

**State:** Vermont **Filing Company:** BCBSVT  
**TOI/Sub-TOI:** H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group  
**Product Name:** BCBSVT 2013 Exempt Assoc & Trust Rate Develop. VT Automobile Dealers Association (VADA)  
**Project Name/Number:** /

## Filing at a Glance

Company: BCBSVT  
Product Name: BCBSVT 2013 Exempt Assoc & Trust Rate Develop. – VT Automobile Dealers Association (VADA)  
State: Vermont  
TOI: H15G Group Health - Hospital/Surgical/Medical Expense  
Sub-TOI: H15G.001 Any Size Group  
Filing Type: Rate  
Date Submitted: 07/19/2013  
SERFF Tr Num: BCVT-129124084  
SERFF Status: Assigned  
State Tr Num: 67217  
State Status: Pending Department Review  
Co Tr Num:  
Implementation: On Approval  
Date Requested:  
Author(s): Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux  
Reviewer(s): Phil Keller (primary), Sean Londergan  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

**State:** Vermont **Filing Company:** BCBSVT  
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## General Information

Project Name: Status of Filing in Domicile:  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Small and Large  
Group Market Type: Association Overall Rate Impact:  
Filing Status Changed: 07/22/2013  
State Status Changed: 07/22/2013 Deemer Date:  
Created By: Jude Daye Submitted By: Pam Young  
Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

July 19, 2013

Phil Keller

Director of Insurance Rates and Forms

Vermont Department of Financial Regulation

89 Main Street

Montpelier, VT 05620-3101

Subject: Blue Cross and Blue Shield of Vermont (NAIC # 0053295)

2013 Exempt Association and Trust Rate Development for Vermont Auto Dealers Association (VADA).

Dear Mr. Keller:

As you have directed, we are submitting for your review and approval the rate development for the cost plus exempt association Vermont Auto Dealers' Association (VADA), which is renewing on November 1, 2013.

As described in the enclosed filing narrative, we have developed these rates using fourth quarter 2013 trends as approved by the Department and second quarter 2013 stop loss fees and fourth quarter 2013 administrative fees which have been filed with the Department but not yet approved.

No changes have been made to the benefit relativities for products contained in this filing. Rates for other benefit options requested by the association are developed using the benefit relativity factors from the factor filing. Where known, rates for benefit options selected by the association at the time of this filing are provided.

VADA is a cost plus customer and, as such, self-insures its coverage with Blue Cross and Blue Shield of Vermont. The VADA proposed billed rates are included in Exhibit's VI and VII, the overall increase is 1.9 percent. A letter of attestation from VADA is also included.

Please do not hesitate to contact me if there is anything we can do to facilitate your review.

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Sincerely,

Kevin Goddard

cc: Tammy Tomczyk / Oliver Wyman – Milwaukee  
 Sean Londergan / DFR  
 Ruth Greene / BCBSVT  
 Vince Mace / BCBSVT  
 Laurie Meis / BCBSVT

## Company and Contact

### Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com  
 445 Industrial Lane 802-371-3244 [Phone]  
 Montpelier, VT 05601

### Filing Company Information

BCBSVT	CoCode: 53295	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: Hospital
Montpelier, VT 05601	Group Name:	Service Corp
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0277307	State ID Number:

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
BCBSVT	\$50.00	07/19/2013	72121574

SERFF Tracking #:

BCVT-129124084

State Tracking #:

67217

Company Tracking #:

State: Vermont Filing Company: BCBSVT  
 TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group  
 Product Name: BCBSVT 2013 Exempt Assoc & Trust Rate Develop. VT Automobile Dealers Association (VADA)  
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### Rate Information

Rate data applies to filing.

Filing Method: Experience Rated  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: 3.600%  
 Effective Date of Last Rate Revision: 11/01/2012  
 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:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
BCBSVT	Increase	1.944%	1.944%	\$194,311	1,407	\$9,995,436	2.061%	1.857%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:	0	1,527	0	0	774	0	0	0
Policy Holders:	0	937	0	0	470	0	0	0

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 Project Name/Number: /

## Rate Review Detail

### COMPANY:

Company Name: BCBSVT  
 HHS Issuer Id: 99852  
 Product Names: HSA Blue, Vermont Freedom Plan  
 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: 27,400  
 Benefit Change: Increase  
 Percent Change Requested: Min: 1.857 Max: 2.061 Avg: 1.944

### PRIOR RATE:

Total Earned Premium: 9,995,436.00  
 Total Incurred Claims: 9,005,888.00  
 Annual \$: Min: 234.25 Max: 428.03 Avg: 362.15

### REQUESTED RATE:

Projected Earned Premium: 10,189,548.00  
 Projected Incurred Claims: 8,976,992.00  
 Annual \$: Min: 238.88 Max: 436.28 Avg: 369.19

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VADA Association Narrative 2013.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Satisfied - Item:</b>	Health Administrative Forms
<b>Comments:</b>	
<b>Attachment(s):</b>	F106 - BCBSVT 2013 - EA&T - VADA.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Health Filing Data
<b>Bypass Reason:</b>	Our variability data is filed with our outline of coverage filings.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Bypassed - Item:</b>	Consumer Disclosure Form
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**SERFF Tracking #:**

BCVT-129124084

**State Tracking #:**

67217

**Company Tracking #:**

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<b>Bypass Reason:</b>	Does not meet or exceed threshold.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not required - large group rating.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Exhibits, Rate Sheets and Attestation Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	VADA Filing Exhibits.pdf All signed rate sheets.pdf VADA Attestation Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**Blue Cross and Blue Shield of Vermont**  
**Exempt Association and Trust Rate Development Filing for**  
**Vermont Auto Dealers' Association**  
*Renewal Rates Effective November 2013 - October 2014*

**Description of Arrangement**

VADA is an exempt association as defined in 8 VSA § 4080a. (h)(3) offering small group plans to member small group employers. It does this through a 'Cost Plus' arrangement provided by BCBSVT. Under this arrangement BCBSVT makes available various benefit plans, pays claims, provides stop loss coverage, and collects contributions from VADA participating groups on VADA's behalf. VADA is responsible to reimburse BCBSVT for the claims as they appear.

**Purpose**

The purpose of this filing is to develop rates to be charged to its participating employers by the self-funded association Vermont Auto Dealers' Association (VADA).

**Effective Period**

The rates developed for VADA are effective November 1, 2013 through October 31, 2014.

**Source of Data**

The data used for the rate development came from the BCBSVT data warehouse with incurred dates of March 1, 2012 through February 28, 2013 and paid March 1, 2012 through April 30, 2013.

**Source of Filed Rating Factors**

Filed factors used in the development are as follows:

- Stop loss costs are based on the Q2 2013 charge factors contained in the filed not yet approved BCBSVT Provision for Large Claims and Stop Loss Filing (SERFF Tracking # BCVT-128809318). (Exhibit II)
- The trends used in the renewal rating are based on the approved BCBSVT Q3-Q4 2013 Trend Filing (SERFF Tracking # BCVT-128904800). (Exhibit III)
- Administration fees and reserve contributions are based on the filed not yet approved BCBSVT Q4 2013 Administrative Charge Schedule (SERFF Tracking # BCVT-129035275). (Exhibit II)

**Other Items**

We recommend that individual stop loss levels increase on an annual basis to mitigate the leveraging impact of trend. VADA has elected to move their current \$260,000 stop loss level to \$300,000.

As shown in Exhibit II, VADA negotiated administrative fees and individual stop loss fees below filed (not yet approved) levels.

## **Rate Development (Exhibit I)**

Experience period claims are based on incurred dates of March 1, 2012 through February 28, 2013 and paid through April 30, 2013. These claims exclude any individual claims over the stop loss limit of \$300,000 per individual. Completion factors are applied to estimate the ultimate incurred claims for the experience period and expected claims above the individual stop loss limit of \$300,000 per individual are added in.

Claims are adjusted for the following:

### **Experience Adjustment Factor (Exhibit IV)**

#### **Vermont Act 158: Early Childhood Developmental Disorders**

Vermont Act 158 expanded the Vermont autism mandate, effective since October 1, 2011. The mandate will be effective for new business and for existing business upon sale/renewal on or after October 1, 2012. The mandate requires that all health insurance plans provide coverage for the diagnosis and treatment of early developmental disorders (including autism spectrum disorders), for children beginning at birth until 21 years of age.

