drugs	☑ AI	☑ AI			☑ AI	☑ AI		
Generics	☑	☐		$5.00	☑	☑		
Preferred Brand Drugs	☑	☑	60%		☑	☑		
Non-Preferred Brand Drugs	☑	☑	40%		☑	☑		
Specialty Drugs (i.e. high-cost)	☑	☑	60%		☑	☑		

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	☐
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	☐
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	☑
# Visits (1-10):	3
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	☐
# Copays (1-10):	

Output

Calculate

Status/Error Messages:	CSR Level of 94% (100-150% FPL), Calculation Successful.
Actuarial Value:	93.14%
Metal Tier:	Platinum

[3] The AV calculator produces an AV of 93.18% for a plan with identical inputs other than MHSA cost sharing which is set to no cost sharing, Therefore the waiving of cost sharing on up to three MHSA visits for those not having 3 or more PCP visits is not expected to have any material impact.

BCBSVT Exchange Non-Standard Plans
2015

	GOLD	SILVER	BRONZE	CSR 73%	CSR 77%	CSR 87%	CSR 94%
	Blue For You	Blue For You	Blue For You	Blue For You	Blue For You	Blue For You	Blue For You
Deductible/OOP Max	Deductible	Deductible	CDHP	Deductible	Deductible	Deductible	Deductible
Medical Ded	$1,250	$2,000	$5,000	$1,550	$1,000	$200	$0
Rx Ded	Combined	Combined	Combined	Combined	Combined	Combined	Combined
Integrated Ded	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Medical OOPM	$4,250	$6,250	$6,250	$5,200	$5,200	$2,250	$850
Rx OOPM	$1,250	$1,250	$1,300	$1,250	$1,250	$1,250	$850
Integrated OOPM	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Family Deductible / OOP	Aggregate	Aggregate	Aggregate	Aggregate	Aggregate	Aggregate	Aggregate
Medical Deductible waived for:	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care, 3 PCP/MH Office Visits, Dental Class I	Preventive Care, 3 PCP/MH Office Visits, Dental Class I
Drug Deductible waived for:	N/A	N/A	Wellness Scripts	N/A	N/A	N/A	N/A
Service Category							
Preventive	$0	$0	$0	$0	$0	$0	$0
PCP Office Visit	3 visits per member combined PCP/MH at no cost share before deductible then $20 copay	3 visits per member combined PCP/MH at no cost share before deductible then $30 copay	50%	3 visits per member combined PCP/MH at no cost share before deductible then $30 copay	3 visits per member combined PCP/MH at no cost share before deductible then $30 copay	3 visits per member combined PCP/MH at no cost share before deductible then $30 copay	3 visits per member combined PCP/MH at no cost share before deductible then $15 copay
MH/SA Office Visit			50%				
Specialist Office Visit	$30	$50	50%	$50	$50	$50	$35
Urgent Care	$30	$50	50%	$50	$50	$50	$35
Ambulance	$30	$50	50%	$50	$50	$50	$35
DME	$30	$50	50%	$50	$50	$50	$35
ER	$250	$250	50%	$250	$250	$250	$250
Radiology (MRI, CT, PET)	$500	$1,750	50%	$1,750	$1,750	$1,750	$0
Outpatient	$500	$1,750	50%	$1,750	$1,750	$1,750	$0
Inpatient	$500	$1,750	50%	$1,750	$1,750	$1,750	$0
Rx Generic	$5	$5	$25	$5	$5	$5	$5
Rx Preferred Brand	40%	40%	40%	40%	40%	40%	40%
Rx Non-Preferred Brand	60%	60%	60%	60%	60%	60%	60%
Pediatric Vision (Exam and Materials)	$30	$50	50%	$50	$50	$50	$35
Pediatric Dental Class I	0%	0%	0%	0%	0%	0%	0%
Pediatric Dental Class II	30%	30%	30%	30%	30%	30%	30%
Pediatric Dental Class III	50%	50%	50%	50%	50%	50%	50%

