| SERFF Tracking #: B | CVT-130082559 | State Tracking #: | Co | mpany Tracking #: |
|---------------------|----------------|-----------------------------|-----------------------------|-------------------|
| State: | VermontGMCB | | Filing Company: | BCBSVT |
| TOI/Sub-TOI: | H16G Group He | ealth - Major Medical/H16G. | 001C Any Size Group - Other | |
| Product Name: | 2016 Vermont (| Qualified Health Plans Rate | Filing | |
| Project Name/Number | r: / | | | |

Filing at a Glance

| 5 | |
|---------------------------|--|
| Company: | BCBSVT |
| Product Name: | 2016 Vermont Qualified Health Plans Rate Filing |
| State: | VermontGMCB |
| TOI: | H16G Group Health - Major Medical |
| Sub-TOI: | H16G.001C Any Size Group - Other |
| Filing Type: | GMCB Rate |
| Date Submitted: | 05/15/2015 |
| SERFF Tr Num: | BCVT-130082559 |
| SERFF Status: | Assigned |
| State Tr Num: | |
| State Status: | |
| Co Tr Num: | |
| Implementation | On Approval |
| Date Requested: | |
| Author(s): | Vince Mace, Jude Daye, Martine Brisson-Lemieux, Paul Shultz |
| Reviewer(s): | Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee |
| Disposition Date: | |
| Disposition Status: | |
| Implementation Date: | |
| State Filing Description: | |
| | |

| SERFF Tracking #: | BCVT-130082559 | State Tracking #: |
|-------------------|----------------|-------------------|
|-------------------|----------------|-------------------|

Company Tracking #:

| State: | VermontGMCB | Filing Company: | BCBSVT |
|----------------------|---|------------------------|--------|
| TOI/Sub-TOI: | H16G Group Health - Major Medical/H16G.001C | Any Size Group - Other | |
| Product Name: | 2016 Vermont Qualified Health Plans 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

PPACA Notes: null Exchange Intentions:

Filing Description: May 15, 2015

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 2016 Vermont Qualified Health Plans 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 2016 Vermont Qualified Health Plans Rate Filing.

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

Sincerely,

Ruth Greene

cc:Tom Crompton/GMCB Paul Schultz/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant

dayej@bcbsvt.com

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: 05/15/2015 State Status Changed: Created By: Jude Daye Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

To be sold on the Vermont Health Connect effective 01/01/2016.

| SERFF Tracking #: B | CVT-130082559 State Tra | cking #: C | Company Tracking #: |
|---------------------------------------|----------------------------|--|----------------------------|
| State: | VermontGMCB | Filing Company: | BCBSVT |
| TOI/Sub-TOI: | H16G Group Health - Major | Medical/H16G.001C Any Size Group - Other | r |
| Product Name: | 2016 Vermont Qualified Hea | alth Plans Rate Filing | |
| Project Name/Number | r: / | | |
| 445 Industrial Lane | 9 | 802-371-3244 [Phone] | |
| Montpelier, VT 056 | 601 | | |
| Filing Company | Information | | |
| BCBSVT | | CoCode: 53295 | State of Domicile: Vermont |
| PO BOX 186 Group | | Group Code: | Company Type: Hospital |
| Montpelier, VT 05601 Group Nan | | Group Name: | Service Corp |
| (802) 371-3450 ext. [Phone] FEIN Numb | | FEIN Number: 03-0277307 | State ID Number: |

Filing Fees

| Fee Required? | No |
|------------------|----|
| Retaliatory? | No |
| Fee Explanation: | |

| SERFF Tracking #: | BCVT-1300825 | 59 State T | racking #: | | Company Tracki | ng #: | | |
|-------------------------------|----------------|-----------------------|------------------------|-------------------|-------------------|---------------|----------------|---------------|
| State: | VermontG | МСВ | | Filing Compan | y: BCBSVT | | | |
| TOI/Sub-TOI: | H16G Gro | up Health - Major M | edical/H16G.001C Any S | ize Group - Other | | | | |
| Product Name: | 2016 Vern | nont Qualified Health | n Plans Rate Filing | | | | | |
| Project Name/Number: | / | | | | | | | |
| Rate Informat | ion | | | | | | | |
| Rate data applies | s to filing. | | | | | | | |
| Filing Method: | | | | Experience Rated | Ł | | | |
| Rate Change Type | e : | | | Increase | | | | |
| Overall Percentag | e of Last Rate | e Revision: | | 7.700% | | | | |
| Effective Date of L | ast Rate Rev | ision: | | 01/01/2015 | | | | |
| Filing Method of Last Filing: | | Experience Rated | | | | | | |
| | | | Cor | npany Rate Inforr | nation | | | |
| | Company | Overall % | Overall % | Written | Number of Policy | Written | Maximum % | Minimum % |
| Company | Rate | Indicated | Rate | Premium | Holders Affected | Premium for | Change | Change |
| Name: | Change: | Change: | Impact: | Change for | for this Program: | this Program: | (where req'd): | (where req'd) |
| | - | - | - | this Program: | - | - | | - |
| BCBSVT | Increase | 8.378% | 8.378% | \$29,381,671 | 40,864 | \$350,712,794 | 14.311% | 4.697% |

| SERFF Tracking #: | BCVT-130082559 | State Tracking #: | (| Company Tracking #: |
|-------------------|----------------|---|--|---------------------|
| 04-4- | N/2 | | 5 777 - 0 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 | |
| State: | VermontGMCB | | Filing Company: | BCBSVT |
| TOI/Sub-TOI: | H16G Group He | alth - Major Medical/H16G.0 | 01C Any Size Group - Othe | er |
| Product Name: | 2016 Vermont G | 2016 Vermont Qualified Health Plans Rate Filing | | |
| Project Name/Numl | ber: / | | | |

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 (Individual) | 13627VT034 | | 18106 |
| BCBSVT EPO (Small Group) | 13627VT032 | | 22301 |
| BCBSVT EPO Blue Rewards (Individual) | 13627VT038 | | 5271 |
| BCBSVT EPO Blue Rewards (Small Group) | 13627VT036 | | 3075 |
| BCBSVT EPO Blue Rewards CDHP (Individual) | 13627VT039 | | 1891 |
| BCBSVT EPO Blue Rewards CDHP (Small Group) | 13627VT037 | | 1555 |
| BCBSVT EPO CDHP (Individual) | 13627VT035 | | 5879 |
| BCBSVT EPO CDHP (Small Group) | 13627VT033 | | 8972 |

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: | 773,719 |
| Benefit Change: | Increase |
| Percent Change Requested: | Min: 4.697 Max: 14.311 Avg: 8.378 |

PRIOR RATE:

| Total Earned Premium: | 350,712,794.00 |
|------------------------|-------------------------------------|
| Total Incurred Claims: | 270,303,265.00 |
| Annual \$: | Min: 202.96 Max: 555.04 Avg: 433.78 |

REQUESTED RATE:

| Projected Earned Premium: | 397,744,608.00 |
|----------------------------|-------------------------------------|
| Projected Incurred Claims: | 353,052,516.00 |
| Annual \$: | Min: 214.29 Max: 601.77 Avg: 473.99 |

| SERFF Tracking #: | BCVT-130082559 | State Tracking #: | Co | ompany Tracking #: | |
|----------------------|------------------|---------------------------------|-----------------|--------------------|--|
| State: | VermontGMCB | | Filing Company: | BCBSVT | |
| TOI/Sub-TOI: | | h - Major Medical/H16G.001C An | • • • | | |
| Product Name: | 2016 Vermont Qua | lified Health Plans Rate Filing | | | |
| Project Name/Number: | / | | | | |

Supporting Document Schedules

| Comments: BCBSVT 2016 QHP Filing - Actuarial Memorandum.pdf Attachment(s): BCBSVT 2016 QHP Filing - Actuarial Memorandum.pdf Status Date: Bypassed - Item: Bypassed - Item: Actuarial Memorandum and Certifications Bypass Reason: Part III Actuarial Memorandum is the same as the Actuarial Memorandum in the previous section. Attachment(s): Item Status: Item Status: Status Date: Bypass Reason: Not required. Matchment(s): Item Status: Status Date: Status Date: Status Date: Filing Compliance Certification Comments: BCBSVT 2016 QHP Filing - Certification.pdf Comments: BCBSVT 2016 QHP Filing - Certification.pdf Status Date: BCBSVT 2016 QHP Filing - Certification.pdf Status Date: BCBSVT 2016 QHP Filing - Certificati | | |
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| | Bypass Reason: | BCBSVT does not use a Third Party to submit filings. |
| | Attachment(s): | |
| | Item Status: | |
| Status Date: | Status Date: | |

| SERFF Tracking #: | BCVT-130082559 | State Tracking #: | (| Company Tracking #: |
|----------------------|----------------|--|--|---------------------|
| State: | VermontGMCB | | Filing Company: | BCBSVT |
| Ol/Sub-TOI: | H16G Group H | ealth - Major Medical/H16G.001C Any S | Size Group - Other | |
| Product Name: | 2016 Vermont | Qualified Health Plans Rate Filing | | |
| Project Name/Number: | / | | | |
| Satisfied - Item: | | Unified Rate Review Template | | |
| Comments: | | | | |
| Attachment(s): | | Unified_Rate_Review_Template Unified_Rate_Review_Template UnifiedRateReviewSubmission_ | e_2016_BCBSVT_13627.xlsm | 0515141539.xml |
| Item Status: | | | | |
| Status Date: | | | | |
| Satisfied - Item: | | Exhibits | | |
| Comments: | | Excel too big for SERFF. Excel | version sent in the attached Zi | ip file. |
| Attachment(s): | | BCBSVT 2016 QHP Filing - Exh BCBSVT 2016 QHP Filing - Exh | nibits.pdf nibits.zip | |
| Item Status: | | | | |
| Status Date: | | | | |
| Satisfied - Item: | | Attachments A, B & C | | |
| Comments: | | | | |
| Attachment(s): | | Attachment A - Standard Plans / Attachment B - Blue Rewards A' Attachment C - Pediatric Dental | V Certification.pdf | |
| Item Status: | | | | |
| Status Date: | | | | |
| Satisfied - Item: | | Rate Data Template | | |
| Comments: | | | | |
| Attachment(s): | | Rates_Template_2016_BCBSV Rates_Template_2016_BCBSV Rates_Template_2016_BCBSV | T_13627.xls | |
| Item Status: | | | | |
| Status Date: | | | | |
| Satisfied - Item: | | Actuarial Data Set | | |
| Comments: | | | | |
| Attachment(s): | | BCBSVT 2016 QHP Filing - Actu BCBSVT 2016 QHP Filing - Act | uarial Memo Dataset.pdf tuarial Memo Dataset.xlsx | |
| Item Status: | | | | |
| Status Date: | | | | |

| SERFF Tracking #: | BCVT-130082559 | State Tracking #: | Co | Company Tracking #: |
|----------------------|------------------|----------------------------------|----------------------|---------------------|
| State: | VermontGMCB | | Filing Company: | BCBSVT |
| TOI/Sub-TOI: | H16G Group Heal | th - Major Medical/H16G.001C Any | / Size Group - Other | |
| Product Name: | 2016 Vermont Qua | alified Health Plans Rate Filing | | |
| Project Name/Number: | / | | | |

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Attachment Rates_Template_2016_BCBSVT_13627.xml is not a PDF document and cannot be reproduced here.

Attachment BCBSVT 2016 QHP Filing - Actuarial Memo Dataset.xlsx is not a PDF document and cannot be reproduced here.

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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, 2016

1.2. <u>Company Contact Information</u>

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 Qualified Health Plans (QHPs) that Blue Cross and Blue Shield of Vermont (BCBSVT) proposes to offer for the 2016 benefit year.

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. <u>Proposed Rate Increase(s)</u>

BCBSVT proposes an average increase of 8.4 percent.

1.5. <u>Reason for Rate Increase(s)</u>

Significant health care price increases were partially offset by a very competitive pharmacy contract negotiated by BCBSVT. Actuarial assumptions, notably including favorable assumptions about the makeup of the 2016 QHP population, combined with these factors to produce a 5.3 percent increase in rates. The remainder of the 8.4 percent increase was driven by changes related to federal and state health care reforms, including a change in allowed individual Out-of-Pocket Maximums and a reduction in federal subsidies of QHP premiums through their Transitional Reinsurance Program.

An increase of 2.9 percent is driven by three items required solely because of mandated changes associated with the Affordable Care Act:

- The federal government assesses a charge on all health plans to subsidize QHP coverage for the three year-period between 2014 and 2016, through its Transitional Reinsurance Program. The subsidy is reduced in 2016 before being eliminated entirely in 2017. Because the premium subsidy changes from an estimated four percent to an estimated two percent in 2016, it will require groups and members to pay 2.2 percent more for their coverage. This is offset by a reduction in the fee to finance the program, which reduces premiums by 0.3 percent.
- Federally-mandated changes in the individual member out-of-pocket maximums for family policies within plans with aggregate deductibles will increase the premiums by 0.8 percent.
- Some deductibles, out-of-pocket maximums and co-pays in QHPs remain unchanged from 2015 to 2016. As overall costs increase and the amounts that members pay in cost-sharing contributions stay the same, more of the total cost is transferred to premiums. This had an impact of 1.1 percent on premium, offset by a 0.8 percent decrease due to plan changes implemented by BCBSVT and the State of Vermont.

In the absence of mandated changes associated with the Affordable Care Act, a 5.3 percent increase would have been requested:

• An estimate of increases in the amounts providers are paid was included in 2015 QHP rates. Increases beyond those assumptions that have already occurred in 2015, or that are projected to occur before the end of 2015, drive a premium increase of 1.1 percent. This is primarily attributable to prescription drug price increases.

- Amounts that providers are paid are expected to increase by 6.4 percent in 2016. This includes a 1.9 premium percent increase due to increases in the wholesale price of prescription drugs and a 4.4 percent premium increase due to payments to providers of medical services. The latter increase reflects a continued cost shift from Medicare and Medicaid to commercial rates within the Vermont health care system. In the absence of this cost shift, premiums would have been lower by 1.7 percent.
- The new pharmacy contract BCBSVT has negotiated with its Pharmacy Benefit Manager reduces the premium by 1.9 percent.
- BCBSVT assumes that members who have or will enroll in our QHPs in 2016 will prove to be significantly healthier on average than those insured during calendar 2014, either in QHPs or individual and small group products. This assumption creates a premium decrease of 3.5 percent.
- Actual 2014 experience was lower than that assumed in the 2015 QHP filing, however the population underlying that favorable claims result is experiencing higher utilization trends than the population studied for the 2015 filing. The higher assumed the utilization trend increases premiums by 3.1 percent, almost fully offset by a 2.9 percent decrease for the updated experience base.
- In the absence of continued membership growth, administrative charges are increasing approximately proportionally to premium. In terms of an absolute dollar increase, these higher administrative costs raise premiums by 0.7 percent. BCBSVT administrative expenditures remain well below seven percent of premium.
- In order to maintain an adequate level of reserves as required by financial regulation, BCBSVT must increase its contribution to reserve for this filing due to rising health care costs and to protect QHP members by ensuring continued financial stability should a significant adverse event occur (see section 3.8.5.2 for details). This has the effect of increasing premiums by 1.0 percent.
- Other adjustments to the assumptions used in the 2016 rate development cumulatively have the effect of reducing the required rate increase by 1.5 percent. These include items such as:
 - The impact of plan selection (as described in section 3.4.6) increases the premium by 2.0 percent.
 - Other changes, including various modeling enhancements and a number of nearly offsetting adjustments for demographic, generate the remaining 0.5 percent decrease in premiums.