To estimate the additional cost of this expanded mandate, we assumed:

- No additional charges resulting from the expanded definition of coverage of early childhood developmental disorders, since the law specifies that the treatments must be deemed medically necessary, and therefore we already provide coverage.
- An updated prevalence of autism assumption of 1/88 (according to a CDC autism study summary, published March 31, 2012).
- A table of Updated Annual Costs of autism by age, based on the “Annual Mandated Health Insurance Services Evaluation”, prepared by Mercer and Oliver Wyman for the Maryland Health Care Commission, published on December 31, 2008.

We used the distribution of BCBSVT membership in the age range of birth to 21 to calculate the additional cost of the expanded mandate, with the result of \$3.37 PMPM.

We have pro-rated the cost for the applicable experience period.

#### **Vaccine Mandate**

The Vaccines for Vermonters program began April 1, 2011. Under this program, the Vermont Department of Health (VDH) purchases and distributes vaccines for use by Vermont primary health care providers and charges insurers annually for the projected cost of vaccines (plus administration charges) for their members. The VDH has determined the amount to be charged to BCBSVT for its portion of the total vaccines purchased for the program. The total allocable to VADA members, plus vaccine costs estimated for VADA members’ providers who traditionally have not participated in similar vaccine programs, minus vaccine

costs already included in the experience period, results in \$0.79 PMPM for all members.

**Preventive Care - Woman's Health.**

Our actuaries have determined the expected cost of expanding preventive benefits for Women's Health to be \$1.13 PMPM. This was effective for any group renewing on or after 8/1/2012.

We have pro-rated the cost for the applicable experience period.

**Maine Reinsurance**

Maine Guaranteed Access Reinsurance Association (MGARA) is a reinsurance program for the higher risk segment of Maine's individual health market. The assessment is due from each insurance company (or similar organization) that provides medical insurance in Maine and each TPA that administers any medical claims in Maine. MGARA has set its 2012 Assessment at \$4.00 per month for each covered person enrolled under each such program. During the experience period VADA had 18 Maine member months.

**Transgender**

The transgender surgery exclusion is being removed from member certificates, and we estimate the cost of this to be \$0.014 PMPM

**Mental Health Claims**

Mental health claims were previously capitated and now will be fee-for-service and therefore must be included in the claim projection. VADA's mental health capitations during the experience period were used as a proxy for the mental health claims.

We calculate an experience period total claims PMPM by dividing the resulting claims by experience period member months. We then multiply the projected claims by a trend factor to project renewal period total claims experience PMPM. We calculate a composite annual trend rate by weighting annual trends leveraged for VADA's benefits by their claim distribution by benefit. Exhibit III provides this calculation. We apply the annual trend over the number of months from the mid-point of the experience period to the mid-point of the rating period (20 months).

VADA had no benefit changes during the experience period. Claims are adjusted slightly to reflect movement between plans.

**Vermont Act 171: Rx Out-of-Pocket Maximum Mandate**

A new Vermont mandate limits a member's prescription drug out-of-pocket expenditures to no more than the minimum dollar amounts of Health Savings Account deductibles, as set forth by the Internal Revenue Code (IRC) each year, for self-only and family coverage. For 2013, the IRC individual limit is \$1,250 and the family limit is \$2,500. For prescription drug benefits offered in conjunction with a high-deductible health plan (HDHP), the plan may not provide prescription drug benefits until the expenditures applicable to the deductible under the HDHP have met the amount of the minimum annual deductibles in effect for self-only and family coverage under the IRC. Once the foregoing expenditure amount has been met under the HDHP, coverage for

prescription drug benefits shall begin, and the limit on out-of-pocket expenditures for prescription drug benefits shall be as specified above.

Using the claims data base that was developed for BCBSVT's Q2 2013 Benefit Relativity Methodology filing (SERRF Tracking # BCVT-128829812), we have developed tables of benefit values using models that "re-adjudicate" claims according to the new mandate's rules for Rx out-of-pocket maximums. From this process, we have created benefit relativities, which we have used to determine the estimated reduction in cost for increasing the current out-of-pocket maximums of \$1,200 for individuals and \$2,400 for families.

VADA has then used their discretion to lower the expected claims. VADA reviewed multiple years of experience and considers the current year to be atypically high. Anticipating that claims will return to more typical, moderate levels in the future, they have requested that we reduce the claims projection by 1.2 percent.

Claims above the individual stop loss limit of \$300,000 are then removed from the total projected claims. The result is projected renewal period claims below the individual stop loss limit of \$300,000 PMPM.

We then add stop loss charges, capitations, net cost of reinsurance, the actual and expected pharmacy rebates for the experience period, administrative expense fees and contribution to reserve to the claim projection, resulting in total required funding before state and federal assessments PMPM. Exhibit II provides the calculation of stop loss charges and retention.

We then adjust the projected renewal rate PMPM to include Federal and State Assessments. These assessments include the Vermont Information Technology Leaders (VITL) Surcharge, Vermont Health Care Claims Assessment, Vermont Blueprint for Health Expansion, and Federal Patient-Centered Outcomes Research Trust Fund Fee. The description of the adjustment made to costs for these assessments is below. A summary of the total adjustment to renewal rate equivalent is included in Exhibit IV.

#### **VITL**

The VITL surcharge of 0.199 percent applies to all claims or capitations incurred by members with Vermont zip codes. We used the percentage of current members with Vermont zip codes to estimate the percentage of rating period claims expected to be incurred by Vermont members. Approximately 86.9 percent of VADA's current members have Vermont zip codes. We applied the 0.199 percent surcharge to 86.9 percent of VADA's incurred claim and capitation estimates and, as a result, to components expressed as a percent of those claims, including stop loss charges.

#### **HCC Assessment**

The Health Care Claims Assessment of 0.800 percent applies to all claims or capitations incurred by members with Vermont zip codes. We used the percentage of current members with Vermont zip codes to estimate the percentage of rating period claims expected to be incurred by Vermont members. Approximately 86.9 percent of VADA's current members have Vermont zip codes. We applied the 0.800 percent assessment to 86.9 percent of VADA's incurred claim and capitation estimates and, as a result,

to components expressed as a percent of those claims, including stop loss charges.

### **Blueprint**

The Blueprint for Health Program has expanded and will continue to expand in the coming months. We have used projected capitations that were based on the Blueprint program's published expansion plan. With March 2013 membership and Blueprint capitation, determining which members' physicians are currently enrolled in the Blueprint Program and which members' physicians will be enrolled during the filing period, the projected PMPM is \$1.85 for all members.

### **Patient-Centered Outcomes Research Trust Fund Fee:**

This fee is part of the Affordable Care Act and applies to all plan years ending after September 30, 2012. We estimate the fee to be \$2.11 annually for average number of lives covered under all health plans. Therefore, we included a \$0.18 PMPM charge in the rate calculation.

As described above, we have adjusted rates and benefits for the state and federal mandates/assessments, pharmacy rebates, and Blueprint expansion.

Rates are included in the following exhibits:

- Exhibit V - Development of Pro Forma Rates: November 2013 - December 2013
- Exhibit VI - Comparison of Renewal Pro Forma Rates to VADA Billed Rates
- Exhibit VII - Comparison of Current VADA Billed Rates to Renewal VADA Billed Rates
- Exhibit VIII - Development of Pro Forma Rates: January 2013 - October 2013
- Signed Final Rate Sheets

Since VADA has a "Cost Plus" arrangement with BCBSVT, VADA has always set its own premiums using the rate development information provided by BCBSVT. Exhibits VI & VII contain the rates that will be charged to subscribers. The overall increase VADA will be charging their groups is 1.9 percent. A copy of the proposed rates signed by a representative of VADA is included.

Under the federal Affordable Care Act, health plans are subject to certain mandatory assessments that will be calculated by the U.S. government including the annual health insurer fee and the federal transition reinsurance program assessment. Health plans are permitted to pass on or recoup these assessments from their customers. VADA's pro-forma rates will increase by \$5.25 PMPM on January 1, 2014 for the Federal Transitional Reinsurance Fee (Exhibit VIII) - VADA has elected to keep the billing rates at an overall increase of 1.9% for the entire twelve month contract period (Exhibits VI & VII).

**Enrollment Summary**

As of March 2014, there are 1,376 contracts / 2,255 members.