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May 26, 2014

Ms. Ruth Greene
Vice President, Treasurer & CFO
Blue Cross and Blue Shield of Vermont
P.O. Box 186
Montpelier, VT 05601-0186

Re: Projected CY 2015 Net Claims Costs for Pediatric Dental

Dear Ruth:

As you requested, we have developed projected CY 2015 net claims costs for pediatric dental services. The estimates assume the pediatric dental coverage is integrated with the medical coverage, as opposed to being offered as a standalone plan. We assumed the integrated deductible applies to all dental services except Class 1 services, except for the CDHP plans and the Catastrophic plan where it also applies to Class 1 services. This is a significant change from the 2014 benefits where the integrated deductible applies to Class 1 services for all plans. We modeled results for each of the six standard medical plans specified by the State, as well as the four non-standard plans designed by Blue Cross and Blue Shield of Vermont (BCBSVT). The projection is appropriate for CY 2015; adjustments should be made for rates that apply to subsequent periods.

The projected CY 2015 net claims cost per child per month amounts are shown below for each plan:

Medical Plan	Projected Dental Cost
Standard Platinum	$38.77
Standard Gold	$33.62
Standard Silver	$28.78
Standard Bronze	$25.71
Standard Silver CDHP	$16.56
Standard Bronze CDHP	$13.70
Non-Standard Gold	$31.83
Non-Standard Silver	$28.54
Non-Standard Bronze CDHP	$6.28
Non-Standard Catastrophic	$4.94

It should be noted there is a considerable amount of uncertainty in these projections. BCBSVT does not have credible dental claims experience, and as a result, the estimates are based on manual rates using the Milliman Dental Cost Guidelines (DCGs). Beyond the normal level of uncertainty associated with manual rates, there are a number of elements in this pricing that create significant additional uncertainty, such as the integration of medical and dental benefits, potential pent-up demand for dental services, no annual maximum benefit limit, and uncertainty in identifying medically necessary orthodontia services.

It is our understanding that these estimates will be added without any adjustment to BCBSVT's estimates of medical costs to develop premium rates, and that normalization for the expected impact of various rating factors does not apply.

These estimates are intended to assist BCBSVT with its development of proposed CY 2015 rates for individual and small group business that will be sold on the Vermont Exchange for a 1/1/2015 effective date. The estimates may not be appropriate for any other use.

Development of Projected Claims for Non-Orthodontia Services

The projected claims costs for non-orthodontia are based on the Milliman Dental Cost Guidelines (DCGs). The DCG starting costs reflect national average billed charges. The methodology consists of the following steps:

- *Starting Costs* – The DCGs contain starting data by age/gender category. We used the average claims costs for ages 0-21 based on the BCBSVT age mix within the 0-21 age band.

- *Area* – We adjusted the national average starting data to statewide Vermont based on area factors contained in the DCGs.

- *Trend* – We trended the CY 2013 starting data to CY 2015 using a 5% annual trend.

- *Discounts* – We used the 2013 fee level data provided by BCBSVT to develop discount percentages, which were then applied to the projected 2015 billed charges.

- *Benefit Richness* – We made adjustments to reflect the expected impact of member cost sharing on projected utilization levels. These adjustments are based on the Milliman Dental Cost Guidelines and actuarial judgment.

- *Pent-Up Demand* – We assumed most members would not have prior dental coverage based on information provided by BCBSVT. The DCGs suggest a factor of 1.30 for new business; however that factor applies to a standard population. We reduced the DCG factor to 1.15 to reflect the expected lower impact for the mix of services expected for children. BCBSVT expects this level to moderate to 1.10 for members in their second year of coverage. Based on the expected mix of first and second year members in 2015, BCBSVT estimates an average factor of 1.11.

- *Projected Allowed Costs* – Applying the adjustments described above results in the projected allowed costs for non-orthodontia costs.

- *Projected Net Costs* – As mentioned above, the projections assume the dental benefits are integrated with medical, as specified by BCBSVT. The projections reflect the medical benefits for the six medical plans specified by the State and the four non-standard plans designed by BCBSVT. The medical benefits are shown in the attached tables. The dental coinsurance is 100/70/50% on Classes 1-3 services, respectively, except that Space Maintainers are covered at 100% and Bridges and Simple Repairs are covered at 70%. We developed the net costs in two steps.