2. PROPOSED BENEFITS

2.1. Description of Benefits

<u>BCBSVT Standard Plans</u>: BCBSVT is providing rates for the Standard Plans with benefits as approved by the Green Mountain Care Board, which are outlined in Exhibit 1A -"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-129970537 for Non-CDHP plans and BCVT-129970594 for CDHP Plans.

<u>BCBSVT Blue Rewards (Non-Standard) Plans:</u> BCBSVT is providing rates for two health and wellness-based non-standard plan types that we have named Blue Rewards and Blue Rewards CDHP. Please see Exhibit 1B - "BCBSVT Blue Rewards (Non-Standard) Plan Designs" for details on the benefit structure. The Form filings for these products can be found under BCVT-129970545 for Non-CDHP plans and BCVT-129970589 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 or having a routine eye or dental exam.

2.2. AV Metal Values

BCBSVT will be offering two types (Standard and Non-Standard) of QHPs in 2016. Standard plans are designed by the State of Vermont and offered by all issuers of QHPs. Please see Attachment A - Standard Plans AV Certification for the certification provided by the State.

Blue Rewards (Non-Standard) plans are designed by BCBSVT. The metal values included in the Unified Rate Review Template (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 2014 experience of Blue Cross and Blue Shield of Vermont (BCBSVT) Individual, Small Group and QHP products, along with The Vermont Health Plan (TVHP) Small Group products. TVHP is a fully owned subsidiary of BCBSVT.

We combined both companies since all small group members have migrated to QHPs and Small Group products are no longer offered under TVHP. This population will be the Single Risk Pool. Members without a pharmacy benefit were excluded.

We used claims incurred January 1, 2014 through December 31, 2014 and paid through February 28, 2015. 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. We also included an estimate of IBNR for the outstanding Pharmacy Rebates.

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 I of Worksheet 1) for the Experience Period.

| | Incurred Claims | Allowed Claims |
|--|--------------------|-------------------|
| Claims incurred and paid through December 31, 2013 | \$255,382,946 | \$343,335,184 |
| Estimate of IBNR as of March 31, 2013 for Claims | 1,767,447 | 1,923,401 |
| Estimate of IBNR as of March 31, 2013 for Pharmacy Rebates | (\$2,205,011) | (\$2,205,011) |
| Total Claims | \$255,820,510 | \$343,616,795 |
| Member Months | 735,603 | 735,603 |
| Total Per Member Per Month (PMPM) | \$347.77 | \$467.12 |

The experience period total allowed charges PMPM are \$467.12.

In the experience period, the earned premium was \$297,310,928. Neither BCBSVT nor TVHP will be required to pay MLR rebates for the 2014 calendar year.

3.2. Benefit Categories

Medical claims are initially categorized into two 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 of the URRT 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 "Benefit Period" 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. As shown in section 3.1, the experience index rate is \$467.12.

To calculate the Projected Period Index Rate, we first excluded pharmacy rebates, BlueCard 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 Period Index Rate (as described in section 3.4.6.).

BCBSVT has access to the detailed claims information underlying capitated claims and since capitated payments are routinely adjusted to target 100% of FFS claims, using the FFS equivalent represents the expected payment better than the capitation. Dental and vision claims were removed in this step both because we don't believe that experience for these new benefits is credible and because the projection factors described below do not apply to these benefits. See Section 3.4.4 for more details.

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 | \$343,616,795 | \$467.12 |
| Remove BlueCard Fees | (\$964,831) | (\$1.31) |
| Remove Pharmacy Rebates | \$2,683,267 | \$3.65 |
| Remove Payments to Blueprint Program | (\$888,620) | (\$1.21) |
| Replace Capitation with FFS equivalent | \$304,482 | \$0.41 |
| Remove Dental and Vision Claims | (\$1,432,153) | (\$1.95) |
| Line A of Exhibit 5 | \$343,318,939 | \$466.72 |

3.4. Projection Factors

3.4.1. Change in the Definition of Small Group

In 2016, the definition of Small Group will change to include groups with 51-100 employees. These groups will either have to offer QHPs or move to a self-funded alternative. We assumed that only groups that would realize lower premiums by choosing QHPs would join the risk pool. This represented just under half of all members in groups of 51-100 employees. We included their claims and member months in all of the factors described below.

| | Single Risk Pool | Additional Small Groups | Total |
|----------------------------------|---------------------|----------------------------|---------------|
| Experience Period Allowed Claims | \$343,318,939 | \$18,480,975 | \$361,799,914 |
| Experience Period Member Months | 735,603 | 38,116 | 773,719 |
| РМРМ | \$466.72 | \$484.86 | \$467.61 |

The factor $(1+b_1 \text{ on Exhibit 5})$ to adjust for the change in the definition of Small Group is $\frac{467.61}{466.70} = 1.0019$.

3.4.2. Membership Projections

As of March 2015, BCBSVT had 67,050 members enrolled in a QHP product, either individually through Vermont Health Connect or directly as small group employees.

We used this information to project the 2016 QHP enrollment and the distribution by plan. As described in the previous section, BCBSVT expects that a portion of its current enrollment in groups with 51-100 employees will purchase QHPs. We projected their choice of product to be that most similar to their current product offering.

The total member months expected to be covered by this filing is 840,168.

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.

3.4.3. Changes in the Morbidity of the Population Insured

Our experience period is based on calendar year 2014. It includes members that enrolled in a QHP with BCBSVT during 2015, are expected to enroll in a QHP with BCBSVT upon the renewal date of their group plan, or canceled. Canceled members can be divided into two categories, voluntary cancelation and cancelation due to death.

We split the experience claims costs based on these categories in order to compare the different populations. We used the allowed charges from the experience and adjusted for the change in network (see section 3.4.6 for details on this adjustment) and the change in the definition of Small Group previously described in section 3.4.1. We adjusted the experience period claims cost to reflect the average claims cost of members who did not voluntarily terminate prior to 2015.

| | Voluntary Cancelation | All Other Members | Total |
|---------------------------|--------------------------|----------------------|---------------|
| Experience Period Allowed | \$55,797,077 | \$315,298,581 | \$365,734,212 |
| Member Months | 87,497 | 686,222 | 773,719 |
| РМРМ | \$634.61 | \$459.47 | \$472.70 |

The factor $(1+b_9 \text{ on Exhibit 5})$ to adjust for the change in pool morbidity is $\frac{459.47}{9.472.70} = 0.9720$.

We also adjusted the experience for the new entrants. As of March, 6,508 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 (2014) 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 the change in the definition of Small Group, then split the continuing members into the market they joined (Individual Non-Subsidized, Individual Subsidized, Small Groups with 2-50 employees and Small Groups with 51-100 employees). 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.

3.4.4. 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 (PA) ratio for the benefits in the experience and the paid to allowed ratio for the benefits in the projection period. We then apply an induced utilization factor to each PA ratio and weight it on membership. The induced utilization (IU) factor is calculated by using the HHS formula where IU = $(PA)^2 - (PA) + 1.24$.

| Calculation of the Impact of the change in benefits | |
|---|--------|
| Experience Period Average Utilization Factor | 1.0924 |
| Projected Period Average Utilization Factor 1.0 | |
| Benefit Adjustment $(1+c_1 \text{ on Exhibit 5}) = 1.0866/1.0924$ | 0.9947 |

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. Both of these benefits were new in 2014, and we don't believe that their experience is credible. We therefore blended claims estimates provided by outside vendors with our experience.

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 \$0.53 PMPM based on the experience period split between adult and child. Our experience for this benefit was \$0.22 PMPM. Blending these two values with equal weights, we calculate the cost to be \$0.37 PMPM. This cost is included in the buildup of the Projected Index Rate (Exhibit 5, line e_6). We assumed that vision benefits would have the same paid to allowed ratio as the base benefit.

For the Pediatric Dental benefit, Milliman performed the calculation of the expected claims cost for each benefit for the 2015 QHP rate filing. Using their information, we estimated the expected allowed charges and paid claims for the new Blue Rewards CDHP Gold plan. Using the experience period split between adult and child, we calculate the overall expected allowed charges at \$7.25 PMPM. Using the 5 percent trend previously used by Milliman, we trended both the expected changes and the experience period charges of \$2.04 PMPM to the projection period. Then, we blended the two values with equal weights. The overall expected allowed charges per child are \$4.93 per member per month. This cost is included in the built up of the Projected Index rate (Exhibit 5, line e_7). See Exhibit 2C for details.

3.4.5. 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 (2014) age-gender factors. We applied these factors to both the experience membership and the projected membership, excluding new members, and compared the average factors. See details of the experience and projected population on Exhibit 2D.

| Calculation of the Demographic Adjustment | | |
|---|--------|--|
| Experience Period Average Age-Sex Factor | 1.2189 | |
| Projected Period Average Age-Sex Factor | 1.2365 | |
| Demographic Adjustment $(1+c_3 \text{ on Exhibit 5}) = 1.2365 / 1.2189$ | 1.0144 | |

3.4.6. Other Adjustments

The buildup of the Projected Index Rate also includes a factor for the change in provider networks, a factor to reflect the impact of selection on allowed costs, and adjustments for non-system claims¹.

We adjusted our experience period for the change in provider networks (factor $1+c_2$ on Exhibit 5). BCBSVT's 2016 QHPs are offered on our EPO Network. This was 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/EPO), 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 2016. See details on Exhibit 2E.

Subscribers will make financial decisions that are right for them. Typically, this manifests itself in healthier subscribers selecting low-cost plans while less healthy subscribers select richer benefits. While we do not reflect selection in the plan-level adjustments, as per the instructions, it can be demonstrated that total premium will be understated without adjusting the index rate to spread the impact of selection across all plans (see Exhibit 2F). This is due to the plan share of allowed costs being greater for richer plan designs, which demonstrably experience antiselection in excess of benefit richness adjustments. The top section of Exhibit 2F shows the build-up of paid claims from allowed charges using actual plan-level adjustments described in Section 3.8 of this Memorandum. The bottom section of the same exhibit demonstrates the impact on total paid claims of using benefit richness adjustments

¹ Non-system claims are payments that are not processed through the claims adjudication system.

that instead reflect actual 2014 QHP experience. The ratio of weighted average projected paid claims calculated via each of these two approaches produces a factor that must be included in the index rate so that application of the various plan-level adjustments results in the correct total paid claims across all plans.

Other costs were added in the buildup of the Projected Index Rate to account for nonsystem 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 (e₁):

The experience period pharmacy rebates are estimated to be \$3.66 PMPM. This number is estimated using our contractual rebate guarantee since we have not yet received the details underlying the rebate payment for calendar year 2014. Pharmacy rebates are expected to trend at the same rate as Brand Drugs. As shown on Exhibit 3I, the projected trend for Brand drugs is 12.8 percent, which brings projected pharmacy rebates to \$4.66 PMPM.

- Blueprint Payments (e₂):

BCBSVT participates in the Vermont Blueprint for Health² program. The experience period payments for this program were uncharacteristically low due to membership changes. Members are attributed to Blueprint based on their choice of Primary Care Provider or their claims. With the start of the Exchange, many members were assigned a new member number, which is how historical claims are tracked for attribution. We expect that the 2016 experience will revert back to historical levels. We therefore included the PMPM from the 2015 QHP rate filing (\$2.09 PMPM) as our projection. The Blueprint program includes payments to Community Health Teams (CHT) that are set for each payer at the start of the contract year (July). Recent invoices reflect BCBSVT's increased market share. This increased allocation adds an additional \$0.25 PMPM to projected Blueprint fees, for a total of \$2.34 PMPM.

Although we are aware that legislation currently contemplating changes to the Blueprint program could impact BCBSVT's cost, we have not include any estimates of those legislated changes in our rates. Neither did we anticipate an expected change to Blueprint charges that may occur should the proposed Blueprint Manual be used to determine payments.

- Interplan Teleprocessing System (ITS) (e₃):

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,

² <u>http://hcr.vermont.gov/blueprint</u>

we believe that the medical utilization trend is 2.0 percent and therefore these fees are expected to increase at the same rate. The experience period fees (\$1.34 PMPM) are projected to grow to \$1.39 PMPM in 2016.

- Vermont Vaccine Purchasing Program Payments (e₄): The Vermont Vaccine Purchasing Program³ offers health care providers statesupplied vaccines at no charge by collecting payments from Health plans, insurers and other payers. This assessment is now based on a PMPM charge, which is a change from the previous year when it was based on claims. We applied the 2015 rates of \$11.61 per child and \$0.84 per adult to the experience period membership. The average PMPM (\$2.24) for the experience period was used as the expected cost for the projection period.
- Net Cost of Reinsurance (e₅): 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 Group Rating Program Filing (BCVT-1299910512).

3.4.7. Trend Factors (cost/utilization):

The calendar year 2014 results were lower than historical results for the population included in this filing, due to the changes in membership and benefits that occurred with the start of the Exchange. Using this data without adjustment would artificially skew the regression downward and would produce unreasonable results to project future trend. To ensure that the trends selected are representative of the expected change from calendar year 2014 to calendar year 2016, we included historical information from members that were active on December 31, 2014 and had at least 2 years of enrollment when performing regressions to calculate trends. This cohort will be referenced as "continuing members" in the descriptions below.

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, 2012 and December 31, 2014, completed through February 28, 2015, were used in the analysis. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits.

The data includes claims from the single risk pool and groups with 51-100 employees expected to purchase QHPs in 2016 (as described in section 3.4.1).

³ <u>http://healthvermont.info/hc/imm/VaccinePurchasingPoolPilotProgram.aspx</u>

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.

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 combinations of CPT and CPT modifier 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 about 82 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 2014 Blue Trend Survey, which is a proprietary and confidential dissemination of the Blue Cross and Blue Shield Association.

Claims were normalized to the December 2014 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 2014. The derived trend for other claims was assumed to be continuous. Please see Exhibit 3A for an illustration of this approach.

Shown on Exhibit 3B is the resulting array of allowed PMPM claims costs, before and after normalization for contract changes for the continuing members. We performed regressions on a number of periods. Results vary from +6.1 percent (most recent 24

months through December 2014) to +18.8 percent (most recent 12 months through December 2014).

Since we are using information from a closed block of business, further adjustments are necessary to get reasonable results. First, we adjusted the historical data for the changes in benefits. Utilization is influenced by the richness of a product and, as shown on Exhibit 3C, when benefits get richer over time, the utilization will increase. To adjust for this phenomenon, we calculated the average induced utilization factor, based on the actuarial values of the plans in the experience and adjusted each month to reflect the benefits in place in December 2014. Second, we adjusted the result for aging. Using the Milliman Health Cost Guidelines, we calculated the average age-gender factors for the continuing population.

| Calendar Year | Member Months | Average Age- Gender Factor | Aging Adjustment |
|------------------|------------------|-------------------------------|---------------------|
| 2013 | 423,628 | 1.2159 | |
| 2014 | 431,407 | 1.2488 | 1.0270 |

The utilization trend selected is 2.0 percent, calculated as follows:

| Utilization Trend from Unadjusted Data | 6.1% |
|--|--------|
| Adjustment for Benefits (= 1.048/1.061) | 0.9877 |
| Adjustment for Aging (= 1/1.027) | 0.9737 |
| Selected Utilization Trend (= 1.061 x 0.9877 x 0.9737) | 2.0% |

<u>Unit Cost</u>

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

During calendar year 2014, almost 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, 2015 and October 1, 2016 that support identical commercial increases as that approved for October 1, 2014. Based upon that assumption, the provider contracting and actuarial departments worked together to assess the impact such an increase would have on contract negotiations specific to the EPO network used for Qualified Health Plans.