**Submitted by:**

*Laurie D. Meis*

July 19, 2013

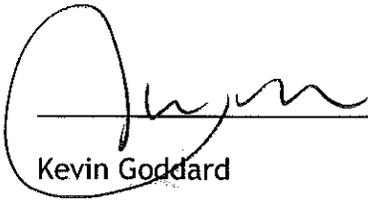
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Laurie D. Meis  
Senior Underwriter  
Blue Cross and Blue Shield of Vermont

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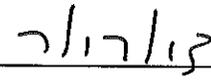
Date

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

  
\_\_\_\_\_

Date

**Health Filing Form F106 (7/98)  
Required Information for All Filings & the Fee**

NAIC#: 53295  
Company Name Blue Cross Blue Shield of Vermont  
Address: PO Box 186  
City, State, Zip: Montpelier, VT 05601  
Phone: 371-3450 Contact Person: Alison Partridge

**Filing Contents:** BCBSVT 2013 Vermont Auto Dealers Association Rate Development

- 1) New:  Change:   
If a Change: Latest Approval Date \_\_\_\_\_ Vermont Filing #:  
2) Rates:  Forms:  Rates & Forms:   
3) Policy:  Contract:  Amendment:  Endorsement:   
Handbook:  Rider:  Certificate:  Other: Outline  
4) Individual:  Small Group (1-50):  Large Group (51+):  All Groups:

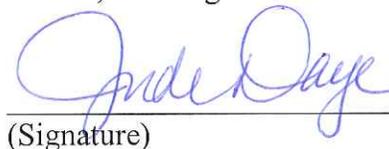
**Type of Filing:**

- |   |  |   |
|---|--|---|
| Accident Only: <input type="checkbox"/>                   | Dental: <input type="checkbox"/>                       | Miscellaneous: <input type="checkbox"/>         |
| AD&D: <input type="checkbox"/>                            | Disability: <input type="checkbox"/>                   | Nursing Home Only: <input type="checkbox"/>     |
| Advertising: <input type="checkbox"/>                     | Home Health Only: <input type="checkbox"/>             | Organ Transplant: <input type="checkbox"/>      |
| Blanket: <input type="checkbox"/>                         | Hospital Indemnity: <input type="checkbox"/>           | Prescription Drug: <input type="checkbox"/>     |
| Cancer Expense: <input type="checkbox"/>                  | Limited Benefit: <input type="checkbox"/>              | Student/Athlete: <input type="checkbox"/>       |
| Comprehensive/<br>Major Medical: <input type="checkbox"/> | Long Term Care:<br>Qualified: <input type="checkbox"/> | Stop Loss/Excess Risk: <input type="checkbox"/> |
| Conversion: <input type="checkbox"/>                      | Non-Qualified: <input type="checkbox"/>                | Travel: <input type="checkbox"/>                |
| Critical Illness: <input type="checkbox"/>                | Medicare Supplement: <input type="checkbox"/>          | Vision: <input type="checkbox"/>                |
|   |  | Other: <u>Association Rate Dev.</u>             |

**Mandatory - Filing Fee Information:**

1. State of Domicile: Vermont
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes  No
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye  
(Printed Name)

  
(Signature)

**Blue Cross and Blue Shield of Vermont  
VADA Rate Development**

Effective: November 1, 2013

***Rate Development Contents***

- Exhibit I      Development of Cost Plus Funding Projection**
  - Exhibit II     Stop Loss / Administrative Charge Development**
  - Exhibit III    Composite Trend Development**
  - Exhibit IV    Mandated Benefits / Federal and State Assessments**
  - Exhibit V     Development of Pro Forma Rates for Renewing Benefits**  
(Blue Cross Blue Shield effective 11/1/13 - 12/31/13)
  - Exhibit VI    Comparison of Renewal Pro Forma Rates to VADA Billed Rates**
  - Exhibit VII   Comparison of Current VADA Billed Rates to Renewal VADA Billed Rates**
  - Exhibit VIII   Development of Pro Forma Rates for Renewing Benefits**  
(Blue Cross Blue Shield effective 1/1/14 - 10/31/14)
- Billed Rate Sheets Signed by VADA**



**Development of Cost Plus Funding Projection  
For Period November 1, 2013 through October 31, 2014**

<b>Claim Development</b>					
<i>Claims Incurred March 1, 2012 through February 28, 2013, Paid through April 30, 2015</i>					
Paid Claims in Experience Period	\$ 8,147,512				
Claims over \$300,000 ISL	- \$ -				
Capped Claims	\$ 8,147,512				
Completion Factor	x 1.007				
Completed Experience Period Claims	\$ 8,202,457				
Expected Claims Above ISL	+ \$ 158,413				
Experience Adjustment Factor*	x 1.047				
Experience BRV	/ 0.8008				
Total Claims (Standard Benefit)	\$ 10,931,858				
Experience Period Member Months	/ 27,400				
Experience Period Total Claims (Standard Benefit) PMPM	\$ 398.97				
Trend Factor (4.8% annually for 20 months)	x 1.081				
Renewal Period Total Claims (Experience) PMPM	\$ 431.47				
<table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td align="center" colspan="2">Credibility Adjustment (Experience Rate x Credibility) + (Manual Rate x Credibility Residual) (<math>431.47 \times 100.0\%</math>) + (<math>339.15 \times 0.0\%</math>)</td> </tr> <tr> <td align="right">=</td> <td align="right">\$ 431.47</td> </tr> </table>		Credibility Adjustment (Experience Rate x Credibility) + (Manual Rate x Credibility Residual) ( $431.47 \times 100.0\%$ ) + ( $339.15 \times 0.0\%$ )		=	\$ 431.47
Credibility Adjustment (Experience Rate x Credibility) + (Manual Rate x Credibility Residual) ( $431.47 \times 100.0\%$ ) + ( $339.15 \times 0.0\%$ )					
=	\$ 431.47				
Projected Standard Benefit Single Claims Rate PMPM	\$ 431.47				
Projected Renewal BRV	0.7995				
Adjustment to BRV for Rx OOPM	- 0.0005				
VADA Discretion	x 0.988				
Total Projected Renewal Period Claims with Renewing Benefits PMPM	\$ 340.72				
Projected Renewal Period Claims Above ISL PMPM	- \$ 6.46				
Projected Renewal Period Claims Below ISL PMPM	\$ 334.27				

<b>Projected Funding Requirement Before State and Federal Assessments</b>	
Renewal Period Claims Below ISL PMPM	\$ 334.27
Stop Loss PMPM (ISL: \$300,000 ASL: 125%)	\$ 11.48
Capitations PMPM	\$ 0.95
Net Cost of Reinsurance PMPM	\$ 0.62
Rx Rebates PMPM	\$ (2.31)
Administration PMPM	\$ 35.26
Contribution to Reserve (0.5%) PMPM	\$ 1.94
Broker Commissions (0.0%) PMPM	+ \$ -
Total Required Funding Before Assessments PMPM	\$ 382.20
Funding at Current Rates PMPM	/ \$ 357.98
Change to Current Rates Before Assessments	<b>6.8%</b>

<b>Projected Rate Change Effective 11/1/2013</b>	
Total Required Funding Before Assessments PMPM	\$ 382.20
Vermont Information Technology Leaders (VITL) Surcharge PMPM	\$ 0.60
Vermont Health Care Claims (HCC) Assessment PMPM	\$ 2.40
Vermont BluePrint Expansion PMPM	\$ 1.85
Federal Patient-Centered Outcomes Research Trust Fund Fee PMPM	+ \$ 0.18
Total Required Funding PMPM	\$ 387.22
Funding at Current Rates PMPM	/ \$ 357.98
Change to Current Rates	<b>8.2%</b>

\* Includes adjustments for items such as, but not limited to, state mandates, federal mandates, contracting changes, and utilization management changes.

**Blue Cross and Blue Shield of Vermont  
VADA Rate Development**

Effective: November 1, 2013

***Stop Loss Charge Development***

ISL: \$300,000  
ASL: 125%

Product Type	Current Members	Projected Claims	Q4 2013* Charge For \$320,000 ISL	Q4 2013* Charge For 125% ASL	Net cost of reinsurance PMPM
Carveout	171	\$51,744	N/A	0.497%	N/A
Non-Carveout	2,084	\$8,938,671	2.888%	0.497%	\$0.62
<b>Total</b>	<b>2,255</b>	<b>\$8,990,416</b>	<b>\$258,182</b>	<b>\$44,702</b>	<b>\$16,692</b>

\*Per - Q2 2013 Filed Not Yet Approved. VADA negotiated \$300,000 ISL at \$320,000 charge level.