  In the first step, we modeled the medical benefits and determined the portion of the deductible and out-of-pocket maximum that would be filled by medical claims, and the portion that would remain to be applied to dental services. We modeled the medical benefits using a child claims probability distribution from the Milliman Health Cost Guidelines (HCGs), scaled to match the projected CY 2015 child allowed PMPM of $266 provided by BCBSVT. We performed a simulation of 10,000 members and tabulated the remaining deductible and out-of-pocket maximum amounts.

  In the second step, we used the remaining deductible and out-of-pocket maximum amounts and the dental coinsurance percentages to develop dental net claims costs for the each of the modeled 10,000 members. The dental development is based on a child non-orthodontia dental claims probability distribution from the DCGs that is scaled to the projected dental allowed claims PMPM described above. The overall projected dental net claims cost is the average of the dental net claims cost for each of the 10,000 modeled members.

  By assuming the medical benefits apply to the deductible and out-of-pocket maximum prior to any dental claims, the projected net claims cost for dental services is overstated. However, our understanding is that BCBSVT is not reflecting the impact of dental costs on the deductible and out-of-pocket maximum in its development of the medical costs, and these projected dental amounts are intended to represent the estimated incremental cost of dental services relative to the medical cost estimates developed by BCBSVT.

Development of Projected Costs for Orthodontia Services

The orthodontia coverage includes medically necessary orthodontia only. While the State's benefit description does include the criteria that define medical necessity, it was not possible to precisely identify medically necessary orthodontia in the orthodontia data available to us.

We started with a child orthodontia claims probability distribution from the DCGs, area adjusted to statewide Vermont and trended to CY 2015. We assumed that medically necessary orthodontia would have a higher average annual claims amount than non-medically necessary orthodontia. We assumed that 30% of children with orthodontia costs greater than $3000 would have medically necessary orthodontia. This results in just under 30% of the overall orthodontia costs being allocated to medically necessary orthodontia.

We modeled orthodontia claims separately from non-orthodontia claims. We assumed the integrated deductible and out-of-pocket maximum apply to orthodontia, and we applied 50% coinsurance. In the orthodontia development we assumed children with medically necessary orthodontia claims have

twice the level of medical claims on average due to the nature of their conditions, and average levels of non-orthodontia costs.

Limitations

The following limitations apply to our analysis.

- *Data Reliance* – In performing our analysis, we relied on data and other information provided by BCBSVT. We have not audited or verified this data and other information. Such a review is beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

- *Variability* – It is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent that actual experience is different from the assumptions used in the projections, the actual amounts will also deviate from the projected amounts. We recommend that BCBSVT monitor the emerging experience and make adjustments as warranted.

- *Distribution and Use* – This letter has been prepared for the use of and is only to be relied upon by the management of BCBSVT. No portion of this letter may be provided to any other party without Milliman's prior written consent, which consent shall not be unreasonably withheld but may be conditioned upon the execution by a third party of Milliman's standard release form; provided however, BCBSVT may provide the letter to any applicable governmental or regulatory agency as required by law. In the event such consent is provided, the letter must be provided in its entirety. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Qualifications

This report may be considered a statement of actuarial opinion under guidelines promulgated by the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet its Qualification standards to render the opinion contained herein.

Please call me if you have any questions or if there is any additional assistance that we can provide.