Similarly, we assumed for other providers within the BCBSVT service area that overall 2015 and 2016 budget increases would be identical to those implemented during calendar 2014. Again, the provider contracting and actuarial departments 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 2014 Blue Trend Survey, which is a proprietary and confidential dissemination of the Blue Cross and Blue Shield 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 2015 Unit Cost Increases | Assumption to 2016 | Total Trend |
|--|---------------------------------------|-----------------------------------|-----------------------|----------------|
| Vermont facilities and providers impacted by GMCB's Hospital Budget Review | 53.6% | 6.8% | 7.6% | 7.2% |
| Other facilities and providers | 46.4% | 3.1% | 3.2% | 3.1% |
| Total | 100.0% | 5.1% | 5.6% | 5.3% |

Overall Medical Trend

Our selected trend assumptions are 2.0 percent for utilization (including intensity) and 5.3 percent for unit cost increases, resulting in an overall medical trend assumption of 7.4 percent.

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. Claims incurred between January 1, 2012 and December 31, 2014, completed through February 28, 2015, were used in the analysis. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits.

The data includes claims from the single risk pool and groups with 51-100 employees expected to purchase QHPs in 2016 (as described in section 3.4.1).

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.

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 June 2015.

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.

Non-Specialty Drugs

Exhibit 3D 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 nonspecialty 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. We selected the regressions for the period ending December 2014 for both Generic and Brand cost trend. For the utilization trend, we selected the regression for the period ending September 2014. We excluded fourth guarter due to the exaggerated seasonal pattern we have observed for the last two years, which we believe is largely influenced by the difficulties in enrolling through VHC. 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. We have a new pharmacy contract with very favorable terms that was negotiated for the three years beginning in July 2015. The impact of the new contract is reflected in the cost trends.

As described above, the use of a closed population requires adjustment for changes in benefits and aging. To calculate the impact of the change in benefit, we compared the utilization regression with and without the benefit adjustment for the period ending December 2014, as shown on Exhibit 3E. Our actuarial value models do not have monthly seasonal output, and comparing non-calendar year periods would skew this adjustment. We then adjusted the utilization trend for aging.

The utilization trend selected is 0.5 percent, calculated as follows:

| Utilization Trend from Unadjusted Data | 3.6% |
|--|--------|
| Adjustment for Benefits (= 1.062/1.067) | 0.9962 |
| Adjustment for Aging (= 1/1.027) | 0.9737 |
| Selected Utilization Trend (= 1.036 x 0.9962 x 0.9737) | 0.5% |

Based on our current distribution of days supply, for all members, 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 88.7 percent in the projected period, as shown on Exhibit 3F. It is important to note that care must be taken in projecting the GDR to avoid the simplistic 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.

Utilization for brand drugs losing or expected to lose their patent protection from calendar year 2014 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"), monthly utilization for the year ending December 2014 is projected through six months following each generic launch date for the majority of the brands. For some brands where our PBM specifically told us that there would be no exclusivity period, we shifted the days supply to generic on the expiration date. After that time, all utilization is expected to shift to generic.

Specialty Drugs

Beginning in January 2014, a new treatment for hepatitis C was introduced to the market. Because this drug is skewing the specialty trend, we modified our approach to calculate the projected trend. First, we recalculated the specialty drug trend after excluding the new hepatitis C drugs (Sovaldi, Olysio and Harvoni). This reduced the 24 points regression on rolling 12 months data, for year ending November 2014, from 31.8 percent to 28.7 percent (as shown on Exhibit 3G). We selected the year ending November 2014 to mitigate the same phenomenon described above (skewed seasonality). 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. The regression results were then adjusted for the projected impact of the future contracts

with our PBM. For the same reasons stated above, we then adjust the results for aging. Using the Milliman Health Guideline factors, we calculated the average age-gender factors for the continuing population.

| Calendar Year | Member Months | Average Age- Gender Factor | Aging Adjustment |
|---------------|---------------|-------------------------------|----------------------------------|
| 2012 | 387,494 | 1.1881 | |
| 2013 | 423,628 | 1.2159 | |
| 2014 | 431,407 | 1.2488 | = (1.2488/1.1881) ^{0.5} |

In our attempt to understand why the specialty trend for this population was much higher than for the large group population, we analyzed the type of scripts and frequency by class of specialty drugs for both the large group population and the QHP continuing population. As shown on Exhibit 3H, the QHP continuing population had much higher utilization trends between 2013 and 2014 than the large group population for antineoplastic drugs and neurological therapies. We believe that these trends represent unusual events and that similar trends would not continue in the future. We adjusted the utilization trend for these two classes, which have random or near-random incidence, to match the large group population. We did not make a similar adjustment for rheumatological agents or other specialty medications because we would expect these classes of medications to be utilized more extensively by a QHP population that is older and less likely to have obtained coverage through an employer. This reduced the specialty trend by a factor of 0.9779.

| Based Specialty Trend | 28.7% |
|---------------------------|--------|
| Discount Adjustment | 0.9765 |
| Aging Adjustment | 0.9754 |
| Utilization Adjustment | 0.9779 |
| Projected Specialty Trend | 19.9% |

Then, to project the expected cost of hepatitis C treatment in the rating period, we started with the actual claims for calendar year 2014, in which 17 claimants had a treatment for hepatitis C.

ESI provided projections of potential claimants for these therapies who would receive treatment in 2014, 2015 and 2016. Using their projection and applying it to experience period claimants, we projected that 26 members will receive treatment in 2016. ESI has recently entered new arrangements with the manufacturers of hepatitis C treatments. The new drug Viekira Pak, which was approved by the FDA in late December, will be the only drug ESI includes on their formularies for treatment of hepatitis C. We will assume that ESI's pricing for treatments for hepatitis C in 2016 will now refer to Viekira Pak.

The expected discounted cost for a three-month treatment of Viekira Pak is \$54,000. There are two recommended treatments for Viekira Pak: a three-month regimen and a six-month regimen. We assume that the distribution of treatment duration is the same as our experience with Sovaldi. Our members' treatments on Sovaldi ended in January 2015 (the final treatments began in August 2014), so we have complete data about the duration of Sovaldi treatments. Of the 24 members who completed treatment, 16 received the drug for three months and eight received the drug for six months. Therefore the average length of treatment is four months and the projected cost of Viekira Pak is \$72,000 per treatment. This produced an estimate of \$1,872,000 for 2016, based on assumptions of 26 new claimants at an average cost of therapy of \$72,000.

A new type of drug that treats patients with high cholesterol (hyperlipidemia) is currently under review by the FDA. This drug, known as PCSK9 inhibitors, is anticipated to be approved in August 2015. The initial indication for these drugs is to treat Familial Hypercholesterolemia (FH), a genetic disease characterized by very high levels of cholesterols in the blood. Current incidence studies suggest that 200 persons per 100,000 lives are diagnosed with FH. ESI estimates that these new drugs will cost \$12,000 per year per patient. Using our most recent membership counts, we estimate that 129 of our members are likely to receive this new treatment. We included this additional cost in our specialty trend calculation.

To calculate the effective specialty trend, we started with the pharmacy claims from the calendar year 2014 experience period and removed the new hepatitis C drugs. We then trended those claims at a 19.9 percent rate for 24 months, added the incremental cost of hepatitis C treatment and added the incremental cost of the hyperlipidemia specialty drugs for a total restated projected claims. Using this method, the restated effective specialty drug trend is 21.9 percent.

| Pharmacy Specialty Claims in the Experience | \$19,558,864 |
|--|--------------|
| Hepatitis C Drugs in the Experience | \$1,735,457 |
| Pharmacy Specialty Claims without Hepatitis C drugs | \$17,823,407 |
| Projected Specialty Claims using a 19.9% trend for 24 months | \$25,261,492 |
| Adding incremental cost of Hepatitis C treatment for the projection period | \$1,872,000 |
| Adding incremental cost of PCSK9 treatment for the projection period | \$1,548,000 |
| Restated Projected Specialty Claims | \$29,041,492 |
| Restated Specialty Trend | 21.9 % |

ESI has opined that PCSK9 inhibitors have a profound impact on lowering cholesterol as compared to statins, and that the utilization of these new drugs may far exceed that attributable only to familial hypercholesterolemia. They estimate that 10 percent or more of the population currently taking statins would switch to a PCSK9

inhibitor, while an additional 3 to6 percent of the total population may currently have untreated issues with high cholesterol due to intolerance to or lack of results from statins. Using the lower end of these ranges leads to the following results:

| Restated Projected Specialty Claims | \$29,041,492 |
|---|--------------|
| Added incremental cost of PCSK9 for members currently on statins switching to PCSK9 | \$9,412,362 |
| Added incremental cost of PCSK9 for members not currently on statins | \$20,820,000 |
| Restated Projected Specialty Claims | \$59,273,854 |
| Restated Specialty Trend | 74.1% |

Due to the potentially massive impact of these drugs, we reached out to key cardiologists in the State to better understand how they are likely to prescribe the inhibitors. There appears to be a preference to wait until more clinical studies are available on these new drugs before a wholesale move away from statins is likely to take place. Furthermore, we will implement clinical programs to ensure that this very expensive treatment is used appropriately. Because of this, we have chosen not to include the full potential cost of PCSK9 inhibitors in our trend projection to 2016, but instead to only include the portion related to familial hypercholesterolemia, for which we understand the treatment is very likely to be available and prescribed in 2016.

Overall Pharmacy Trend

Exhibit 3I summarizes the trends calculates our total allowed pharmacy trend as 6.5 percent.

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 impact of the change in the Small Group definition, and applied cost and utilization to both Medical and Pharmacy claims. The resulting factors (1+d₁ and 1+d₂ on Exhibit 5) are calculated on Exhibit 3J.

3.5. <u>Credibility of Experience</u>

BCBSVT's experience period had 735,603 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 \$536.95. This is calculated by adjusting the Projected Index Rate (line F of Exhibit 5, \$547.33) for allowable market-wide modifiers described below.

3.7.1. Projected Risk Adjustments PMPM:

BCBSVT does not expect any risk adjustment transfer for 2016. BCBSVT covers at least 90 percent of the members enrolled in QHP products 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 for 2016 rule (80 F.R. 10750), the per capita risk adjustment user fee, used to fund the HHS-risk adjustment program, is 1.75 per enrollee per year (line g₁ 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 2014 experience period by the network, changes in Small Group definitions and trend factors $(1+c_2, 1+b_1, 1+d_1, 1+d_2 \text{ of Exhibit 5})$ and then readjudicated claims for each of the proposed benefits to model the expected claims that would be included in the Transitional Reinsurance Program.

Because the QHP enrollment period was delayed until April 1, 2014, the calendar year 2014 data has disproportionate experience from members with exactly three months of enrollment and nine months of enrollment. To adjust for this, we excluded members with exactly three months of membership where the third month was March 2014 and excluded members with exactly nine months who were active on December 31, 2014. This adjustment didn't significantly impact the starting allowed, from \$544.04 to \$545.85.

While we understand that this was not a precise transformation, it had the effect of producing a sample population with an average duration that was better aligned with

both historical and expected projection period duration patterns, while having only a minimal impact on the PMPM allowed claims cost of the modeled membership.

The Final Notice of Benefits and Payment Parameters for 2016 rule (80 F.R. 10750) defined the 2016 Transitional Reinsurance Program parameters as:

- \$90,000 claims attachment point
- 50 percent coinsurance
- \$250,000 reinsurance cap

Using these parameters, BCBSVT estimated the expected recoveries for each QHP design. 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 \$12.77. See Exhibit 4 for details.

We have assumed that the final parameters for 2016 will not be changed. Found in the preamble to this rule are the following comment and response that support this assumption.

"Comment: Several commenters asked that HHS not change the uniform reinsurance payment parameters for 2016 finalized in this rule in subsequent rulemaking.

Response: We are finalizing the 2016 uniform payment parameters as proposed, and do not intend to make any future adjustments to these parameters.

Given the smaller pool of reinsurance contributions to be collected for the 2016 benefit year, we proposed that the uniform reinsurance payment parameters for the 2016 benefit year be established at an attachment point of \$90,000, a reinsurance cap of \$250,000, and a coinsurance rate of 50 percent. We estimated that these uniform reinsurance payment parameters will result in total requests for reinsurance payments of approximately \$4 billion for the 2016 benefit year. "

The Final Notice of Benefits and Payment Parameters for 2016 rule (80 F.R. 10750) also established the Uniform Reinsurance Contribution rate at \$27 annually per capita, or \$2.25 PMPM.

The market-wide adjustment for the Transitional reinsurance program is therefore -10.52 (-12.77+2.25), 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 2016.

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:

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

3.8.1.1. Benefit Richness Adjustment

The Benefit Richness Adjustment is the counterpart of the Change in Benefit projection factor $(1+c_1 \text{ line on Exhibit 5})$ described in Section 3.4.3. This factor represents the different projected utilization for each plan based solely on benefit design. To calculate this adjustment, we first calculated a base paid to allowed ratio, to which the HHS formula for induced utilization was applied.

The experience used in this model is our calendar year 2014 data, adjusted by the network, changes in Small Group definitions and trend factors $(1+c_2, 1+b_1, 1+d_1, 1+d_2 of Exhibit 5)$. Because the QHP enrollment period was delayed until April 1, 2014, the calendar year 2014 data has disproportionate experience from members with exactly three months of enrollment and nine months of enrollment. To adjust for this, we excluded members with exactly three months of membership where the third month was March 2014 and excluded members with exactly nine months who were active on December 31, 2014. This adjustment didn't significantly impact the starting allowed, from \$544.04 to \$545.85.

While we understand that this was not a precise transformation, it had the effect of producing a sample population with an average duration that was better aligned with both historical and expected projection period duration patterns, while having only a minimal impact on the PMPM allowed claims cost of the modeled membership.

Using this adjusted experience, we re-adjudicated every plan to calculate the base paid to allowed ratio. We then applied the HHS Induced Utilization formula ($IU=AV^2-AV+1.24$) to the base paid to allowed ratio.

These factors were normalized using the projected membership to ensure that the total adjustment was 1.000. See Exhibit 6B for details.

3.8.1.2. Paid to Allowed Ratio

To calculate the paid to allowed ratio, we adjusted the starting allowed charges described in the previous section by the benefit richness adjustment and readjudicated the benefit. We then added the additional EHB paid and allowed, and the non-system claims and market-wide adjustment amounts in both paid and allowed. Finally, we calculated the overall expected paid to allowed ratio. Please see details in Exhibit 6C.

In the URRT, the Paid to Allowed Average Factor is the weighted average Expected Claims Cost without Market Wide Adjustments (\$416.97+\$10.37) divided by Projected Index Rate (\$547.33). As shown in Section 3 of Worksheet 1 of the URRT, the paid to allowed average factor is 78.1 percent.

3.8.1.3. Change in Family Tier

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 reflect the Vermont defined tier structures and the changes in allowed Maximum Out-of-Pocket mandated by the federal government.

In the preamble of the final 2016 Notice of Benefit and Payment Parameters (80 FR 10750), it was clarified that the self-only annual limitation on cost sharing of \$6,850 applies to each individual regardless of whether the individual is enrolled in a self-only or other than self-only plan. This impacts our aggregate plans where the family out-of-pocket is greater than \$6,850. For those plans, we had to adjust the projected claims paid by the plan on family tier to account for the new limit.

| 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 |

Vermont has defined the following tier structure:

These mandated tier factors do not represent the expected relationships between tiers.

Based on the experience period claims, trended to 2016 and adjusted for the changes in network and changes in the Small Group definition, 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 expected claims payments for children, adults, and combinations of both using a convolution model.