***Administrative Expense Charge Development***  
**Q4 2013 Filed Not Yet Approved**

	PUPM Fees 11/1/2013	Units	PMPM
<b>Cost Plus</b>			
Cost Plus Account	\$2,761.69	1	\$1.22
Billing Group	\$259.45	118	\$13.58
Member <sup>(1)</sup>	\$22.14	2,255	\$22.14
DM Member <sup>(1)</sup>	\$2.18	2,255	\$2.18
Total PMPM as filed			\$39.12
VCC Admin	\$1.00	2,255	\$1.00
Total PMPM including VCC			\$40.12

**VADA Fees Compared to Approved:**

Product Type	Current Members	Filed Admin Fee	VADA 2013	
<b>PMPM Fees:</b>				
Non Med Supp	2,255	\$40.12		
<b>Total PMPM</b>	<b>2,255</b>	<b>\$40.12</b>	<b>\$</b>	<b>35.26</b>
Total Annualized Administration Fee		\$1,085,681	\$954,179	PMPM \$35.26
Reserve Contribution	0.5%	\$52,390	\$52,390	\$1.94
Broker Commissions	0.0%	\$0	\$0	\$0.00
<b>Total</b>		<b>\$1,138,071</b>	<b>\$1,006,569</b>	

Includes Strategic Reduction off Administration Charges of: N/A \$131,502

**Blue Cross and Blue Shield of Vermont  
VADA Rate Development  
Effective: November, 2013**

**Composite Trend Development**

Trend Source: Q3-Q4 2013 Approved Trend Filing

Base ISL Dampened Trends  
Med 3.9% Drug 6.0% Comb 4.3%

Plan	Ded	Coin	Drug Ded	Drug (gen copay + pref copay)	Claims			Leverage Decrements			Base ISL Dampened Trends			Total
					Med	Drug	Comb	Med	Drug	Comb	Med	Drug	Comb	
PPO	750	Y	100	55	2,786,896	96,010		0.4%	1.4%	0.3%	4.2%	7.4%	4.5%	
PPO	1,250	Y	100	55	1,701,179	501,797		0.5%	1.4%	0.4%	4.4%	7.4%	4.7%	
HDHP	2,250	Y					1,311,867	0.7%	-0.3%	0.7%	4.6%	5.8%	5.0%	
PPO	2,750	Y	100	55	414,474	109,838		0.8%	1.4%	0.8%	4.6%	7.4%	5.1%	
HDHP	3,250	Y					1,222,167	0.9%	-0.3%	0.9%	4.7%	5.8%	5.1%	
HDHP	5,950	N					1,678	1.1%	-0.3%	1.2%	5.0%	5.8%	5.4%	
Uncategorized							1,606				4.3%	7.4%	5.0%	
<b>Total Claims</b>					4,902,549	707,645	2,537,318							
<b>Average Trend</b>					<b>Total Claims Before Pooling</b>		<b>8,147,512</b>		<b>Average Trend</b>		<b>4.3%</b>	<b>7.4%</b>	<b>5.0%</b>	<b>4.8%</b>

**Annual Trend Used in Renewal 4.8%**

**Mandated Benefits**

	<b>Amount</b>	<b>PMPM</b>
Load to Claims:		
Early Childhood Developmental Disorders Expansion \$3.37 PMPM times experience period members of 27,400 times 8/12 (incurred months of 11/12 - 2/13 include experience)	\$ 61,559	\$ 2.25
Vaccine Mandate Total vaccine cost allocable to VADA members	\$ 21,764	\$ 0.79
Women's Health \$1.13 PMPM times experience period members of 27,400 times 8/12 (incurred months of 11/12 - 2/13 include experience)	\$ 20,641	\$ 0.75
Maine Reinsurance \$4.00 PMPM times 18 experience period Maine members	\$ 72	\$ 0.003
Transgender \$0.014 PMPM times experience period members of 27,400	\$ 384	\$ 0.014
<b>Adjustment to Claims for Mandates</b>	<b>\$ 104,420</b>	<b>\$ 3.81</b>
Estimate of Mental Health Claims (Mental Health & Substance Abuse claims were previously capitated and will now be included in claims projection)	\$ 288,943	\$ 10.55
<b>Total Adjustment to Claims</b>	<b>\$ 393,362</b>	<b>\$ 14.36</b>
Adjustment as a percentage (\$393,362 divided by completed experience period claims of \$8,202,457 Plus Expected Claims above ISL of \$140,942)		4.7%

**Federal and State Assessments**

Federal Patient-Centered Outcomes Research Trust Fund Fee \$2.11 PMPY times current members of 2,255	\$ 4,758	PMPM \$ 0.18
Vermont Blueprint for Health Projected using capitations based on the Blueprint program's expected expansion plan	\$ 49,882	\$ 1.84
Vermont Information Technology Leaders (VITL) Surcharge 0.199% of claims + expected high cost claims + capitations + net cost of reinsurance - Rx Rebates for 86.9% of population (members in VT). {.00199 times (\$335.81 PMPM + \$11.51 PMPM + \$0.95 PMPM + \$0.62 PMPM - \$2.31 PMPM) times .869 times current members of 2,255}	\$ 16,218	\$ 0.60
Vermont Health Care Claims (HCC) Assessment 0.800% of claims + expected high cost claims + capitations + net cost of reinsurance - Rx Rebates for 86.9% of population (members in VT). {.008 times (\$335.81 PMPM + \$11.51 PMPM + \$0.95 PMPM + \$0.62 PMPM - \$2.31 PMPM) times .869 times current members of 2,255}	\$ 65,199	\$ 2.41
<b>Net Adjustment to Renewal Rate Equivalent</b>	<b>\$ 136,057</b>	<b>\$ 5.03</b>



Incurred Contract  
Effective 11/1/13 - 12/31/13  
ISL: \$300,000  
ASL: 125%

**Development of Pro Forma Rates**

	Single	2-Person	Family	Carveout	Annual Total
<b>Coverage 1</b>	<b>VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	304	58	46	8	416
Projected Claim Cost	\$ 449.08	\$ 898.10	\$ 1,204.31	\$ 354.65	\$ 2,962,151
Stop Loss	\$ 15.82	\$ 31.65	\$ 43.22	\$ 1.76	\$ 103,780
Admin/Reserve	\$ 37.77	\$ 75.54	\$ 146.24	\$ 37.22	\$ 274,660
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 6,951
Assessments	\$ 6.06	\$ 12.13	\$ 18.84	\$ 5.12	\$ 41,457
<b>Total</b>	<b>\$ 509.69</b>	<b>\$ 1,019.32</b>	<b>\$ 1,416.37</b>	<b>\$ 399.71</b>	<b>\$ 3,388,998</b>
<b>Coverage 2</b>	<b>VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	160	59	42	2	263
Projected Claim Cost	\$ 415.02	\$ 829.91	\$ 1,110.63	\$ 348.34	\$ 1,952,531
Stop Loss	\$ 14.67	\$ 29.34	\$ 40.05	\$ 1.73	\$ 69,166
Admin/Reserve	\$ 37.59	\$ 75.18	\$ 145.75	\$ 37.19	\$ 199,756
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,084
Assessments	\$ 5.76	\$ 11.52	\$ 18.00	\$ 5.07	\$ 28,404
<b>Total</b>	<b>\$ 473.99</b>	<b>\$ 947.85</b>	<b>\$ 1,318.19</b>	<b>\$ 393.28</b>	<b>\$ 2,254,941</b>
<b>Coverage 3</b>	<b>VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	151	50	54	0	255
Projected Claim Cost	\$ 351.32	\$ 702.47	\$ 935.66	\$ 308.87	\$ 1,664,382
Stop Loss	\$ 12.51	\$ 25.02	\$ 34.13	\$ 1.54	\$ 59,804
Admin/Reserve	\$ 37.26	\$ 74.51	\$ 144.83	\$ 36.99	\$ 206,072
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,294
Assessments	\$ 5.19	\$ 10.37	\$ 16.43	\$ 4.72	\$ 26,269
<b>Total</b>	<b>\$ 407.23</b>	<b>\$ 814.28</b>	<b>\$ 1,134.81</b>	<b>\$ 353.07</b>	<b>\$ 1,961,821</b>
<b>Coverage 4</b>	<b>CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Enrollment	149	58	41	0	248
Projected Claim Cost	\$ 347.01	\$ 607.37	\$ 895.43	\$ 269.44	\$ 1,483,729
Stop Loss	\$ 12.37	\$ 21.80	\$ 32.76	\$ 1.34	\$ 53,410
Admin/Reserve	\$ 37.24	\$ 74.02	\$ 144.62	\$ 36.79	\$ 189,246
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 4,868
Assessments	\$ 5.15	\$ 9.52	\$ 16.07	\$ 4.38	\$ 23,736
<b>Total</b>	<b>\$ 402.71</b>	<b>\$ 714.61</b>	<b>\$ 1,092.64</b>	<b>\$ 312.90</b>	<b>\$ 1,754,989</b>
<b>Coverage 5</b>	<b>CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Enrollment	131	27	29	4	191
Projected Claim Cost	\$ 309.71	\$ 507.02	\$ 721.05	\$ 194.53	\$ 911,401
Stop Loss	\$ 11.11	\$ 18.41	\$ 26.86	\$ 0.97	\$ 32,815
Admin/Reserve	\$ 37.04	\$ 73.49	\$ 143.71	\$ 36.40	\$ 133,796
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 3,461
Assessments	\$ 4.81	\$ 8.62	\$ 14.50	\$ 3.73	\$ 15,585
<b>Total</b>	<b>\$ 363.62</b>	<b>\$ 609.43</b>	<b>\$ 909.88</b>	<b>\$ 236.58</b>	<b>\$ 1,097,057</b>