Sincerely,

George N. Berry, FSA.
Principal and Consulting Actuary

GNB/pg/jpj
Enclosures

Table 1
Blue Cross Blue Shield of Vermont
Summary of Standard Plan Designs, Revised

Deductible/OOP Max	Platinum	Gold	Silver	Bronze	Silver CDHP	Bronze CDHP
Medical Ded	$150	$750	$1,900	$3,500	$1,550	$2,000
Rx Ded	$0	$50	$100	$300	Combined	Combined
Integrated Ded	No	No	No	No	Yes	Yes
Medical OOPM	$1,250	$4,250	$5,100	$6,350	$5,750	$6,250
Rx OOPM	$1,250	$1,250	$1,250	$1,250	$1,300	$1,300
Integrated OOPM	No	No	No	Yes	Yes	Yes
Family Ded / OOP	Stacked, 2x Ind	Stacked, 2x Ind	Stacked, 2x Ind	Stacked, 2x Ind	Aggregate, 2x Ind	Aggregate, 2x Ind
Med Ded waived for:	Prev, OV, UC, Amb, ER, Dental Class 1, Vision	Prev, OV, UC, Amb, ER, Dental Class 1, Vision	Prev, OV, UC, Amb, Dental Class 1, Vision	Preventive, Dental Class 1	Preventive	Preventive
Drug Ded waived for:	N/A	Generic scripts	Generic scripts	N/A	Wellness scripts	Wellness scripts
Service Category	Copay / Coinsurance					
Inpatient	10%	20%	40%	50%	20%	50%
Outpatient	10%	20%	40%	50%	20%	50%
ER	$100	$150	$250	50%	20%	50%
Radiology (MRI, CT, PET)	10%	20%	40%	50%	20%	50%
Preventive	$0	$0	$0	$0	0%	0%
PCP Office Visit	$10	$15	$25	$35	10%	50%
MH/SA Office Visit	$10	$15	$25	$35	10%	50%
Specialist Office Visit	$20	$25	$45	$80	20%	50%
Urgent Care	$40	$45	$60	$100	20%	50%
Ambulance	$50	$50	$100	$100	20%	50%
DME	10%	20%	40%	50%	20%	50%
Rx Generic	$5	$5	$12	$20	$10	$12
Rx Preferred Brand	$40	$40	$50	$80	$40	40%
Rx Non-Preferred Brand	50%	50%	50%	60%	50%	60%

Table 2
Blue Cross Blue Shield of Vermont
Non-Standard Plans

Deductible/OOP Max	Gold	Silver	Bronze CDHP	Catastrophic
Medical Ded	$1,250	$2,000	$5,000	$6,600
Rx Ded	Combined	Combined	Combined	Combined
Integrated Ded	Yes	Yes	Yes	Yes
Medical OOPM	$4,250	$6,250	$6,250	$6,600
Rx OOPM	$1,250	$1,250	$1,300	$1,300
Integrated OOPM	Yes	Yes	Yes	Yes
Family Ded / OOP	Aggregate, 2x Ind	Aggregate, 2x Ind	Aggregate, 2x Ind	Aggregate, 2x Ind
Med Ded waived for:	Prev, 3 PCP/MH OV, Dental Class 1	Prev, 3 PCP/MH OV, Dental Class 1	Preventive Care	Preventive Care, 3 PCP/MH OV
Drug Ded waived for:	N/A	N/A	Wellness Drugs	N/A
Service Category	Copay / Coinsurance			
Inpatient	$500	$1,750	50%	0%
Outpatient	$500	$1,750	50%	0%
ER	$250	$250	50%	0%
Radiology (MRI, CT, PET)	$500	$1,750	50%	0%
Preventive	$0	$0	0%	0%
PCP Office Visit	3 visits/member combined PCP/MH at no cost share before deductible then $20 copay	3 visits/member combined PCP/MH at no cost share before deductible then $30 copay	50%	3 visits/member combined PCP/MH at no cost share before deductible then 0% coinsurance
MH/SA Office Visit			50%	
Specialist Office Visit	$30	$50	50%	0%
Urgent Care	$30	$50	50%	0%
Ambulance	$30	$50	50%	0%
DME	$30	$50	50%	0%
Rx Generic	$5	$5	$25	0%
Rx Preferred Brand	40%	40%	40%	0%
Rx Non-Preferred Brand	60%	60%	60%	0%

2015 Rates Table Template v4.0

To validate press Validate button or Ctrl + Shift + V. 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 + S. All plans must have the same dates on a sheet.