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 costs were then weighted based on the distribution of children in those tiers in our experience period. For aggregate benefits, we also modeled two adults.

The details of these adjustments can be found on Exhibit 6D.

- **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. We used our current enrollment in the Catastrophic plan as a proxy for eligibility and adjusted the projected members that would qualify under the hardship rule to account for the increase premiums. We project that 92 percent of the population eligible for this product will be under age 30.

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 0.5852 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 0.8958.

These factors were applied to the EHB portion of the Projected Period Index Rate. Because this adjustment doesn't impact the Non-System claims and Market Wide Adjustment, we calculated the Expected Claims cost and backed into the plan level adjustment for the impact of eligibility.

The total adjustment for the specific eligibility categories for the catastrophic plan is 0.5140. 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 calendar year 2014 data.

We combined the expenses for the members known to be in a QHP in 2015. These members are from BCBSVT QHP Products, BCBSVT Small Group, BCBSVT Nongroup, BCBSVT Safety Net, BCBSVT Catamount and TVHP Small Group. The experience period PMPM is \$28.40.

While the specific functions differ in some respects, the cost of the administrative functions associated with QHPs in 2016 is expected to be comparable to the cost of administering coverage for the eligible populations in 2014.

We have removed one-time expenses related to the resource augmentation of certain enrollment functions during calendar 2014, as we do not expect these expenses to recur in future years. This reduced base period expenses by \$0.82 PMPM.

The remaining charges (\$27.58 PMPM) are projected to 2016 using a 2.2 percent annual trend. This projection factor is intended to make reasonable but modest provision for increases in overall operating costs PMPM. We assume that personnel costs (wages and benefits) will increase by 3 percent annually, the budgeted wage increase for 2015, over the projection period. Other operating costs are assumed to remain flat. We have calculated that 74.9 percent of our administrative costs are for salaries and benefits. We are therefore increasing our projected administrative expenses by the weighted average of 2.2 percent per annum.

| | | BCBSVT Totals | % of Total |
|-------------------------------|--------------------|---------------------|---------------|
| Employee costs: | $(A) = a_1 + a_2$ | \$34,569,941 | 52.6% |
| Salaries and taxes | a1 | \$25,743,854 | |
| Benefits | a ₂ | \$8,826,087 | |
| Purchased services | (B) | \$19,548,975 | 29.8% |
| Other operating costs | (C) | \$11,585,685 | 17.6% |
| Total Administrative Expenses | <u>(A)+(B)+(C)</u> | <u>\$65,704,601</u> | <u>100.0%</u> |
| | | | |
| BCBSVT Personnel Cost | (A)/{(A)+(C)} | | 74.9 % |

An examination of historical administrative charges will show a decreasing trend in recent years, driven primarily by membership increases and non-recurring incremental cost and savings initiatives. BCBSVT projects that membership will remain at current levels over the projection period. The projection of administrative charges is therefore assumed to not be impacted by membership changes.

- 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 QHP population split between adult and child, was applied to get the per member per month charge.

o Health Equity

All QHP 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 2015.

• Blue Rewards 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 QHP 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 QHP rates.

The total of these charges adds up to 6.4 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 two percent contribution to reserves. A contribution to reserves is required in order to maintain an adequate level of surplus. Surplus is a critical consumer protection that allows providers to continue to receive payments and subscribers to receive needed care in the event of unforeseen adverse events that may otherwise impact BCBSVT's ability to pay claims. We believe that two percent represents an adequate, yet not excessive, contribution to reserves. Furthermore, they allow us to maintain Risk-Based Capital (RBC) levels that are within our established, moderate target range.

As demonstrated in section 1 of Exhibit 7B, a contribution to reserves of 1.52 percent is required merely to maintain RBC levels in light of medical trend. In other words, should all other assumptions in this and subsequent filings come to fruition and medical trend hold constant at current levels, the company would eventually become insolvent due to medical trend alone with a contribution to reserves of less than 1.52 percent.

An adequate contribution to reserves should exceed the minimum required to keep pace with trend. While best estimate assumptions are by definition expected to lead to equal likelihood of gains and losses, unexpected events or periods of sustained losses may lead to financial deterioration of sufficient magnitude to render a company insolvent. This is the basic tenet of classical ruin theory.

There are many examples of risk to surplus. The rating cycle is 24 months in duration, meaning that rate deficiencies may persist for an extended period in an increasing trend environment. Regulatory action can have a meaningful impact on surplus when required rate increases are not approved. Membership growth creates a need for additional RBC, much in the same way as trend. Finally, unusual events such as a flu epidemic or new technology may create a one-time shock to capital. A relevant example of the latter is the class of PCSK9 inhibitors discussed in section 3.4.7. Should the lower end of ESI's projection come to fruition rather than the projection built into our pharmacy trend, the impact would be approximately a 134 percentage-point decline in RBC ratio. Such an event would immediately bring us below our target RBC range. While we choose not to recognize the non-zero probability of such events directly in our pricing, it is necessary to include a sufficient margin for contingent events in CTR such that RBC can be maintained within the target range established in conjunction with state regulators.

Maintaining an adequate RBC level is critical for any insurer. Consequences of low RBC include reduced flexibility in responding to customer needs, a need for higher margins in rates in order to avoid further deterioration, and a reduced ability to attract or retain business or to handle membership growth. Stability is particularly important in

times of unprecedented change, such as the continuing evolution of Vermont Health Connect and the health care reform environment.

BCBSVT must remain financially strong in order to continue to provide Vermonters with outstanding member experiences, responsible cost management and access to high value care. We are therefore filing for a 2 percent contribution to reserve, which provides appropriate margin above the minimum needed to keep pace with trend to help ensure continued financial stability should a significant adverse event occur.

Details of Contribution to Reserve by product are on section 2 of Exhibit 7B.

3.8.5.3. Taxes and Fees:

The proposed rates include on average 3.67 percent in Taxes and Fees. These taxes and fees are both from the State Government and the Federal Government.

The Health Care Claims Tax (HCCT) levied by the State of Vermont totals 0.999 percent of claims. Although we are aware of the discussion in the state legislature about an increase to HCCT, we have not included any proposed increases to this tax in the rates.

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 \$2.31 per member per year, or \$0.19 per member per month.

The Federal Insurer Fee is estimated at 2.73 percent of premium, which represents actual 2014 insurer fee, adjusted proportionally for total industry assessments in 2016 (\$11.3 billion) versus 2014 (\$8.0 billion).

| 2014 Annual Fee on Health Insurance, per final bill received from IRS | (A) | \$7,971,576 |
|---|-----------------------|---------------|
| 2014 Eligible Premium (from Form 8963 submitted to the IRS) | (B) | \$515,476,529 |
| Fee as percent of Total Premium | (C) = (A) / (B) | 1.55% |
| Anticipated Federal Income Tax rate | (D) | 20.00% |
| 2014 Required Charge as a percent of Total Premium | (E) = {(C) / (1– (D)} | 1.93% |
| Incremental Increase of the Insurer Fee | (F) | 141.25% |
| 2016 Estimated Required Charge as a percent of Total Premium | (G) = (E) x (F) | 2.73% |

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

3.8.6. AV Pricing Values

As described in the 2016 Unified Rate Review Instructions dated February 21, 2015, 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 by product.

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

Per CMS instructions dated January 30, 2015, the MLR calculation will be performed 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 91.9 percent. 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 3.8.1.3., 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 1.1151.

| Rate Structure | Single | Couple | Adult + child(ren) | Family | Average |
|----------------|--------|--------|--------------------|--------|---------|
| Exchange Tiers | 1.000 | 2.000 | 1.930 | 2.810 | 1.4785 |
| Tier weights | 63.0% | 19.6% | 3.6% | 13.8% | 100.0% |

| Average Members per Subscriber | 1.6487 |
|-----------------------------------|--------------------------|
| Contract Conversion Factor | = 1.6487/1.4785 = 1.1151 |

The Consumer Adjusted Premium Rates are shown on Exhibit 9.

3.10. Small Group Plan Premium Rates

All Small Groups must renew on 1/1/2016 according to the combined market rules. BCBSVT will not file small group rates for Q2-Q4 2016.

4. ADDITIONAL INFORMATION

4.1. <u>Terminated Products</u>

The following products will be terminated prior to 1/1/2016.

| Product ID | Product Name | Product Type | Description | Market |
|------------|----------------------------|-----------------|---------------------------|-------------|
| 13627VT001 | CDHP Comprehensive | Indemnity | Comprehensive HDHP | 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 HDHP | 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 HDHP | 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 HDHP | 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 HDHP | 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 HDHP | Small Group |
| 13627VT024 | VACE - PPO | PPO | PPO | Small Group |
| 13627VT025 | VSAA - CDHP Comprehensive | Indemnity | Comprehensive HDHP | Small Group |
| 13627VT026 | VSAA - PPO | PPO | PPO | Small Group |
| 13627VT027 | VSAA - POS | POS | Point of Service | Small Group |
| 13627VT028 | VSDS - CDHP Comprehensive | Indemnity | Comprehensive HDHP | Small Group |
| 13627VT029 | VSDS - PPO | PPO | PPO | Small Group |
| 13627VT030 | VHSG - CDHP Comprehensive | Indemnity | Comprehensive HDHP | Small Group |
| 13627VT031 | VHSG - PPO | PPO | PPO | Small Group |

4.2. <u>Plan Type</u>

Our plan type is EPO.

4.3. <u>Warning Alerts</u>

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

5. <u>RELIANCE AND ACTUARIAL CERTIFICATION</u>

5.1. <u>Reliance</u>

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 offered in the QHPs. We provided the parameters of the pediatric dental plans to Mr. Berry, and relied on his expertise in the pricing of those benefits. (Attachment C)

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 Qualified Health Plans that Blue Cross and Blue Shield of Vermont (BCBSVT) is proposing to offer in 2016. 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 2016, 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. Data used in this filing was reviewed for reasonableness, but no audit was performed.

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.

Palat

Paul Schultz, F.S.A., M.A.A.A. Actuarial Director Blue Cross and Blue Shield of Vermont May 15, 2015

BLUE CROSS BLUE SHIELD OF VERMONT 2016 VERMONT QUALIFIED HEALTH PLANS 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 Qualified Health Plans (QHPs) that Blue Cross and Blue Shield of Vermont (BCBSVT) is proposing to offer effective January 1, 2016.

There are 40,864 contracts (67,050 members) currently enrolled in a BCBSVT QHP. BCBSVT is proposing an average rate increase of 8.4 percent across all QHPs. Increases for specific QHPs range from 4.7 percent to 14.3 percent.

Of the total 8.4 percent increase, an increase of 2.9 percent is driven by three items required solely because of mandated changes associated with the Affordable Care Act:

- The federal government assesses a charge on all health plans to subsidize QHP coverage for the three year-period between 2014 and 2016, through its Transitional Reinsurance Program. This QHP subsidy is reduced in 2016 before being eliminated entirely in 2017. Because the premium subsidy changes in 2016 from about four percent to about two percent, it will require groups and members to pay 1.8 percent more for their coverage.
- Federally-mandated changes to the individual member out-of-pocket maximums for family policies within plans with aggregate deductibles contributes 0.8 percent to the average increase.
- Some deductibles, out-of-pocket maximums and co-pays in Qualified Health Plans remain unchanged from 2015 to 2016. As overall costs increase and the amounts that members pay in cost-sharing contributions stay the same, more of the total cost is transferred to premiums. The resulting premium increase is partially offset by plan changes implemented by BCBSVT and the State of Vermont, resulting in a 0.3 percent increase in premiums.

BLUE CROSS BLUE SHIELD OF VERMONT 2016 VERMONT QUALIFIED HEALTH PLANS RATE FILING PLAIN LANGUAGE SUMMARY

In the absence of mandated changes associated with the Affordable Care Act, a 5.3 percent increase would have been requested:

- Amounts that providers are paid are expected to increase by 6.4 percent during 2016. This results in a 4.4 percent premium increase due to increased payments to providers of medical services, and an additional 1.9 percent premium increase due to increases in the wholesale price of prescription drugs.
- An estimate of increases in the amounts providers are paid was included in 2015 QHP rates. Increases beyond those assumptions that have already occurred in 2015, or that are projected to occur before the end of 2015, drive a premium increase of 1.1 percent. This is primarily attributable to prescription drug price increases.
- BCBSVT has negotiated a new pharmacy contract with its Pharmacy Benefit Manager, which has an impact of reducing the average premium by 1.9 percent.
- BCBSVT administrative expenditures for Qualified Health Plans remain well below seven percent of premium.
- In order to maintain an adequate level of reserves as required by financial regulation, BCBSVT must increase its contribution to reserve for this filing due to rising health care costs and to protect QHP members by ensuring continued financial stability should a significant adverse event occur. This has the effect of increase premiums by 1.0 percent.
- Other adjustments to the assumptions used in the 2016 rate development, including an assumption that that members who will enroll in our qualified health plans in 2016 will prove to be significantly healthier on average than those insured during calendar 2014, cumulatively have the effect of reducing the required rate increase by 1.9 percent.

BCBSVT started selling QHPs in January 2014. In its first year, this line of business represented \$250 million of earned premium. Due to higher-than-expected actual claims and administrative charges, the line of business incurred a loss of 2.7 percent for calendar year 2014. BCBSVT has not included any additional contribution to member reserves to offset this loss.

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 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.

Ruth Greene Vice President, Treasurer & CFO

Date May 15, 2015

Unified Rate Review v2.0.3

| Company Legal Name: | Blue Cross and | Blue Shield of \State: | VT | |
|-----------------------------------|----------------|------------------------|----------|--|
| HIOS Issuer ID: | 13627 | Market: | Combined | |
| Effective Date of Rate Change(s): | 1/1/2016 | | | |

Market Level Calculations (Same for all Plans)

| Section I: Experience period data | | | | |
|---|-------------|-------------------|------------|-----------|
| Experience Period: | 1/1/2014 | to | 12/31/2014 | |
| | | Experience Period | | |
| | | Aggregate Amount | PMPM | % of Prem |
| Premiums (net of MLR Rebate) in Experie | nce Period: | \$297,310,928 | \$404.17 | 100.00% |
| Incurred Claims in Experience Period | | \$255,820,510 | 347.77 | 86.04% |
| Allowed Claims: | | \$343,616,795 | 467.12 | 115.57% |
| Index Rate of Experience Period | | | \$467.00 | |
| Experience Period Member Months | | 735,603 | | |