# BlueCross BlueShield of Vermont

*An Independent Licensee of the Blue Cross and Blue Shield Association.*

## Coverage 6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam

Enrollment		1	1	1	0	3
Projected Claim Cost	\$	273.39 \$	447.89 \$	630.56 \$	0.00 \$	16,222
Stop Loss	\$	9.88 \$	16.40 \$	23.80 \$	0.00 \$	601
Admin/Reserve	\$	36.85 \$	73.18 \$	143.23 \$	0.00 \$	3,039
Capitation	\$	0.95 \$	1.90 \$	3.75 \$	0.00 \$	79
Assessments	\$	4.49 \$	8.09 \$	13.69 \$	0.00 \$	315
<b>Total</b>	<b>\$</b>	<b>325.55 \$</b>	<b>547.46 \$</b>	<b>815.04 \$</b>	<b>0.00 \$</b>	<b>20,257</b>

<b>Total Billed Rates</b>	<b>\$</b>	<b>10,478,062</b>
<b>Total Current Rates</b>	<b>\$</b>	<b>9,687,049</b>
<b>Change to Billed Rates</b>		<b>8.2%</b>

<b>Working Fund (Weekly By Wire)</b>	<b>\$</b>	<b>250,510</b>
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### Summary of All Coverages

Enrollment		1,376	PMPM
Projected Claim Cost	\$	8,990,416	\$332.24
Stop Loss	\$	319,576	\$11.81
Admin/Reserve	\$	1,006,569	\$37.20
Capitation	\$	25,736	\$0.95
Assessments	\$	135,765	\$5.02
	\$	10,478,061.94	

The group's rates will increase by \$5.25 PMPM on January 1, 2014 for the Federal Transitional Reinsurance Program

The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee

Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation

Broker Commissions Included in Rates: 0.0% Estimated Annually at: \$0

BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates

Fees/Rates assume the group qualifies for large group through the qualification process and maintains 75% participation

As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirement

for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required

by State and Federal law, including the recently enacted federal health care reform law and related regulation:

I understand how to distribute SBCs to my employees and that I am obliged to do so.



Contracts	Billed Rates eff. 11/1/13- 10/31/14 including 2.5% load & 7% VADA Subsidy		Pro Forma Rates eff. 11/1/13	VADA Management Adjustment
<b>1 VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	304	\$ 486.00	\$ 509.69	\$ (23.69)
2-person	58	\$ 972.00	\$ 1,019.32	\$ (47.32)
Family	46	\$ 1,350.00	\$ 1,416.37	\$ (66.37)
CO	8	\$ 381.00	\$ 399.71	\$ (18.71)
	416	\$ 3,231,216	\$ 3,389,004	- \$ 157,788
<b>2 VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	160	\$ 452.00	\$ 473.99	\$ (21.99)
2-person	59	\$ 904.00	\$ 947.86	\$ (43.86)
Family	42	\$ 1,257.00	\$ 1,318.18	\$ (61.18)
CO	2	\$ 375.00	\$ 393.28	\$ (18.28)
	263	\$ 2,150,400	\$ 2,254,947	- \$ 104,547
<b>3 VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	151	\$ 388.00	\$ 407.23	\$ (19.23)
2-person	50	\$ 776.00	\$ 814.28	\$ (38.28)
Family	54	\$ 1,082.00	\$ 1,134.80	\$ (52.80)
CO	0	\$ 337.00	\$ 353.06	\$ (16.06)
	255	\$ 1,869,792	\$ 1,961,819	- \$ 92,027
<b>4 CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Single	149	\$ 384.00	\$ 402.71	\$ (18.71)
2-person	58	\$ 681.00	\$ 714.61	\$ (33.61)
Family	41	\$ 1,042.00	\$ 1,092.63	\$ (50.63)
CO	0	\$ 298.00	\$ 312.90	\$ (14.90)
	248	\$ 1,673,232	\$ 1,754,988	- \$ 81,756
<b>5 CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Single	131	\$ 347.00	\$ 363.62	\$ (16.62)
2-person	27	\$ 581.00	\$ 609.43	\$ (28.43)
Family	29	\$ 867.00	\$ 909.86	\$ (42.86)
CO	4	\$ 226.00	\$ 236.58	\$ (10.58)
	191	\$ 1,046,292	\$ 1,097,053	- \$ 50,761
<b>6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Single	1	\$ 310.00	\$ 325.55	\$ (15.55)
2-person	1	\$ 522.00	\$ 547.45	\$ (25.45)
Family	1	\$ 777.00	\$ 815.02	\$ (38.02)
CO	0	\$ -	\$ -	\$ -
	3	\$ 19,308	\$ 20,256	- \$ 948
	1,376	\$ 9,990,240	\$ 10,478,068	\$ (487,828)

	Contracts	Billed Rates eff. 11/1/12 including 3.2% VADA load & 2.0% VADA Subsidy	Billed Rates eff. 11/1/13 10/31/14 including 2.5% load & 7% VADA Subsidy	Rate Change
<b>1 VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	304	\$ 477.00	\$ 486.00	1.9%
2-person	58	\$ 953.00	\$ 972.00	2.0%
Family	46	\$ 1,324.00	\$ 1,350.00	2.0%
CO	8	\$ 374.00	\$ 381.00	1.9%
	416	\$ 3,170,136	\$ 3,231,216	1.9%
<b>2 VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	160	\$ 443.00	\$ 452.00	2.0%
2-person	59	\$ 887.00	\$ 904.00	1.9%
Family	42	\$ 1,232.00	\$ 1,257.00	2.0%
CO	2	\$ 368.00	\$ 375.00	1.9%
	263	\$ 2,108,316	\$ 2,150,400	2.0%
<b>3 VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Single	151	\$ 381.00	\$ 388.00	1.8%
2-person	50	\$ 762.00	\$ 776.00	1.8%
Family	54	\$ 1,061.00	\$ 1,082.00	2.0%
CO	0	\$ 330.00	\$ 337.00	2.1%
	255	\$ 1,835,100	\$ 1,869,792	1.9%
<b>4 CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Single	149	\$ 377.00	\$ 384.00	1.9%
2-person	58	\$ 668.00	\$ 681.00	1.9%
Family	41	\$ 1,022.00	\$ 1,042.00	2.0%
CO	0	\$ 293.00	\$ 298.00	1.7%
	248	\$ 1,641,828	\$ 1,673,232	1.9%
<b>5 CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Single	131	\$ 340.00	\$ 347.00	2.1%
2-person	27	\$ 570.00	\$ 581.00	1.9%
Family	29	\$ 850.00	\$ 867.00	2.0%
CO	4	\$ 221.00	\$ 226.00	2.3%
	191	\$ 1,025,568	\$ 1,046,292	2.0%

**6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Single	1	\$	305.00	\$	310.00	1.6%
2-person	1	\$	512.00	\$	522.00	2.0%
Family	1	\$	762.00	\$	777.00	2.0%
CO	0	\$	-	\$	-	
	3	\$	18,948	\$	19,308	1.9%
		\$	9,799,896	\$	9,990,240	1.9%

The group's rates will increase by \$5.25 PMPM on January 1, 2014 for the Federal Transitional Reinsurance Program.

The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee.

Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation.

Broker Commissions Included in Rates: 0.0%

BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates.

Fees/Rates assume the group qualifies for large group through the qualification process and maintains 75% participation.