HIOS Issuer ID*	13627
Federal TIN*	03-0277307
Rate Effective Date*	1/1/2015
Rate Expiration Date*	12/31/2015

					Family Tier						
Plan ID* **Required:** Enter the 14-character Plan ID	**Rating Area ID*** **Required:** Select the Rating Area ID	**Tobacco*** **Require:** Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	**Age*** **Required:** Select the age of a subscriber eligible for the rate	**Individual Rate*** **Required:** Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	**Couple *** **Required:** Enter the rate of a couple based on the pairing of a primary enrollee and a secondary subscriber (e.g. husband and spouse)	**Primary Subscriber and One Dependent*** **Required:** Enter the rate of a family based on a single parent with one dependent	**Primary Subscriber and Two Dependents*** **Required:** Enter the rate of a family based on a single parent with two dependents	**Primary Subscriber and Three or More Dependents*** **Required:** Enter the rate of a family based on a single parent with three or more dependents	**Couple and One Dependent*** **Required:** Enter the rate of a family based on a couple with one dependent	**Couple and Two Dependents*** **Required:** Enter the rate of a family based on a couple with two dependents	**Couple and Three or More Dependents*** **Required:** Enter the rate of a family based on a couple with three or more dependents
13627VT0380001	Rating Area 1	No Preference	Family Option	504.25	1008.51	973.21	973.21	973.21	1416.95	1416.95	1416.95
13627VT0380002	Rating Area 1	No Preference	Family Option	430.45	860.91	830.78	830.78	830.78	1209.58	1209.58	1209.58
13627VT0390003	Rating Area 1	No Preference	Family Option	357.52	715.03	690.00	690.00	690.00	1004.62	1004.62	1004.62
13627VT0340002	Rating Area 1	No Preference	Family Option	650.52	1301.04	1255.50	1255.50	1255.50	1827.96	1827.96	1827.96
13627VT0340003	Rating Area 1	No Preference	Family Option	555.65	1111.30	1072.40	1072.40	1072.40	1561.37	1561.37	1561.37
13627VT0340004	Rating Area 1	No Preference	Family Option	470.70	941.40	908.46	908.46	908.46	1322.67	1322.67	1322.67
13627VT0350001	Rating Area 1	No Preference	Family Option	440.12	880.24	849.44	849.44	849.44	1236.74	1236.74	1236.74
13627VT0340005	Rating Area 1	No Preference	Family Option	394.33	788.67	761.06	761.06	761.06	1108.08	1108.08	1108.08
13627VT0350002	Rating Area 1	No Preference	Family Option	382.78	765.55	738.76	738.76	738.76	1075.60	1075.60	1075.60
13627VT0340001	Rating Area 1	No Preference	Family Option	229.44	458.88	442.82	442.82	442.82	644.72	644.72	644.72
13627VT0360001	Rating Area 1	No Preference	Family Option	504.25	1008.51	973.21	973.21	973.21	1416.95	1416.95	1416.95
13627VT0360002	Rating Area 1	No Preference	Family Option	430.45	860.91	830.78	830.78	830.78	1209.58	1209.58	1209.58
13627VT0370003	Rating Area 1	No Preference	Family Option	357.52	715.03	690.00	690.00	690.00	1004.62	1004.62	1004.62
13627VT0320001	Rating Area 1	No Preference	Family Option	650.52	1301.04	1255.50	1255.50	1255.50	1827.96	1827.96	1827.96
13627VT0320002	Rating Area 1	No Preference	Family Option	555.65	1111.30	1072.40	1072.40	1072.40	1561.37	1561.37	1561.37
13627VT0320003	Rating Area 1	No Preference	Family Option	470.70	941.40	908.46	908.46	908.46	1322.67	1322.67	1322.67
13627VT0330001	Rating Area 1	No Preference	Family Option	440.12	880.24	849.44	849.44	849.44	1236.74	1236.74	1236.74
13627VT0320004	Rating Area 1	No Preference	Family Option	394.33	788.67	761.06	761.06	761.06	1108.08	1108.08	1108.08
13627VT0330002	Rating Area 1	No Preference	Family Option	382.78	765.55	738.76	738.76	738.76	1075.60	1075.60	1075.60