Section II: Allowed Claims, PMPM basis

| Section II: Allowed Claims, PMPM basis | <u>s</u> | Experience | e Period | | | tion Period: | 1/1/201 | | 12/31/2016 | Mic | l-point to Mid | l-point, Experie | ence to Projection: | 24 n | nonths | |
|--|--|-----------------|----------|----------------------------|------------------|----------------|------------------|-----------------|------------------------|--------------|----------------|--------------------|---------------------|--------|-------------------|-------------------------|
| | Experience Period Utilization per Average Description Average Cost/Service PMI Admits 51.02 \$18,848.35 PMI Visits 2,406.75 881.10 PMI Visits 7,723.30 174.99 PMI Visits 1,352.70 166.93 PMI Benefit Period 10,298.00 4.44 Prescriptions 13,817.91 65.15 S Frojected Administ Frojected Administ Projected Administ Projected Administ | | | Adj't. from to Projecti | | | ed Trend tors | Projections, b | efore credibility A | djustment | | Credibility Manual | | | | |
| | Utilization | Utilization per | Average | | Pop'l risk | | | | Utilization per | Average | | Utilization | Average | | | |
| Benefit Category | Description | | | PMPM | Morbidity | Other | Cost | Util | 1,000 | Cost/Service | PMPM | per 1,000 | Cost/Service | PMPM | | |
| Inpatient Hospital | | | | \$80.14 | 0.960 | 1.059 | 1.053 | 1.020 | 50.97 | \$22,145.80 | \$94.07 | 0.00 | \$0.00 | \$0.00 | | |
| Outpatient Hospital | | | | 176.72 | 0.960 | 1.059 | 1.053 | 1.020 | 2,404.49 | 1,034.67 | 207.32 | 0.00 | 0.00 | 0.00 | | |
| Professional | | | | 112.63 | 0.960 | 1.055 | 1.053 | 1.020 | 7,716.06 | 204.82 | 131.70 | | 0.00 | 0.00 | | |
| Other Medical | | | | 18.82 | 0.960 | 0.948 | 1.053 | 1.020 | 1,351.43 | 175.45 | 19.76 | | 0.00 | 0.00 | | |
| Capitation | | | | 3.81 | 0.960 | 0.840 | 1.053 | 1.020 | 10,288.34 | 4.14 | 3.55 | 0.00 | 0.00 | 0.00 | | |
| Prescription Drug | Prescriptions | 13,817.91 | 65.15 | 75.02 | 0.960 | 1.113 | 1.060 | 1.005 | 13,406.33 | 81.39 | 90.93 | 0.00 | 0.00 | 0.00 | | |
| Total | | | | \$467.12 | | | | | | | \$547.33 | | | \$0.00 | | |
| | | | | | | | | | | | | | | | After Credibility | Projected Period Totals |
| Section III: Projected Experience: | | | I | Projected Allowed I | Experience Clair | ms PMPM (w/ | applied cre | dibility if app | olicable) | | 100.00% | | | 0.00% | \$547.33 | \$459,846,381 |
| | | | | | Paid to Allow | ed Average Fa | actor in Pro | jection Perio | d | | | | | | 0.781 | |
| | | | | | Projected Inc | urred Claims, | before ACA | rein & Risk | Adj't, PMPM | | | | | | \$427.46 | \$359,140,023 |
| | | | | | Projected Ris | k Adjustment | s PMPM | | | | | | | | <u>-0.15</u> | (126,025) |
| | | | | | Projected | Incurred Clain | ns, before r | einsurance r | ecoveries, net of rein | prem, PMPM | | | | | \$427.61 | \$359,266,048 |
| | | | | | Projected AC | A reinsurance | recoveries | net of rein p | orem, PMPM | | | | | | <u>10.52</u> | 8,838,567 |
| | | | I | Projected Incurred | Claims | | | | | | | | | | \$417.09 | \$350,427,481 |
| | | | | Administrative Expe | ense Load | | | | | | | | | 6.36% | 30.15 | 25,334,987 |
| | | | I | Profit & Risk Load | | | | | | | | | | 2.00% | 9.48 | 7,966,977 |
| | | | 1 | Faxes & Fees | | | | | | | | | | 3.67% | 17.40 | 14,619,403 |
| | | | 9 | Single Risk Pool Gro | ss Premium Av | g. Rate, PMPN | N | | | | | | - | | \$474.13 | \$398,348,847 |
| | | | 1 | ndex Rate for Proje | ection Period | | | | | | | | | | \$547.33 | |
| | | | | | % increase ov | er Experience | e Period | | | | | | | | 17.31% | |
| | | | | % Increase, a | nnualized: | | | | | | | | | 8.31% | | |
| | | | 1 | Projected Member | Months | | | | | | | | | | | 840,168 |
| | | | | | | | | | | | | | | | | |

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Product-Plan Data Collection

| Company Legal Name: | Blue Cross and Blue Shield of Vermont | State: | vt |
|-----------------------------------|---------------------------------------|---------|----------|
| HIOS Issuer ID: | 13627 | Market: | Combined |
| Effective Date of Rate Change(s): | 1/1/2016 | | |

oduct/Plan Level Calculations

| Product | | Terminated Product | | BCBSVT EPO | Small Group) | | BCBSVT EPO CD | HP (Small Group) | | BC | BSVT EPO (Individua | I) | | BCBSVT EPO CI | DHP (Individual) | BCBSVT EPO Blue Re | wards (Small Group8 | SVT EPO CDHP Blue | e Rewards (Small Gr | BCBSVT EPO Blue F | ewards (Individual) | BSVT EPO CDHP BI | ue Rewards (Indivi |
|---|---|--------------------|-----------------|------------------|--------------------|----------------|----------------|------------------|-------------------|-----------------|---------------------|--------------------|----------------|----------------|------------------|--------------------|---------------------|-------------------|---------------------|-------------------|---------------------|------------------|--------------------|
| Product ID: | | 13627VT017 | | 13627 | /T032 | | 13627 | 7VT033 | 13627VT034 | | | 13627 | VT035 | 13627 | /1036 | 13627VT037 | | 13627 | VT038 | 13623 | 7VT039 | | |
| Metal: | | Catastrophic | Platinum | Gold | Silver | Bronze | Silver | Bronze | Catastrophi | c Platinum | Gold | Silver | Bronze | Silver | Bronze | Gold | Silver | Gold | Bronze | Gold | Silver | Gold | Brona |
| AV Metal Value | 1 | 0.000 | 0.890 | 0.810 | 0.716 | 0.614 | 0.701 | 0.610 | 0.612 | 0.890 | 0.810 | 0.716 | 0.614 | 0.701 | 0.610 | 0.802 | 0.718 | 0.780 | 0.620 | 0.802 | 0.718 | 0.780 | 0.620 |
| AV Pricing Value | 1 | 0.010 | 1.121 | 0.980 | 0.829 | 0.701 | 0.802 | 0.697 | 0.399 | 1.121 | 0.980 | 0.829 | 0.701 | 0.802 | 0.697 | 0.908 | 0.796 | 0.866 | 0.688 | 0.908 | 0.796 | 0.866 | 0.688 |
| Plan Type: | 1 | PPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO | EPO |
| | 1 | | | | | | | | BCBSVT Blue | | | | | | | | BCBSVT Blue | BCBSVT Blue | BCBSVT Blue | | BCBSVT Blue | BCBSVT Blue | BCBSVT Blue |
| Plan Name | | Terminated | BCBSVT Platinum | | | BCBSVT Bronze | BCBSVT Silver | BCBSVT Bronze | Rewards | BCBSVT Platinum | | | BCBSVT Bronze | BCBSVT Silver | BCBSVT Bronze | BCBSVT Blue | Rewards Silver | Rewards Gold | Rewards Bronze | BCBSVT Blue | Rewards Silver | Rewards Gold | Rewards Bronze |
| | | Product | Plan | BCBSVT Gold Plan | BCBSVT Silver Plan | Plan | CDHP Plan | CDHP Plan | Catastrophic Plan | Plan | BCBSVT Gold Plan | BCBSVT Silver Plan | Plan | CDHP Plan | CDHP Plan | Rewards Gold Plan | Plan | CDHP Plan | CDHP Plan | Rewards Gold Plan | Plan | CDHP Plan | CDHP Plan |
| Plan ID (Standard Component ID): | | 13627VT0170001 | 13627VT0320001 | 13627VT0320002 | 13627VT0320003 | 13627VT0320004 | 13627VT0330001 | 13627VT0330002 | 13627VT0340001 | 13627VT0340002 | 13627VT0340003 | 13627VT0340004 | 13627VT0340005 | 13627VT0350001 | 13627VT0350002 | 13627VT0360001 | 13627VT0360002 | 13627VT0370001 | 13627VT0370003 | 13627VT0380001 | 13627VT0380002 | 13627VT0390001 | 13627VT0390003 |
| Exchange Plan? | | No | Yes | Yes | 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 | | 8.10% | | 0.0 | 0% | | 0.0 | 00% | | | 0.00% | | | 0.0 | 0% | 0.0 | MS | 0.0 | 00% | 0.0 | 0% | 0.0 | 00% |
| Historical Rate Increase - Calendar Year - 1 | | 0.00% | | 0.0 | 0% | | 0.0 | 00% | | | 0.00% | | | 0.00% 0.00% | | | MS | 0.00% | | 0.0 | 0% | 0.0 | 00% |
| Historical Rate Increase - Calendar Year 0 | | 0.00% | | 8.2 | 5% | | 5.1 | 76% | | | 8.62% | | | 5.7 | 2% | 7.5 | 5% | 5.6 | 56% | 8.0 | 6% | 5. | 66% |
| Effective Date of Proposed Rates | | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 | 1/1/2016 |
| Rate Change % (over prior filing) | | 0.00% | 7.51% | 8.24% | 6.53% | 5.98% | 10.08% | 8.61% | 4.70% | 6 7.51% | 8.24% | 6.53% | 5.98% | 10.08% | 8.61% | 10.08% | 11.26% | 0.00% | 14.31% | 10.08% | 11.26% | 0.00% | 14.31 |
| Cum'tive Rate Change % (over 12 mos prior) | | 0.00% | 7.51% | 8.24% | 6.53% | 5.98% | 10.08% | 8.61% | 4.70% | 6 7.51% | 8.24% | 6.53% | 5.98% | 10.08% | 8.61% | 10.08% | 11.26% | 0.00% | 14.31% | 10.08% | 11.26% | 0.00% | 14.31 |
| Proj'd Per Rate Change % (over Exper. Period) | | -100.00% | 15.61% | 18.44% | 17.13% | 17.15% | 12.00% | 10.84% | 7.69% | 15.61% | 18.44% | 17.13% | 17.15% | 12.00% | 10.84% | 13.71% | 16.05% | #DIV/0! | 16.32% | 13.71% | 16.05% | #DIV/0 | 16.32 |
| Product Threshold Rate Increase % | | #DIV/01 | | 7.3 | 8% | | 91 | 51% | | | 7.05% | | | 9.7 | 14% | 10.4 | 2% | 14.3 | 31% | 11. | 12% | 14 | .31% |

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 | 3627VT0340004 | 13627VT0340005 | 13627VT0350001 | 13627VT0350002 | 13627VT0360001 | 13627VT0360002 | 13627VT0370001 | 13627VT0370003 | 13627VT0380001 | 13627VT0380002 | 13627VT0390001 13 | 3627VT0390003 |
|----------------------------------|----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|---------------|
| Inpatient | \$4.58 | \$0.00 | \$6.14 | \$5.83 | \$3.79 | \$2.84 | \$5.77 | \$4.19 | \$1.01 | \$6.14 | \$5.83 | \$3.79 | \$2.84 | \$5.77 | \$4.19 | \$6.60 | \$6.40 | \$0.00 | \$6.89 | \$6.60 | \$6.40 | \$0.00 | \$6.89 |
| Outpatient | \$10.08 | \$0.00 | \$13.52 | \$12.86 | \$8.36 | \$6.26 | \$12.71 | \$9.24 | \$2.22 | \$13.52 | \$12.86 | \$8.36 | \$6.26 | \$12.71 | \$9.24 | \$14.56 | \$14.10 | \$0.00 | \$15.19 | \$14.56 | \$14.10 | \$0.00 | \$15.19 |
| Professional | \$6.41 | \$0.00 | \$8.59 | \$8.17 | \$5.31 | \$3.98 | \$8.08 | \$5.87 | \$1.41 | \$8.59 | \$8.17 | \$5.31 | \$3.98 | \$8.08 | \$5.87 | \$9.25 | \$8.96 | \$0.00 | \$9.65 | \$9.25 | \$8.96 | \$0.00 | \$9.65 |
| Prescription Drug | \$4.42 | \$0.00 | \$5.93 | \$5.64 | \$3.67 | \$2.74 | \$5.58 | \$4.05 | \$0.97 | \$5.93 | \$5.64 | \$3.67 | \$2.74 | \$5.58 | \$4.05 | \$6.38 | \$6.18 | \$0.00 | \$6.66 | \$6.38 | \$6.18 | \$0.00 | \$6.66 |
| Other | \$0.96 | \$0.00 | \$1.29 | \$1.23 | \$0.80 | \$0.60 | \$1.21 | \$0.88 | \$0.21 | \$1.29 | \$1.23 | \$0.80 | \$0.60 | \$1.21 | \$0.88 | \$1.39 | \$1.34 | \$0.00 | \$1.45 | \$1.39 | \$1.34 | \$0.00 | \$1.45 |
| Capitation | \$0.17 | \$0.00 | \$0.23 | \$0.22 | \$0.14 | \$0.11 | \$0.22 | \$0.16 | \$0.04 | \$0.23 | \$0.22 | \$0.14 | \$0.11 | \$0.22 | \$0.16 | \$0.25 | \$0.24 | \$0.00 | \$0.26 | \$0.25 | \$0.24 | \$0.00 | \$0.26 |
| Administration | \$2.54 | \$0.00 | \$2.94 | \$2.95 | \$2.92 | \$2.90 | \$2.97 | \$2.99 | \$2.93 | \$2.94 | \$2.95 | \$2.92 | \$2.90 | \$2.97 | \$2.99 | \$2.90 | \$2.90 | \$0.00 | \$3.01 | \$2.90 | \$2.90 | \$0.00 | \$3.01 |
| Taxes & Fees | \$1.17 | \$0.00 | \$1.59 | \$1.49 | \$1.01 | \$0.77 | \$1.45 | \$1.08 | \$0.28 | \$1.59 | \$1.49 | \$1.01 | \$0.77 | \$1.45 | \$1.08 | \$1.65 | \$1.59 | \$0.00 | \$1.68 | \$1.65 | \$1.59 | \$0.00 | \$1.68 |
| Risk & Profit Charge | \$4.46 | \$0.00 | \$6.50 | \$5.72 | \$4.77 | \$4.02 | \$4.75 | \$4.08 | \$2.26 | \$6.50 | \$5.72 | \$4.77 | \$4.02 | \$4.75 | \$4.08 | \$5.37 | \$4.75 | \$0.00 | \$4.20 | \$5.37 | \$4.75 | \$0.00 | \$4.20 |
| Total Rate Increase | \$34.79 | \$0.00 | \$46.73 | \$44.11 | \$30.77 | \$24.21 | \$42.74 | \$32.54 | \$11.33 | \$46.73 | \$44.11 | \$30.77 | \$24.21 | \$42.74 | \$32.54 | \$48.36 | \$46.46 | \$0.00 | \$48.99 | \$48.36 | \$46.46 | \$0.00 | \$48.99 |
| Member Cost Share Increase | \$0.33 | \$0.00 | \$4.31 | \$5.00 | -\$2.08 | -\$5.94 | \$0.13 | -\$14.63 | \$4.45 | \$4.31 | \$5.00 | -\$2.08 | -\$5.94 | \$0.13 | -\$14.63 | \$7.68 | \$3.94 | \$0.00 | -\$2.17 | \$7.68 | \$3.94 | \$0.00 | -\$2.17 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Average Current Rate PMPM | \$427.66 | \$0.00 | \$555.04 | \$481.74 | \$414.04 | \$351.94 | \$387.88 | \$341.48 | \$202.96 | \$555.04 | \$481.74 | \$414.04 | \$351.94 | \$387.88 | \$341.48 | \$439.16 | \$380.72 | \$0.00 | \$320.56 | \$439.16 | \$380.72 | \$0.00 | \$320.56 |
| Projected Member Months | 840,168 | 0 | 125,328 | 65,208 | 72,816 | 19,596 | 73,260 | 39,192 | 1,440 | 50,184 | 34,440 | 114,216 | 16,992 | 52,968 | 17,580 | 26,844 | 13,032 | 11,844 | 19,284 | 11,064 | 52,188 | 0 | 22,692 |

| 1 | tion | Exper | ience | Period | Information | tion |
|---|------|-----------|-------|--------|-------------|------|
| | | | | | | |