As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirements for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required by State and Federal law, including the recently enacted federal health care reform law and related regulations

I understand how to distribute SBCs to my employees and that I am obliged to do so.



Incurred Contract  
Estimated Effective 1/1/14 - 10/31/14  
ISL: \$300,000  
ASL: 125%

**Development of Pro Forma Rates - January 2014 Assessment Estimate**

	Single	2-Person	Family	Carveout	Annual Total
<b>Coverage 1</b>	<b>VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	304	58	46	8	416
Projected Claim Cost	\$ 449.08	\$ 898.10	\$ 1,204.31	\$ 354.65	\$ 2,962,151
Stop Loss	\$ 15.82	\$ 31.65	\$ 43.22	\$ 1.76	\$ 103,780
Admin/Reserve	\$ 37.77	\$ 75.54	\$ 146.24	\$ 37.22	\$ 274,660
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 6,951
Assessments	\$ 11.31	\$ 22.63	\$ 39.58	\$ 10.37	\$ 79,869
<b>Total</b>	<b>\$ 514.94</b>	<b>\$ 1,029.82</b>	<b>\$ 1,437.11</b>	<b>\$ 404.96</b>	<b>\$ 3,427,411</b>
<b>Coverage 2</b>	<b>VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	160	59	42	2	263
Projected Claim Cost	\$ 415.02	\$ 829.91	\$ 1,110.63	\$ 348.34	\$ 1,952,531
Stop Loss	\$ 14.67	\$ 29.34	\$ 40.05	\$ 1.73	\$ 69,166
Admin/Reserve	\$ 37.59	\$ 75.18	\$ 145.75	\$ 37.19	\$ 199,756
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,084
Assessments	\$ 11.01	\$ 22.02	\$ 38.74	\$ 10.32	\$ 56,497
<b>Total</b>	<b>\$ 479.24</b>	<b>\$ 958.35</b>	<b>\$ 1,338.93</b>	<b>\$ 398.53</b>	<b>\$ 2,283,034</b>
<b>Coverage 3</b>	<b>VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>				
Enrollment	151	50	54	0	255
Projected Claim Cost	\$ 351.32	\$ 702.47	\$ 935.66	\$ 308.87	\$ 1,664,382
Stop Loss	\$ 12.51	\$ 25.02	\$ 34.13	\$ 1.54	\$ 59,804
Admin/Reserve	\$ 37.26	\$ 74.51	\$ 144.83	\$ 36.99	\$ 206,072
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,294
Assessments	\$ 10.44	\$ 20.87	\$ 37.17	\$ 9.97	\$ 55,521
<b>Total</b>	<b>\$ 412.48</b>	<b>\$ 824.78</b>	<b>\$ 1,155.55</b>	<b>\$ 358.32</b>	<b>\$ 1,991,073</b>
<b>Coverage 4</b>	<b>CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Enrollment	149	58	41	0	248
Projected Claim Cost	\$ 347.01	\$ 607.37	\$ 895.43	\$ 269.44	\$ 1,483,729
Stop Loss	\$ 12.37	\$ 21.80	\$ 32.76	\$ 1.34	\$ 53,410
Admin/Reserve	\$ 37.24	\$ 74.02	\$ 144.62	\$ 36.79	\$ 189,246
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 4,868
Assessments	\$ 10.40	\$ 20.02	\$ 36.81	\$ 9.63	\$ 50,635
<b>Total</b>	<b>\$ 407.96</b>	<b>\$ 725.11</b>	<b>\$ 1,113.38</b>	<b>\$ 318.15</b>	<b>\$ 1,781,888</b>
<b>Coverage 5</b>	<b>CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>				
Enrollment	131	27	29	4	191
Projected Claim Cost	\$ 309.71	\$ 507.02	\$ 721.05	\$ 194.53	\$ 911,401
Stop Loss	\$ 11.11	\$ 18.41	\$ 26.86	\$ 0.97	\$ 32,815
Admin/Reserve	\$ 37.04	\$ 73.49	\$ 143.71	\$ 36.40	\$ 133,796
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 3,461
Assessments	\$ 10.06	\$ 19.12	\$ 35.24	\$ 8.98	\$ 34,709
<b>Total</b>	<b>\$ 368.87</b>	<b>\$ 619.93</b>	<b>\$ 930.62</b>	<b>\$ 241.83</b>	<b>\$ 1,116,182</b>



# BlueCross BlueShield of Vermont

*An Independent Member of the Blue Cross and Blue Shield Association*

**Coverage 6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Enrollment		<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>		<b>3</b>
Projected Claim Cost	\$	273.39 \$	447.89 \$	630.56 \$	0.00	\$	16,222
Stop Loss	\$	9.88 \$	16.40 \$	23.80 \$	0.00	\$	601
Admin/Reserve	\$	36.85 \$	73.18 \$	143.23 \$	0.00	\$	3,039
Capitation	\$	0.95 \$	1.90 \$	3.75 \$	0.00	\$	79
Assessments	\$	9.74 \$	18.59 \$	34.43 \$	0.00	\$	753
<b>Total</b>	<b>\$</b>	<b>330.80 \$</b>	<b>557.96 \$</b>	<b>835.78 \$</b>	<b>0.00</b>	<b>\$</b>	<b>20,694</b>

<b>Total Billed Rates</b>	<b>\$</b>	<b>10,620,281</b>
<b>Total Current Rates</b>	<b>\$</b>	<b>9,687,049</b>
<b>Change to Billed Rates</b>		<b>9.6%</b>

**Working Fund (Weekly By Wire) \$ 250,510**

**Summary of All Coverages**

<b>Enrollment</b>		<b>1,376</b>		<b>PMPM</b>
Projected Claim Cost	\$	8,990,416		\$332.24
Stop Loss	\$	319,576		\$11.81
Admin/Reserve	\$	1,006,569		\$37.20
Capitation	\$	25,736		\$0.95
Assessments	\$	277,985		\$10.27
	\$	10,620,281.38		

Includes \$5.25 PMPM for the Federal Transitional Reinsurance Program

The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee

Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation

Broker Commissions Included in Rates: 0.0% Estimated Annually at: \$0

BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates

Fees/Rates assume the group qualifies for large group through the qualification process and maintains 75% participation

As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirement

for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required

by State and Federal law, including the recently enacted federal health care reform law and related regulation:

I understand how to distribute SBCs to my employees and that I am obliged to do so.

Contracts	Billed Rates eff. 11/1/12 including 3.2% VADA load & 2.0% VADA Subsidy	Billed Rates eff. 11/1/13 including 2.5% load & 7% VADA Subsidy	Rate Change
<b>1 VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>			
Single	304 \$ 477.00	\$ 486.00	1.9%
2-person	58 \$ 953.00	\$ 972.00	2.0%
Family	46 \$ 1,324.00	\$ 1,350.00	2.0%
CO	8 \$ 374.00	\$ 381.00	1.9%
416	\$ 3,170,136	\$ 3,231,216	1.9%
<b>2 VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>			
Single	160 \$ 443.00	\$ 452.00	2.0%
2-person	59 \$ 887.00	\$ 904.00	1.9%
Family	42 \$ 1,232.00	\$ 1,257.00	2.0%
CO	2 \$ 368.00	\$ 375.00	1.9%
263	\$ 2,108,316	\$ 2,150,400	2.0%
<b>3 VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>			
Single	151 \$ 381.00	\$ 388.00	1.8%
2-person	50 \$ 762.00	\$ 776.00	1.8%
Family	54 \$ 1,061.00	\$ 1,082.00	2.0%
CO	0 \$ 330.00	\$ 337.00	2.1%
255	\$ 1,835,100	\$ 1,869,792	1.9%
<b>4 CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>			
Single	149 \$ 377.00	\$ 384.00	1.9%
2-person	58 \$ 668.00	\$ 681.00	1.9%
Family	41 \$ 1,022.00	\$ 1,042.00	2.0%
CO	0 \$ 293.00	\$ 298.00	1.7%
248	\$ 1,641,828	\$ 1,673,232	1.9%
<b>5 CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>			
Single	131 \$ 340.00	\$ 347.00	2.1%
2-person	27 \$ 570.00	\$ 581.00	1.9%
Family	29 \$ 850.00	\$ 867.00	2.0%
CO	4 \$ 221.00	\$ 226.00	2.3%
191	\$ 1,025,568	\$ 1,046,292	2.0%

Accepted By:

Date:

*Marilyn B Miller*  
7/12/13

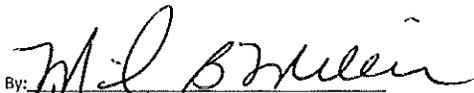
**6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Single	1	\$	305.00	\$	310.00	1.6%
2-person	1	\$	512.00	\$	522.00	2.0%
Family	1	\$	762.00	\$	777.00	2.0%
CO	0	\$	-	\$	-	
	3	\$	<u>18,948</u>	\$	<u>19,308</u>	1.9%
		\$	9,799,896	\$	9,990,240	1.9%

The group's rates will increase by \$5.25 PMPM on January 1, 2014 for the Federal Transitional Reinsurance Program.  
 The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee.  
 Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation.  
 Broker Commissions Included in Rates: 0.0%  
 BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates.  
 Fees/Rates assume the group qualifies for large group through the qualification process and maintains 75% participation.  
 As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirements for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required by State and Federal law, including the recently enacted federal health care reform law and related regulations

I understand how to distribute SBCs to my employees and that I am obliged to do so.