| Plan ID (Standard Component ID): | Total | 13627VT0170001 | 13627VT0320001 | 13627VT0320002 | 13627VT0320003 | 13627VT0320004 | 13627VT0330001 | 13627VT0330002 | 13627VT0340001 | 13627VT0340002 | 13627VT0340003 | 13627VT0340004 | 13627VT0340005 | 13627VT0350001 | 13627VT0350002 | 13627VT0360001 | | 13627VT0370001 | 13627VT0370003 | 13627VT0380001 | 13627VT0380002 | 13627VT0390001 | 13627VT0390003 |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Plan Adjusted Index Rate | \$400.61 | \$331.93 | | \$443.96 | \$379.77 | \$321.07 | \$384.46 | \$337.43 | \$198.99 | \$520.53 | | \$379.77 | \$321.07 | \$384.46 | | \$428.73 | \$368.09 | \$0.00 | \$317.70 | \$428.73 | \$368.09 | \$0.00 | \$317.70 |
| Member Months | 735,603 | 101,257 | 95,506 | 45,869 | 58,710 | 16,283 | 57,969 | 29,559 | 961 | 43,050 | 29,722 | 82,832 | 12,881 | 43,117 | 12,795 | 20,033 | 8,203 | 0 | 14,799 | 9,226 | 37,336 | 0 | 15,495 |
| Total Premium (TP) | \$294,686,735 | \$33,610,287 | \$49,713,965 | \$20,363,891 | \$22,296,151 | \$5,227,967 | \$22,286,706 | \$9,974,221 | \$191,231 | \$22,408,919 | \$13,195,308 | \$31,456,903 | \$4,135,690 | \$16,576,720 | \$4,317,472 | \$8,588,734 | \$3,019,476 | \$0 | \$4,701,678 | \$3,955,457 | \$13,743,161 | \$0 | \$4,922,798 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| EHB Percent of TP, [see instructions] | 99.96% | 99.97% | 99.97% | 99.94% | 99.90% | 99.97% | 99.96% | 99.97% | 100.00% | 100.00% | 99.98% | 99.96% | 99.94% | 99.96% | 99.89% | 99.96% | 99.98% | 100.00% | 99.99% | 99.93% | 99.94% | 100.00% | 99.92% |
| 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% | 0.00% | 0.00% | 0.00% |
| Other benefits portion of TP | 0.04% | 0.03% | 0.03% | 0.06% | 0.10% | 0.03% | 0.04% | 0.03% | 0.00% | 0.00% | 0.02% | 0.04% | 0.06% | 0.04% | 0.11% | 0.04% | 0.02% | 0.00% | 0.01% | 0.07% | 0.06% | 0.00% | 0.08% |
| Total Allowed Claims (TAC) | \$343,616,795 | \$44,622,254 | \$55,593,482 | \$20,424,288 | \$20,296,189 | \$5,351,267 | \$21,359,244 | \$9,306,198 | \$152,378 | \$46,320,449 | \$16,217,206 | \$42,670,376 | \$3,343,477 | \$19,802,013 | \$3,906,557 | \$8,119,898 | \$2,216,100 | \$0 | \$4,064,271 | \$4,956,328 | \$12,123,710 | \$0 | \$2,771,109 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| EHB Percent of TAC, [see instructions] | 99.96% | 99.97% | 99.97% | 99.94% | 99.90% | 99.97% | 99.96% | 99.97% | 100.00% | 100.00% | 99.98% | 99.96% | 99.94% | 99.96% | 99.89% | 99.96% | 99.98% | 100.00% | 99.99% | 99.93% | 99.94% | 100.00% | 99.92% |
| state mandated benefits portion of TAC that are other | r | | | | | | | | | | | | | | | | | | | | | | |
| 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% | 0.00% | 0.00% |
| Other benefits portion of TAC | 0.04% | 0.03% | 0.03% | 0.06% | 0.10% | 0.03% | 0.04% | 0.03% | 0.00% | 0.00% | 0.02% | 0.04% | 0.06% | 0.04% | 0.11% | 0.04% | 0.02% | 0.00% | 0.01% | 0.07% | 0.06% | 0.00% | 0.08% |
| Allowed Claims which are not the issuer's obligation: | \$87,796,285 | \$11.011.967 | \$3.841.918 | \$3.211.696 | \$5.165.651 | \$1.739.651 | \$5,534,153 | \$3.189.061 | \$66.736 | \$11.136.897 | \$4,379,112 | \$15.443.586 | \$1.607.267 | \$7,559,471 | \$1.953.458 | \$1,548,359 | \$760,449 | £0 | \$1,707,316 | \$1.665.439 | \$4,797,820 | | \$1,476,277 |
| Portion of above payable by HHS's funds on behalf | | \$11,011,907 | \$5,041,510 | \$5,211,050 | \$3,103,031 | \$1,739,031 | \$3,334,133 | \$5,165,001 | \$00,730 | \$11,150,057 | \$4,575,112 | \$13,443,360 | \$1,007,207 | \$7,333,471 | \$1,735,436 | \$1,340,535 | \$700,445 | \$ 0 | \$1,707,510 | \$1,003,455 | \$4,757,820 | 30 | \$1,470,277 |
| of insured person, in dollars | | | 60 | ¢0 | c0 | 60 | 60 | 60 | ¢0. | co. | 60 | | | ¢0 | 0 | 60 | 60 | 60 | ¢0 | 60 | 60 | c0 | 60 |
| Portion of above pavable by HHS on behalf of | 34 | | 30 | 3 0 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 20 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| 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% | #DIV/01 | 0.00% | 0.00% | 0.00% | #DIV/01 | 0.00% |
| Total Incurred claims, payable with issuer funds | \$255,820,510 | \$33,610,287 | \$51,751,564 | \$17,212,591 | \$15,130,538 | \$3,611,617 | \$15,825,092 | \$6,117,138 | \$85,643 | \$35,183,553 | \$11,838,094 | \$27,226,790 | \$1,736,210 | \$12,242,541 | \$1,953,099 | \$6,571,539 | \$1,455,650 | \$0 | \$2,356,955 | \$3,290,889 | \$7,325,890 | SO | \$1,294,832 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Net Amt of Rein | \$16,803,420.48 | -\$531,599.25 | -\$501,406.50 | -\$240,812.25 | -\$308,227.50 | -\$85,485.75 | -\$304,337.25 | -\$155,184.75 | -\$5,045.25 | \$8,283,609.43 | \$1,579,281.21 | \$4,802,039.62 | \$253,786.25 | \$2,391,032.15 | \$614,153.04 | -\$105,173.25 | -\$43,065.75 | \$0.00 | -\$77,694.75 | \$726,805.28 | \$536,487.82 | \$0.00 | -\$25,742.07 |
| Net Amt of Risk Adj | \$50,747.68 | | \$7,640.48 | \$3,669.52 | \$4,696.80 | \$1,302.64 | \$4,637.52 | \$2,364.72 | \$76.88 | \$3,444.00 | \$2,377.76 | \$6,626.56 | \$1,030.48 | \$3,449.36 | \$1,023.60 | \$1,602.64 | \$656.24 | \$0.00 | \$1,183.92 | \$738.08 | \$2,986.88 | \$0.00 | \$1,239.60 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Incurred Claims PMPM | \$347.77 | \$331.93 | \$541.87 | \$375.26 | \$257.72 | \$221.80 | \$272.99 | \$206.95 | \$89.12 | \$817.27 | \$398.29 | \$328.70 | \$134.79 | \$283.94 | \$152.65 | \$328.04 | \$177.45 | #DIV/0! | \$159.26 | \$356.70 | \$196.22 | #DIV/0! | \$83.56 |
| Allowed Claims PMPM | \$467.12 | \$440.68 | \$582.09 | \$445.27 | \$345.70 | \$328.64 | \$368.46 | \$314.83 | \$158.56 | \$1,075.97 | \$545.63 | \$515.14 | \$259.57 | \$459.26 | \$305.32 | \$405.33 | \$270.16 | #DIV/0! | \$274.63 | \$537.21 | \$324.72 | #DIV/0! | \$178.84 |
| EHB portion of Allowed Claims, PMPM | \$466.95 | \$440.54 | \$581.91 | \$445.00 | \$345.37 | \$328.55 | \$368.32 | \$314.75 | \$158.56 | \$1,075.95 | \$545.50 | \$514.94 | \$259.41 | \$459.06 | \$305.00 | \$405.18 | \$270.12 | #DIV/01 | \$274.61 | \$536.82 | \$324.54 | #DIV/0! | \$178.69 |
| | | | | | | | | | | | | | | | | | | | | | | | |

tion IV: Projected (12 months following effective date)

| Plan ID (Standard Component ID): | Total | 13627VT0170001 | 13627VT0320001 | 13627VT0320002 | 13627VT0320003 | 13627VT0320004 | 13627VT0330001 | | 13627VT0340001 | 13627VT0340002 | 13627VT0340003 | 13627VT0340004 | 13627VT0340005 | | 13627VT0350002 | 13627VT0360001 | | 13627VT0370001 | 13627VT0370003 | 13627VT0380001 | 13627VT0380002 | | 13627VT0390003 |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|-------------|----------------|----------------|----------------|----------------|----------|----------------|
| Plan Adjusted Index Rate | \$473.99 | \$0.00 | \$601.77 | \$525.84 | \$444.82 | \$376.14 | \$430.60 | \$374.02 | \$214.29 | \$601.77 | \$525.84 | \$444.82 | \$376.14 | \$430.60 | \$374.02 | \$487.52 | \$427.18 | \$464.73 | \$369.54 | \$487.52 | \$427.18 | \$464.73 | \$369.54 |
| Member Months | 840,168 | | 125,328 | 65,208 | 72,816 | 19,596 | 73,260 | 39,192 | 1,440 | 50,184 | 34,440 | 114,216 | 16,992 | 52,968 | 17,580 | 26,844 | 13,032 | 11,844 | 19,284 | 11,064 | 52,188 | - | 22,692 |
| Total Premium (TP) | \$398,228,769 | \$0 | \$75,418,339 | \$34,289,207 | \$32,389,863 | \$7,370,885 | \$31,546,083 | \$14,658,608 | \$308,573 | \$30,199,109 | \$18,110,052 | \$50,805,326 | \$6,391,410 | \$22,808,257 | \$6,575,279 | \$13,087,018 | \$5,567,047 | \$5,504,218 | \$7,126,177 | \$5,393,934 | \$22,293,821 | \$0 | \$8,385,563 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| EHB Percent of TP, [see instructions] | 99.97% | 100.00% | 99.98% | 99.97% | 99.97% | 99.96% | 99.97% | 99.96% | 99.93% | 99.98% | 99.97% | 99.97% | 99.96% | 99.97% | 99.96% | 99.97% | 99.97% | 99.97% | 99.96% | 99.97% | 99.97% | 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% | 0.00% | 0.00% | 0.00% |
| Other benefits portion of TP | 0.03% | 0.00% | 0.02% | 0.03% | 0.03% | 0.04% | 0.03% | 0.04% | 0.07% | 0.02% | 0.03% | 0.03% | 0.04% | 0.03% | 0.04% | 0.03% | 0.03% | 0.03% | 0.04% | 0.03% | 0.03% | 0.03% | 0.04% |
| Total Allowed Claims (TAC) | \$459,846,381 | \$0 | \$68,595,361 | \$35,690,080 | \$39,854,141 | \$10,725,414 | \$40,097,154 | \$21,450,828 | \$788,150 | \$27,467,043 | \$18,849,932 | \$62,513,467 | \$9,300,175 | \$28,990,801 | \$9,622,003 | \$14,692,438 | \$7,132,762 | \$6,482,537 | \$10,554,648 | \$6,055,623 | \$28,563,886 | \$0 | \$12,419,938 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| EHB Percent of TAC, [see instructions] | 99.97% | 100.00% | 99.98% | 99.97% | 99.97% | 99.96% | 99.97% | 99.96% | 99.93% | 99.98% | 99.97% | 99.97% | 99.96% | 99.97% | 99.96% | 99.97% | 99.97% | 99.97% | 99.96% | 99.97% | 99.97% | 99.97% | 99.96% |
| state mandated benefits portion of TAC that are other | r | | | | | | | | | | | | | | | | | | | | | | |
| 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% | 0.00% | 0.00% |
| Other benefits portion of TAC | 0.03% | 0.00% | 0.02% | 0.03% | 0.03% | 0.04% | 0.03% | 0.04% | 0.07% | 0.02% | 0.03% | 0.03% | 0.04% | 0.03% | 0.04% | 0.03% | 0.03% | 0.03% | 0.04% | 0.03% | 0.03% | 0.03% | 0.04% |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Allowed Claims which are not the issuer's obligation | \$111.531.779 | \$0 | -\$64.113 | \$4,630,790 | \$10,734,217 | \$4,158,314 | \$11,789,348 | \$8,401,960 | \$566.607 | \$1,782,800 | \$3.521.071 | \$19,959,094 | \$4.029.546 | \$9,996,438 | \$4,212,435 | \$2.884.104 | \$2,138,177 | \$1.524.858 | \$4,214,183 | \$1.530.849 | \$9,988,757 | \$0 | \$5,532,343 |
| Portion of above pavable 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% | #DIV/0! | 0.00% |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Total Incurred claims, payable with issuer funds | \$348,314,602 | \$0 | \$68,659,474 | \$31,059,289 | \$29,119,925 | \$6,567,100 | \$28,307,807 | \$13,048,868 | \$221,544 | \$25,684,243 | \$15,328,861 | \$42,554,373 | \$5,270,629 | \$18,994,363 | \$5,409,568 | \$11,808,334 | \$4,994,585 | \$4,957,679 | \$6,340,465 | \$4,524,773 | \$18,575,129 | \$0 | \$6,887,594 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Net Amt of Rein | \$8,838,264 | | -\$281,988 | -\$146,718 | -\$163,836 | -\$44,091 | -\$164,835 | -\$88,182 | \$37,996 | \$1,695,559 | \$997,801 | \$2,864,884 | \$385,575 | \$1,353,398 | \$404,089 | -\$60,399 | -\$29,322 | -\$26,649 | -\$43,389 | \$317,246 | \$1,308,783 | \$0 | \$522,344 |
| Net Amt of Risk Adj | -\$122,525 | | -\$18,277 | -\$9,510 | -\$10,619 | -\$2,858 | -\$10,684 | -\$5,716 | -\$210 | -\$7,319 | -\$5,023 | -\$16,657 | -\$2,478 | -\$7,725 | -\$2,564 | -\$3,915 | -\$1,901 | -\$1,727 | -\$2,812 | -\$1,614 | -\$7,611 | \$0 | -\$3,309 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Incurred Claims PMPM | \$414.58 | #DIV/01 | \$547.84 | \$476.31 | \$399.91 | \$335.12 | \$386.40 | \$332.95 | \$153.85 | \$511.80 | \$445.09 | \$372.58 | \$310.18 | \$358.60 | \$307.71 | \$439.89 | \$383.26 | \$418.58 | \$328.79 | \$408.96 | \$355.93 | #DIV/0! | \$303.53 |
| Allowed Claims PMPM | \$547.33 | #DIV/01 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | \$547.33 | #DIV/0! | \$547.33 |
| EHB portion of Allowed Claims, PMPM | \$547.15 | #DIV/0! | \$547.19 | \$547.17 | \$547.15 | \$547.11 | \$547.14 | \$547.11 | \$546.95 | \$547.19 | \$547.17 | \$547.15 | \$547.11 | \$547.14 | \$547.11 | \$547.16 | \$547.14 | \$547.15 | \$547.11 | \$547.16 | \$547.14 | #DIV/0! | \$547.11 |
| | | | | | | | | | | | | | | | | | | | | | | | |