Accepted By:



Date:

7/12/13



# BlueCross BlueShield of Vermont

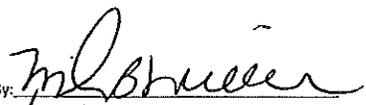
An Independent Licensee of the Blue Cross and Blue Shield Association

Vermont Auto Dealer's Association

Incurred Contract  
 Estimated Effective 1/1/14 - 10/31/14  
 ISL: \$300,000  
 ASL: 125%

## Development of Pro Forma Rates - January 2014 Assessment Estimate

	Single	2-Person	Family	Carveout	Annual Total
<b>Coverage 1 VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
Enrollment	304	58	46	8	416
Projected Claim Cost	\$ 449.08	\$ 898.10	\$ 1,204.31	\$ 354.65	\$ 2,962,151
Stop Loss	\$ 15.82	\$ 31.65	\$ 43.22	\$ 1.76	\$ 103,780
Admin/Reserve	\$ 37.77	\$ 75.54	\$ 146.24	\$ 37.22	\$ 274,660
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 6,951
Assessments	\$ 11.31	\$ 22.63	\$ 39.58	\$ 10.37	\$ 79,869
<b>Total</b>	<b>\$ 514.94</b>	<b>\$ 1,029.82</b>	<b>\$ 1,437.11</b>	<b>\$ 404.96</b>	<b>\$ 3,427,411</b>
<b>Coverage 2 VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
Enrollment	160	59	42	2	263
Projected Claim Cost	\$ 415.02	\$ 829.91	\$ 1,110.63	\$ 348.34	\$ 1,952,531
Stop Loss	\$ 14.67	\$ 29.34	\$ 40.05	\$ 1.73	\$ 69,166
Admin/Reserve	\$ 37.59	\$ 75.18	\$ 145.75	\$ 37.19	\$ 199,756
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,084
Assessments	\$ 11.01	\$ 22.02	\$ 38.74	\$ 10.32	\$ 56,497
<b>Total</b>	<b>\$ 479.24</b>	<b>\$ 958.35</b>	<b>\$ 1,338.93</b>	<b>\$ 398.53</b>	<b>\$ 2,283,034</b>
<b>Coverage 3 VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
Enrollment	151	50	54	0	255
Projected Claim Cost	\$ 351.32	\$ 702.47	\$ 935.66	\$ 308.87	\$ 1,664,382
Stop Loss	\$ 12.51	\$ 25.02	\$ 34.13	\$ 1.54	\$ 59,804
Admin/Reserve	\$ 37.26	\$ 74.51	\$ 144.83	\$ 36.99	\$ 206,072
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,294
Assessments	\$ 10.44	\$ 20.87	\$ 37.17	\$ 9.97	\$ 55,521
<b>Total</b>	<b>\$ 412.48</b>	<b>\$ 824.78</b>	<b>\$ 1,155.55</b>	<b>\$ 358.32</b>	<b>\$ 1,991,073</b>
<b>Coverage 4 CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>					
Enrollment	149	58	41	0	248
Projected Claim Cost	\$ 347.01	\$ 607.37	\$ 895.43	\$ 269.44	\$ 1,483,729
Stop Loss	\$ 12.37	\$ 21.80	\$ 32.76	\$ 1.34	\$ 53,410
Admin/Reserve	\$ 37.24	\$ 74.02	\$ 144.62	\$ 36.79	\$ 189,246
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 4,868
Assessments	\$ 10.40	\$ 20.02	\$ 36.81	\$ 9.63	\$ 50,635
<b>Total</b>	<b>\$ 407.96</b>	<b>\$ 725.11</b>	<b>\$ 1,113.38</b>	<b>\$ 318.15</b>	<b>\$ 1,781,888</b>
<b>Coverage 5 CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>					
Enrollment	131	27	29	4	191
Projected Claim Cost	\$ 309.71	\$ 507.02	\$ 721.05	\$ 194.53	\$ 911,401
Stop Loss	\$ 11.11	\$ 18.41	\$ 26.86	\$ 0.97	\$ 32,815
Admin/Reserve	\$ 37.04	\$ 73.49	\$ 143.71	\$ 36.40	\$ 133,796
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 3,461
Assessments	\$ 10.06	\$ 19.12	\$ 35.24	\$ 8.98	\$ 34,709
<b>Total</b>	<b>\$ 368.87</b>	<b>\$ 619.93</b>	<b>\$ 930.62</b>	<b>\$ 241.83</b>	<b>\$ 1,116,182</b>

Accepted By:   
 Title: 7/12/13



**BlueCross BlueShield  
of Vermont**

*An Independent Licensee of the Blue Cross and Blue Shield Association*

**Coverage 6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Enrollment		<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>
Projected Claim Cost	\$	273.39 \$	447.89 \$	630.56 \$	0.00 \$	16,222
Stop Loss	\$	9.88 \$	16.40 \$	23.80 \$	0.00 \$	601
Admin/Reserve	\$	36.85 \$	73.18 \$	143.23 \$	0.00 \$	3,039
Capitation	\$	0.95 \$	1.90 \$	3.75 \$	0.00 \$	79
Assessments	\$	9.74 \$	18.59 \$	34.43 \$	0.00 \$	753
<b>Total</b>	<b>\$</b>	<b>330.80 \$</b>	<b>557.96 \$</b>	<b>835.78 \$</b>	<b>0.00 \$</b>	<b>20,694</b>

<b>Total Billed Rates</b>	<b>\$</b>	<b>10,620,281</b>
<b>Total Current Rates</b>	<b>\$</b>	<b>9,687,049</b>
<b>Change to Billed Rates</b>		<b>9.6%</b>

**Working Fund (Weekly By Wire) \$ 250,510**

**Summary of All Coverages**

<b>Enrollment</b>		<b>1,376</b>	<b>PMPM</b>
Projected Claim Cost	\$	8,990,416	\$332.24
Stop Loss	\$	319,576	\$11.81
Admin/Reserve	\$	1,006,569	\$37.20
Capitation	\$	25,736	\$0.95
Assessments	\$	277,985	\$10.27
	\$	10,620,281.38	

Includes \$5.25 PMPM for the Federal Transitional Reinsurance Program

The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee

Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation

Broker Commissions Included in Rates: 0.0% Estimated Annually at: \$0

BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates  
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As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirement for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required by State and Federal law, including the recently enacted federal health care reform law and related regulation

I understand how to distribute SBCs to my employees and that I am obliged to do so.