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 | \$2,000 | \$1,425 | \$4,000 | \$4,100 |
| Rx Ded | \$0 | \$50 | \$150 | Combined | \$500 | Combined |
| Integrated Ded | No | No | No | Yes | No | Yes |
| Medical OOPM | \$1,250 | \$4,250 | \$5,600 | \$5,750 | \$6,850 | \$6,500 |
| 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, Embedded Individual OOPM of \$6,850 | Stacked | Aggregate, Embedded Individual OOPM of \$6,850 |
| 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 | \$50 | 25% | \$85 | 50% |
| Urgent Care | \$40 | \$45 | \$60 | 25% | \$100 | 50% |
| Ambulance | \$50 | \$50 | \$100 | 25% | \$100 | 50% |
| DME | 10% | 20% | 40% | 25% | 50% | 50% |
| ER | \$100 | \$150 | \$250 | 25% | 50% | 50% |
| Radiology (MRI, CT, PET) | 10% | 20% | 40% | 25% | 50% | 50% |
| Outpatient | 10% | 20% | 40% | 25% | 50% | 50% |
| Inpatient | 10% | 20% | 40% | 25% | 50% | 50% |
| Rx Generic | \$5 | \$5 | \$15 | \$10 | \$20 | \$12 |
| Rx Preferred Brand | \$40 | \$40 | \$60 | \$40 | \$80 | 40% |
| Rx Non-Preferred Brand | 50% | 50% | 50% | 50% | 60% | 60% |
| Pediatric Vision (Exam and Materials) | \$20 | \$25 | \$50 | 25% | \$85 | 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 REWARDS (NON-STANDARD) PLAN DESIGNS

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

PROJECTED MEMBERSHIP BY PLAN AND MARKET

| Product | Individual Market | Small Group Market | TOTAL |
|--------------------------|-------------------|--------------------|--------|
| Blue Rewards Gold | 922 | 2,237 | 3,159 |
| Blue Rewards Gold CDHP | 0 | 987 | 987 |
| Blue Rewards Silver | 4,349 | 1,086 | 5,435 |
| Blue Rewards Bronze CDHP | 1,891 | 1,607 | 3,498 |
| Standard Platinum | 4,182 | 10,444 | 14,626 |
| Standard Gold | 2,870 | 5,434 | 8,304 |
| Standard Silver | 9,518 | 6,068 | 15,586 |
| tandard Silver CDHP | 4,414 | 6,105 | 10,519 |
| Standard Bronze | 1,416 | 1,633 | 3,049 |
| Standard Bronze CDHP | 1,465 | 3,266 | 4,731 |
| Catastrophic | 120 | 0 | 120 |
| Total | 31,147 | 38,867 | 70,014 |

ADJUSTMENT FOR IMPACT OF THE HEALTH STATUS OF NEWLY INSURED

| | | Contir | nuing | | New Entrants | | | | | |
|-------------------------|---------------------------|-----------------------|---------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|--|--|
| | Individual Non-Subsidized | Individual Subsidized | Small Group (2-50) Employees | Small Group (51-100) Employees | Individual Non-Subsidized | Individual Subsidized | Small Group (2-50) Employees | Small Group (51-100) Employees | | |
| Projected Membership | 10,431 | 17,240 | 33,024 | 2,811 | 1,049 | 2,427 | 2,879 | 153 | | |
| AGF Factors | 1.3842 | 1.3155 | 1.1312 | 1.1658 | 1.2895 | 1.1426 | 0.9985 | 0.9907 | | |
| РМРМ | | | | | =1.2895 / 1.3842 x \$524.08 = | =1.1426 / 1.3155 x \$538.95 = | =0.9985 / 1.1312 x \$418.54 = | =0.9907 / 1.1658 x \$478.83 = | | |
| | \$524.08 | \$538.95 | \$418.54 | \$478.83 | \$488.24 | \$468.12 | \$369.43 | \$406.92 | | |
| Average PMPM | | | | \$471.23 | | | | \$426.26 | | |

Weighted Average of Continuing Members and New Entrants \$467.05

Impact of New Entrants (Line 1+b3 on Exhibit 5) = \$467.05 / \$471.23 0.9911

PEDIATRIC DENTAL

| Membership Distribution | |
|------------------------------------|--------|
| Adult | 82.9% |
| Child | 17.1% |
| | |
| Actuals Pediatric Dental Experienc | \$2.04 |
| Trended Pediatric Dental | \$2.25 |

| | | Based on Milliman Data | | | |
|--------------------------|----------------------|--|-----------------------------------|--------------------------------------|-----------------------|
| Product | Projected Membership | Projected Allowed Charges per Child | Projected Allowed Charges PMPM | Credibility Adjusted Allowed PMPM | |
| Blue Rewards Gold | 3,159 | \$45.66 | \$7.79 | | |
| Blue Rewards Gold CDHP | 987 | \$42.55 | \$7.26 | | |
| Blue Rewards Silver | 5,435 | \$44.81 | \$7.65 | | |
| Blue Rewards Bronze CDHP | 3,498 | \$37.46 | \$6.40 | | |
| Standard Platinum | 14,626 | \$47.29 | \$8.07 | | |
| Standard Gold | 8,304 | \$46.36 | \$7.91 | | |
| Standard Silver | 15,586 | \$45.19 | \$7.71 | | |
| Standard Silver CDHP | 10,519 | \$42.29 | \$7.22 | | |
| Standard Bronze | 3,049 | \$43.75 | \$7.47 | | |
| Standard Bronze CDHP | 4,731 | \$41.58 | \$7.10 | | |
| Catastrophic | 120 | \$35.40 | \$6.04 | | |
| Total | 70,014 | | \$7.61 | \$4.93 | (line e7 of Exhibit 5 |

DEMOGRAPHIC ADJUSTMENT

| | | Experience | e Period | Projected Period - | Excluding New Members |
|--------|-----------|-------------------|-------------|--------------------|-----------------------|
| Gender | Age Group | Member Months | Average Age | Members | Average Age |
| F | 0-1 | 3,335 | 0.48 | 241 | 0.61 |
| F | 2-6 | 9,282 | 4.06 | 733 | 4.07 |
| F | 7-18 | 36,982 | 13.09 | 2,941 | 13.12 |
| F | 19-22 | 20,400 | 20.49 | 1,622 | 20.56 |
| F | 23-24 | 9,704 | 23.50 | 773 | 23.48 |
| F | 25-29 | 24,487 | 26.99 | 1,965 | 27.02 |
| F | 30-34 | 25,793 | 32.03 | 2,106 | 32.08 |
| F | 35-39 | 25,625 | 36.99 | 2,181 | 36.97 |
| F | 40-44 | 31,195 | 42.17 | 2,471 | 42.15 |
| F | 45-49 | 40,342 | 47.07 | 3,318 | 47.02 |
| F | 50-54 | 50,650 | 52.09 | 4,180 | 52.05 |
| F | 55-59 | 56,143 | 56.96 | 4,659 | 57.05 |
| F | 60-64 | 57,319 | 62.03 | 4,835 | 62.02 |
| F | 65+ | 5,334 | 68.21 | 576 | 67.45 |
| Μ | 0-1 | 3,672 | 0.50 | 230 | 0.60 |
| Μ | 2-6 | 9,867 | 4.16 | 762 | 4.09 |
| Μ | 7-18 | 37,659 | 13.08 | 2,970 | 13.05 |
| Μ | 19-22 | 20,885 | 20.50 | 1,661 | 20.58 |
| Μ | 23-24 | 10,545 | 23.51 | 841 | 23.51 |
| Μ | 25-29 | 23,965 | 26.94 | 1,968 | 26.99 |
| Μ | 30-34 | 24,015 | 32.03 | 1,968 | 32.05 |
| Μ | 35-39 | 25,737 | 36.98 | 2,150 | 37.00 |
| Μ | 40-44 | 30,353 | 42.14 | 2,442 | 42.17 |
| Μ | 45-49 | 36,228 | 47.07 | 2,951 | 47.03 |
| Μ | 50-54 | 46,171 | 52.15 | 3,772 | 52.10 |
| Μ | 55-59 | 50,947 | 56.91 | 4,255 | 57.00 |
| Μ | 60-64 | 50,219 | 61.98 | 4,216 | 61.98 |
| Μ | 65+ | 6,865 | 68.39 | 719 | 67.75 |
| Total | | 773,719 | 41.39 | 63,506 | 41.87 |
| | | Age/Gender Factor | 1.2189 | | 1.2365 |

1.0144

Demographic Adjustment (Line 1+c3 on Exhibit 5) = 1.2365 / 1.2189

IMPACT OF THE CHANGE IN PROVIDER NETWORK

| | | MEDICAL CLAIMS | | | |
|--|---------------------------|--------------------------|-------------------------|-----------------------|--|
| Coverage Category in the Experience | CY 2014 Allowed Claims | Experience Membership | CY 2014 Allowed PMPM | Network Adjustment | CY 2014 Allowed PMPM Adjuted for Network |
| Catamount | \$10,333,313 | 28,606 | \$361.23 | 1.3919 | \$502.78 |
| Indemnity/PPO | \$18,283,952 | 49,125 | \$372.19 | 0.9766 | \$363.50 |
| Point-of-Service | \$1,254,577 | 4,245 | \$295.54 | 1.0000 | \$295.54 |
| НМО | \$20,591,099 | 57,397 | \$358.75 | 1.0152 | \$364.19 |
| Qualified Health Plans | \$250,559,018 | 634,346 | \$394.99 | 1.0000 | \$394.99 |
| Weighted Average PMPM | | | \$389.06 | 1.0131 | \$394.14 |

| | | PHARMACY CLAIM | S | | |
|--|---------------------------|--------------------------|-------------------------|-----------------------|--|
| Coverage Category in the Experience | CY 2014 Allowed Claims | Experience Membership | CY 2014 Allowed PMPM | Network Adjustment | CY 2014 Allowed PMPM Adjuted for Network |
| Catamount | \$4,203,872 | 28,606 | \$146.96 | 1.0000 | \$146.96 |
| Indemnity/PPO | \$3,497,887 | 49,125 | \$71.20 | 1.0000 | \$71.20 |
| Point-of-Service | \$278,953 | 4,245 | \$65.71 | 1.0000 | \$65.71 |
| НМО | \$4,653,002 | 57,397 | \$81.07 | 1.0000 | \$81.07 |
| Qualified Health Plans | \$48,144,242 | 634,346 | \$75.90 | 1.0000 | \$75.90 |
| Weighted Average PMPM | | | \$78.55 | 1.0000 | \$78.55 |
| Total Average PMPM | | | \$467.61 | | \$472.70 |
| Impact of Change in Provider Net | work (Line 1+c2 on Exhibi | t 5) = \$472.7 / \$467.6 | 1 | | 1.0109 |

IMPACT OF SELECTION

| | | NON-STANE | DARD PLANS | | | | STANDAR | D PLANS | | | | |
|---|--------------|--------------|--------------|--------------|------------|------------|------------|----------|------------|----------|--------------------|----------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | /ER | BRO | NZE | Catastrophic | Weighted |
| | Blue Rewards | Blue Rewards | Blue Rewards | Blue Rewards | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | Average |
| | | CDHP | | CDHP | | | | | | | | |
| Projected Paid Claims | | | | | | | | | | | | |
| Using HHS Induced Utilization Factors | | | | | | | | | | | | |
| 2016 Projected FFS Allowed Charges - Without Selection | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | |
| Benefit Richness Adjustment | 1.0155 | 0.9960 | 0.9747 | 0.9387 | 1.0815 | 1.0264 | 0.9743 | 0.9776 | 0.9394 | 0.9415 | 0.9437 | |
| Pricing Actuarial Value | 83.86% | 80.34% | 75.89% | 66.30% | 93.42% | 85.64% | 75.95% | 77.00% | 66.38% | 67.21% | 68.82% | |
| Family Multiplier | 0.9436 | 0.9583 | 0.9453 | 0.9687 | 0.9921 | 0.9906 | 0.9865 | 0.9397 | 0.9791 | 0.9624 | 0.9755 | |
| For Catastrophic Plan only - Impact of the specific eligibility | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 0.5242 | |
| Projected Paid Claims | \$422.70 | \$403.37 | \$367.82 | \$317.14 | \$527.25 | \$458.04 | \$384.06 | \$372.12 | \$321.20 | \$320.37 | \$174.69 | \$410.97 |
| Projected Paid Claims | | | | | | | | | | | | |
| Using BCBSVT Actual Utilization Factors | | | | | | | | | | | | |
| 2016 Projected FFS Allowed Charges - Without Selection | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | \$526.06 | |
| Benefit Richness Adjustment | 1.0081 | 1.0081 | 0.8764 | 0.6011 | 1.5672 | 1.0081 | 0.8764 | 0.8764 | 0.6011 | 0.6011 | 0.9989 | |
| Pricing Actuarial Value | 83.79% | 80.50% | 74.23% | 58.74% | 94.98% | 85.48% | 74.38% | 75.66% | 58.78% | 59.80% | 68.82% | |
| Family Multiplier | 0.9436 | 0.9583 | 0.9453 | 0.9687 | 0.9921 | 0.9906 | 0.9865 | 0.9397 | 0.9791 | 0.9624 | 0.9755 | |
| For Catastrophic Plan only - Impact of the specific eligibility | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 0.5242 | |
| Projected Paid Claims | \$419.25 | \$409.07 | \$323.52 | \$179.93 | \$776.87 | \$449.03 | \$338.30 | \$327.79 | \$181.99 | \$182.00 | \$184.92 | \$419.43 |
| Selection Impact | | | | | | | | | | line | 1+c6 on Exhibit 5 | 1.0206 |
| Selection Impact | | | | | | | | | | une | T+CO OII EXHIDIC D | 1.0206 |
| | | | | | | | | | | | | |
| Projected Membership | 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |

MEDICAL TREND DEVELOPMENT ILLUSTRATION OF CONTRACT NORMALIZATION

| Marth | Contract | Normalization | Experience | Normalized |
|--------|----------|---------------|-------------|-------------|
| Month | Increase | Factor | Claims | Claims |
| Jan-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Feb-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Mar-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Apr-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| May-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Jun-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Jul-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Aug-11 | | 1.1699 | \$1,000,000 | \$1,169,859 |
| Sep-11 | 4.0.400 | 1.1699 | \$1,000,000 | \$1,169,859 |
| Oct-11 | 1.0400 | 1.1249 | \$1,000,000 | \$1,124,864 |
| Nov-11 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Dec-11 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Jan-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Feb-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Mar-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Apr-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| May-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Jun-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Jul-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Aug-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Sep-12 | | 1.1249 | \$1,000,000 | \$1,124,864 |
| Oct-12 | 1.0400 | 1.0816 | \$1,000,000 | \$1,081,600 |
| Nov-12 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Dec-12 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Jan-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Feb-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Mar-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Apr-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| May-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Jun-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Jul-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Aug-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Sep-13 | | 1.0816 | \$1,000,000 | \$1,081,600 |
| Oct-13 | 1.0400 | 1.0400 | \$1,000,000 | \$1,040,000 |
| Nov-13 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Dec-13 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Jan-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Feb-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Mar-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Apr-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| May-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Jun-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Jul-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Aug-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Sep-14 | | 1.0400 | \$1,000,000 | \$1,040,000 |
| Oct-14 | 1.0400 | 1.0000 | \$1,000,000 | \$1,000,000 |
| Nov-14 | | 1.0000 | \$1,000,000 | \$1,000,000 |
| Dec-14 | | 1.0000 | \$1,000,000 | \$1,000,000 |