Accepted By:

Title:

7/14/13



Incurred Contract  
 Effective 11/1/13 - 12/31/13  
 ISL: \$300,000  
 ASL: 125%

**Development of Pro Forma Rates**

	Single	2-Person	Family	Carveout	Annual Total
<b>Coverage 1 VFP \$750 Ded, 80% Coins to \$3,000 OOP, \$25/\$50 OV (In Network), \$1,500 Ded, 70% Coins to \$5,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
Enrollment	304	58	46	8	416
Projected Claim Cost	\$ 449.08	\$ 898.10	\$ 1,204.31	\$ 354.65	\$ 2,962,151
Stop Loss	\$ 15.82	\$ 31.65	\$ 43.22	\$ 1.76	\$ 103,780
Admin/Reserve	\$ 37.77	\$ 75.54	\$ 146.24	\$ 37.22	\$ 274,660
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 6,951
Assessments	\$ 6.06	\$ 12.13	\$ 18.84	\$ 5.12	\$ 41,457
<b>Total</b>	<b>\$ 509.69</b>	<b>\$ 1,019.32</b>	<b>\$ 1,416.37</b>	<b>\$ 399.71</b>	<b>\$ 3,388,998</b>
<b>Coverage 2 VFP \$1,250 Ded, 80% Coins to \$5,000 OOP, \$25/\$50 OV (In Network), \$2,500 Ded, 70% Coins to \$6,500 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
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Projected Claim Cost	\$ 415.02	\$ 829.91	\$ 1,110.63	\$ 348.34	\$ 1,952,531
Stop Loss	\$ 14.67	\$ 29.34	\$ 40.05	\$ 1.73	\$ 69,166
Admin/Reserve	\$ 37.59	\$ 75.18	\$ 145.75	\$ 37.19	\$ 199,756
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,084
Assessments	\$ 5.76	\$ 11.52	\$ 18.00	\$ 5.07	\$ 28,404
<b>Total</b>	<b>\$ 473.99</b>	<b>\$ 947.85</b>	<b>\$ 1,318.19</b>	<b>\$ 393.28</b>	<b>\$ 2,254,941</b>
<b>Coverage 3 VFP \$2,750 Ded, 80% Coins to \$8,000 OOP, \$25/\$50 OV (In Network), \$5,500 Ded, 70% Coins to \$11,000 OOP (Out of Network), PPACA Compliant, Rx \$100 Ded \$15/\$40/\$60 Co-pay, 2.5x Mail Order, \$1,250 OOP Max, Lifestyle Drug Exclusion, Diabetic SAAO, Vision Exam</b>					
Enrollment	151	50	54	0	255
Projected Claim Cost	\$ 351.32	\$ 702.47	\$ 935.66	\$ 308.87	\$ 1,664,382
Stop Loss	\$ 12.51	\$ 25.02	\$ 34.13	\$ 1.54	\$ 59,804
Admin/Reserve	\$ 37.26	\$ 74.51	\$ 144.83	\$ 36.99	\$ 206,072
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 5,294
Assessments	\$ 5.19	\$ 10.37	\$ 16.43	\$ 4.72	\$ 26,269
<b>Total</b>	<b>\$ 407.23</b>	<b>\$ 814.28</b>	<b>\$ 1,134.81</b>	<b>\$ 353.07</b>	<b>\$ 1,961,821</b>
<b>Coverage 4 CDHP Blue \$2,250 Ded, 80% Coins to \$3,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam</b>					
Enrollment	149	58	41	0	248
Projected Claim Cost	\$ 347.01	\$ 607.37	\$ 895.43	\$ 269.44	\$ 1,483,729
Stop Loss	\$ 12.37	\$ 21.80	\$ 32.76	\$ 1.34	\$ 53,410
Admin/Reserve	\$ 37.24	\$ 74.02	\$ 144.62	\$ 36.79	\$ 189,246
Capitation	\$ 0.95	\$ 1.90	\$ 3.75	\$ 0.95	\$ 4,868
Assessments	\$ 5.15	\$ 9.52	\$ 16.07	\$ 4.38	\$ 23,736
<b>Total</b>	<b>\$ 402.71</b>	<b>\$ 714.61</b>	<b>\$ 1,092.64</b>	<b>\$ 312.90</b>	<b>\$ 1,754,989</b>

Accepted By: *Margie Stuller*  
 Title: 7/12/13

Projected average number of W-2 employees in 2013: \_\_\_\_\_

Date: \_\_\_\_\_  
 Is this a church plan (Y/N)? \_\_\_\_\_



**Coverage 5 CDHP Blue \$3,250 Ded, 80% Coins to \$4,250 OOP, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Enrollment		<b>131</b>	<b>27</b>	<b>29</b>	<b>4</b>	<b>191</b>
Projected Claim Cost	\$	309.71 \$	507.02 \$	721.05 \$	194.53 \$	911,401
Stop Loss	\$	11.11 \$	18.41 \$	26.86 \$	0.97 \$	32,815
Admin/Reserve	\$	37.04 \$	73.49 \$	143.71 \$	36.40 \$	133,796
Capitation	\$	0.95 \$	1.90 \$	3.75 \$	0.95 \$	3,461
Assessments	\$	4.81 \$	8.62 \$	14.50 \$	3.73 \$	15,585
<b>Total</b>	<b>\$</b>	<b>363.62 \$</b>	<b>609.43 \$</b>	<b>909.88 \$</b>	<b>236.58 \$</b>	<b>1,097,057</b>

**Coverage 6 CDHP Blue \$5,950 Ded, 100% Coins, Rx OOPM \$1,250, Wellness Rx at \$15/\$40/\$60, Lifestyle Drug Exclusion, 2.5x Mail Order Rx, PPACA Compliant, Vision Exam**

Enrollment		<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>
Projected Claim Cost	\$	273.39 \$	447.89 \$	630.56 \$	0.00 \$	16,222
Stop Loss	\$	9.88 \$	16.40 \$	23.80 \$	0.00 \$	601
Admin/Reserve	\$	36.85 \$	73.18 \$	143.23 \$	0.00 \$	3,039
Capitation	\$	0.95 \$	1.90 \$	3.75 \$	0.00 \$	79
Assessments	\$	4.49 \$	8.09 \$	13.69 \$	0.00 \$	315
<b>Total</b>	<b>\$</b>	<b>325.55 \$</b>	<b>547.46 \$</b>	<b>815.04 \$</b>	<b>0.00 \$</b>	<b>20,257</b>

<b>Total Billed Rates</b>	<b>\$</b>	<b>10,478,062</b>
<b>Total Current Rates</b>	<b>\$</b>	<b>9,687,049</b>
<b>Change to Billed Rates</b>		<b>8.2%</b>
<b>Working Fund (Weekly By Wire)</b>	<b>\$</b>	<b>250,510</b>

**Summary of All Coverages**

<b>Enrollment</b>		<b>1,376</b>	<b>PMPM</b>
Projected Claim Cost	\$	8,990,416	\$332.24
Stop Loss	\$	319,576	\$11.81
Admin/Reserve	\$	1,006,569	\$37.20
Capitation	\$	25,736	\$0.95
Assessments	\$	135,765	\$5.02
	\$	10,478,061.94	

The group's rates will increase by \$5.25 PMPM on January 1, 2014 for the Federal Transitional Reinsurance Program.  
 The group's rates may increase by an as yet unknown factor on January 1, 2014 for the Federal Insurer Fee.  
 Rating factors used in the development of this renewal are subject to approval of and modification by the Department of Financial Regulation.  
 Broker Commissions Included in Rates: 0.0% Estimated Annually at: \$0  
 BCBSVT reserves the right to revise the rates if enrollment assumptions vary by +/- 10%. Changes to the effective date may result in revised rates.  
 Fees/Rates assume the group qualifies for large group through the qualification process and maintains 75% participation.  
 As a result of passage of health care reform and other laws at both the state and federal levels, we expect additional changes to the requirements for group health plans that will impact your renewal. The rates and benefits used in this rate sheet are subject to any changes required by State and Federal law, including the recently enacted federal health care reform law and related regulations

I understand how to distribute SBCs to my employees and that I am obliged to do so.

Accepted By: *M. J. Somers*  
 Title: 7/12/13

Projected average number of W-2 employees in 2013: \_\_\_\_\_

Date: \_\_\_\_\_  
 Is this a church plan (Y/N)? \_\_\_\_\_



## Vermont Vehicle & Automotive Distributors Association

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July 10, 2013

Mr. Phil Keller  
Director, Rates and Forms  
Vermont Department of Financial Regulation  
89 Main Street, Drawer 20  
Montpelier, VT 05620-3101

Dear Mr. Keller:

For many years VADA has managed a self-funded health benefits and financing program through Blue Cross and Blue Shield of Vermont. In the context of the rate filing for our November 1, 2013, renewal, I have been asked to provide assurance to the state that our association has sufficient funds to cover our obligations in the event that our actual claims exceed the amount of premiums we collect.

Please allow this letter to serve as that attestation. As part of its management of its insurance program, VADA maintains a reserve fund for the protection of its member organizations and their employees. Additionally, our arrangement with Blue Cross and Blue Shield of Vermont includes the purchase of reinsurance through BCBSVT. The reserve fund that we maintain is more than sufficient to assure that we can cover our member claim costs, even if they exceed the premium we collect, up to the level at which our program would be fully covered through the reinsurance program with Blue Cross Blue Shield of Vermont.

I hope this addresses your interest and concerns in this matter.

Sincerely,

Marilyn B. Miller  
Executive Director