MEDICAL TREND DEVELOPMENT UTILIZATION TREND CALCULATION

| | | Original Claims | Original PMPM | Adjusted Claims - Normalized for | Adjusted PMPM | Regression on Adjusted PMPM - 36 | Regression on Adjusted PMPM - 24 | Regression on Adjusted PMPM - 12 |
|--------|------------|-----------------|------------------|-------------------------------------|------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Month | Membership | | F/W/F/W | Contract Changes | FMFM | Months | Months | Months |
| Jan-11 | 17,792 | \$5,245,455 | \$294.82 | \$6,311,998 | \$354.77 | \$316.88 | \$322.64 | \$214.19 |
| Feb-11 | 18,078 | \$4,640,120 | \$256.67 | \$5,589,813 | \$309.21 | \$318.62 | \$324.27 | \$217.35 |
| Mar-11 | 18,314 | \$5,990,744 | \$327.11 | \$7,208,138 | \$393.59 | \$320.20 | \$325.74 | \$220.24 |
| Apr-11 | 18,498 | \$5,654,874 | \$305.70 | \$6,743,976 | \$364.58 | \$321.95 | \$327.38 | \$223.49 |
| May-11 | 18,712 | \$5,373,426 | \$287.16 | \$6,405,223 | \$342.31 | \$323.66 | \$328.97 | \$226.68 |
| Jun-11 | 18,921 | \$6,235,143 | \$329.54 | \$7,415,678 | \$391.93 | \$325.44 | \$330.63 | \$230.02 |
| Jul-11 | 19,278 | \$5,332,093 | \$276.59 | \$6,317,701 | \$327.72 | \$327.17 | \$332.24 | \$233.30 |
| Aug-11 | 19,654 | \$5,806,085 | \$295.41 | \$6,884,141 | \$350.27 | \$328.96 | \$333.91 | \$236.74 |
| Sep-11 | 19,921 | \$6,407,145 | \$321.63 | \$7,627,417 | \$382.88 | \$330.77 | \$335.59 | \$240.23 |
| Oct-11 | 20,174 | \$6,450,125 | \$319.72 | \$7,484,081 | \$370.98 | \$332.52 | \$337.22 | \$243.66 |
| Nov-11 | 20,351 | \$6,723,423 | \$330.37 | \$7,629,522 | \$374.90 | \$334.35 | \$338.92 | \$247.25 |
| Dec-11 | 20,550 | \$7,914,981 | \$385.16 | \$8,989,452 | \$437.44 | \$336.12 | \$340.57 | \$250.78 |
| Jan-12 | 30,617 | \$9,063,490 | \$296.03 | \$10,235,183 | \$334.30 | \$337.97 | \$342.28 | \$254.47 |
| Feb-12 | 30,831 | \$10,143,874 | \$329.02 | \$11,484,116 | \$372.49 | \$339.82 | \$344.00 | \$258.22 |
| Mar-12 | 31,211 | \$10,183,501 | \$326.28 | \$11,444,062 | \$366.67 | \$341.56 | \$345.62 | \$261.78 |
| Apr-12 | 31,477 | \$9,361,020 | \$297.39 | \$10,541,984 | \$334.91 | \$343.44 | \$347.36 | \$265.64 |
| May-12 | 31,763 | \$10,141,300 | \$319.28 | \$11,400,368 | \$358.92 | \$345.26 | \$349.05 | \$269.43 |
| Jun-12 | 32,073 | \$9,423,742 | \$293.82 | \$10,570,585 | \$329.58 | \$347.15 | \$350.81 | \$273.40 |
| Jul-12 | 32,408 | \$9,272,460 | \$286.12 | \$10,359,973 | \$319.67 | \$349.00 | \$352.52 | \$277.30 |
| Aug-12 | 32,733 | \$9,703,585 | \$296.45 | \$10,788,099 | \$329.58 | \$350.91 | \$354.29 | \$281.39 |
| Sep-12 | 33,111 | \$8,951,985 | \$270.36 | \$9,941,818 | \$300.26 | \$352.84 | \$356.07 | \$285.54 |
| Oct-12 | 33,427 | \$11,189,657 | \$334.75 | \$12,356,784 | \$369.66 | \$354.71 | \$357.81 | \$289.61 |
| Nov-12 | 33,770 | \$11,643,660 | \$344.79 | \$12,826,984 | \$379.83 | \$356.66 | \$359.61 | \$293.88 |
| Dec-12 | 34,073 | \$11,996,034 | \$352.07 | \$12,714,266 | \$373.15 | \$358.55 | \$361.36 | \$298.08 |
| Jan-13 | 34,913 | \$11,901,970 | \$340.90 | \$12,575,252 | \$360.19 | \$360.52 | \$363.17 | \$302.47 |
| Feb-13 | 35,143 | \$11,707,776 | \$333.15 | \$12,380,809 | \$352.30 | \$362.49 | \$365.00 | \$306.93 |
| Mar-13 | 35,395 | \$12,622,617 | \$356.62 | \$13,319,805 | \$376.32 | \$364.29 | \$366.66 | \$311.01 |
| Apr-13 | 35,405 | \$12,742,292 | \$359.90 | \$13,418,782 | \$379.01 | \$366.29 | \$368.50 | \$315.60 |
| May-13 | 35,390 | \$13,259,972 | \$374.68 | \$13,997,660 | \$395.53 | \$368.23 | \$370.30 | \$320.10 |
| Jun-13 | 35,384 | \$12,046,683 | \$340.46 | \$12,672,929 | \$358.15 | \$370.25 | \$372.16 | \$324.82 |
| Jul-13 | 35,404 | \$11,820,991 | \$333.89 | \$12,397,163 | \$350.16 | \$372.22 | \$373.97 | \$329.45 |
| Aug-13 | 35,424 | \$11,664,737 | \$329.29 | \$12,204,075 | \$344.51 | \$374.26 | \$375.86 | \$334.31 |
| Sep-13 | 35,353 | \$12,650,194 | \$357.83 | \$13,204,675 | \$373.51 | \$376.31 | \$377.75 | \$339.24 |
| Oct-13 | 35,314 | \$15,334,516 | \$434.23 | \$15,965,762 | \$452.11 | \$378.31 | \$379.59 | \$344.08 |
| Nov-13 | 35,332 | \$13,767,813 | \$389.67 | \$14,296,018 | \$404.62 | \$380.39 | \$381.50 | \$349.15 |
| Dec-13 | 35,171 | \$14,496,292 | \$412.17 | \$15,033,413 | \$427.44 | \$382.40 | \$383.35 | \$354.13 |
| Jan-14 | 35,342 | \$13,850,266 | \$391.89 | \$14,218,588 | \$402.31 | \$384.50 | \$385.28 | \$359.35 |
| Feb-14 | 35,411 | \$12,168,353 | \$343.63 | \$12,488,942 | \$352.69 | \$386.61 | \$387.22 | \$364.65 |
| Mar-14 | 35,492 | \$12,920,443 | \$364.04 | \$13,226,797 | \$372.67 | \$388.53 | \$388.98 | \$369.50 |
| Apr-14 | 35,371 | \$12,580,124 | \$355.66 | \$12,854,001 | \$363.41 | \$390.66 | \$390.94 | \$374.95 |
| May-14 | 35,928 | \$13,178,421 | \$366.80 | \$13,432,921 | \$373.88 | \$392.73 | \$392.84 | \$380.29 |
| Jun-14 | 36,050 | \$13,532,471 | \$375.38 | \$13,790,002 | \$382.52 | \$394.89 | \$394.82 | \$385.90 |
| Jul-14 | 36,146 | \$13,234,647 | \$366.14 | \$13,402,523 | \$370.79 | \$396.98 | \$396.74 | \$391.40 |
| Aug-14 | 36,276 | \$13,019,824 | \$358.91 | \$13,168,028 | \$363.00 | \$399.16 | \$398.73 | \$397.18 |
| Sep-14 | 36,308 | \$14,226,032 | \$391.82 | \$14,377,482 | \$395.99 | \$401.35 | \$400.74 | \$403.03 |
| Oct-14 | 36,360 | \$16,022,787 | \$440.67 | \$16,069,659 | \$441.96 | \$403.48 | \$402.69 | \$408.78 |
| Nov-14 | 36,392 | \$14,585,580 | \$400.79 | \$14,605,064 | \$401.33 | \$405.69 | \$404.72 | \$414.81 |
| Dec-14 | 36,331 | \$16,651,882 | \$458.34 | \$16,651,882 | \$458.34 | \$407.85 | \$406.69 | \$420.72 |
| | | | | • | | · · · | | |

Annual Increase

6.7%

6.1%

18.8%

Regression on Adjusted PMPM - 36 Regression on Adjusted PMPM - Regression on Adjusted PMPM - Months 24 Months 12 Months 1.000 0.455 0.000 1.000 0.247 1.000 0.000 1.625 0.000 3.033 0.000 7.371 0.373 0.074 0.183 0.075 0.418 0.064 20.259 34.000 4.936 22.000 7.169 10.000

Regressions

MEDICAL TREND DEVELOPMENT UTILIZATION TREND CALCULATION

| | | | | | | | Adjusted Claims - | | |
|--------|------------|-------------------------------------|----------------------|-------------------------------------|-----------------------|------------------------|--|------------------|-------------------------------------|
| | | Adjusted Claims - Normalized for | Adjusted PMPM | Regression on Adjusted PMPM - 24 | Average Induced | | Normalized for Contract Changes and | Adjusted PMPM | Regression on Adjusted PMPM - 24 |
| Month | Membership | Contract Changes | 1 // 1/1 | Months | Utilization Factor | Induced Utilization | Induced Utilization Factor | 171070 | Months |
| Jan-13 | 34,913 | \$12,575,252 | \$360.19 | \$363.17 | 0.8966 | 1.0166 | \$12,784,266 | \$366.17 | \$370.66 |
| Feb-13 | 35,143 | \$12,380,809 | \$352.30 | \$365.00 | 0.8963 | 1.0169 | \$12,590,271 | \$358.26 | \$372.12 |
| Mar-13 | 35,395 | \$13,319,805 | \$376.32 | \$366.66 | 0.8963 | 1.0109 | \$13,545,858 | \$382.71 | \$373.45 |
| Apr-13 | 35,405 | . , , | \$370.32 \$379.01 | \$368.50 | 0.8963 | 1.0170 | . , , | \$385.44 | \$374.93 |
| • | 35,405 | \$13,418,782 | | | 0.8963 | | \$13,646,417 | | |
| May-13 | , | \$13,997,660 | \$395.53 | \$370.30 | | 1.0170 | \$14,235,050 | \$402.23 | \$376.37 |
| Jun-13 | 35,384 | \$12,672,929 | \$358.15 | \$372.16 | 0.8963 | 1.0169 | \$12,887,427 | \$364.22 | \$377.86 |
| Jul-13 | 35,404 | \$12,397,163 | \$350.16 | \$373.97 | 0.8963 | 1.0170 | \$12,607,771 | \$356.11 | \$379.31 |
| Aug-13 | 35,424 | \$12,204,075 | \$344.51 | \$375.86 | 0.8963 | 1.0170 | \$12,411,577 | \$350.37 | \$380.81 |
| Sep-13 | 35,353 | \$13,204,675 | \$373.51 | \$377.75 | 0.8959 | 1.0174 | \$13,434,407 | \$380.01 | \$382.32 |
| Oct-13 | 35,314 | \$15,965,762 | \$452.11 | \$379.59 | 0.8961 | 1.0172 | \$16,240,413 | \$459.89 | \$383.78 |
| Nov-13 | 35,332 | \$14,296,018 | \$404.62 | \$381.50 | 0.8962 | 1.0171 | \$14,539,856 | \$411.52 | \$385.30 |
| Dec-13 | 35,171 | \$15,033,413 | \$427.44 | \$383.35 | 0.8962 | 1.0171 | \$15,290,992 | \$434.76 | \$386.78 |
| Jan-14 | 35,342 | \$14,218,588 | \$402.31 | \$385.28 | 0.9116 | 0.9999 | \$14,216,750 | \$402.26 | \$388.31 |
| Feb-14 | 35,411 | \$12,488,942 | \$352.69 | \$387.22 | 0.9125 | 0.9990 | \$12,475,904 | \$352.32 | \$389.85 |
| Mar-14 | 35,492 | \$13,226,797 | \$372.67 | \$388.98 | 0.9132 | 0.9981 | \$13,201,778 | \$371.96 | \$391.24 |
| Apr-14 | 35,371 | \$12,854,001 | \$363.41 | \$390.94 | 0.9112 | 1.0004 | \$12,858,543 | \$363.53 | \$392.79 |
| May-14 | 35,928 | \$13,432,921 | \$373.88 | \$392.84 | 0.9111 | 1.0004 | \$13,438,415 | \$374.04 | \$394.30 |
| Jun-14 | 36,050 | \$13,790,002 | \$382.52 | \$394.82 | 0.9115 | 1.0000 | \$13,789,765 | \$382.52 | \$395.86 |
| Jul-14 | 36,146 | \$13,402,523 | \$370.79 | \$396.74 | 0.9114 | 1.0002 | \$13,404,614 | \$370.85 | \$397.37 |
| Aug-14 | 36,276 | \$13,168,028 | \$363.00 | \$398.73 | 0.9113 | 1.0003 | \$13,171,521 | \$363.09 | \$398.95 |
| Sep-14 | 36,308 | \$14,377,482 | \$395.99 | \$400.74 | 0.9113 | 1.0003 | \$14,381,378 | \$396.09 | \$400.53 |
| Oct-14 | 36,360 | \$16,069,659 | \$441.96 | \$402.69 | 0.9114 | 1.0001 | \$16,071,213 | \$442.00 | \$402.06 |
| Nov-14 | 36,392 | \$14,605,064 | \$401.33 | \$404.72 | 0.9113 | 1.0002 | \$14,608,478 | \$401.42 | \$403.65 |
| Dec-14 | 36,331 | \$16,651,882 | \$458.34 | \$406.69 | 0.9115 | 1.0000 | \$16,651,882 | \$458.34 | \$405.20 |
| | , | \$10,001,002 | 2.55.51 | ÷, | | | \$10,001,002 | | \$100120 |
| | | Annual Increase | | 6.1% | | | | | 4.8% |

4.8%

1.00016 0.00007

4.93578

18.32%

Adjusted PMPM - 24

0.4552 3.0331

0.0752

22

Regressions

Adjusted PMPM - 24 1.9228 3.1300 1.00013 0.00008 11.55% 0.0776 2.87376 22

Impact of Benefit Chages

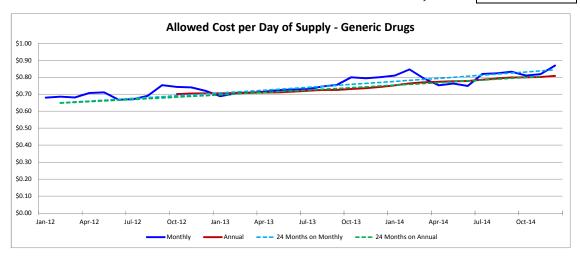
-1.25%

PHARMACY TREND DEVELOPMENT

GENERIC DRUGS - COST TREND

| | | MONTH | LY DATA | | | ROLLIN | G 12 | | EXPONENTIAL FIT | |
|----------|-----------|-----------|--------------|------------|------------|-------------|--------------|------------|-----------------|------------|
| | | Adjusted | | | | Adjusted | | | | |
| Incurred | | Allowed | | Monthly | | Allowed | | Rolling 12 | Monthly | Rolling 12 |
| Date | Supply | Charge | Cost/ Supply | Cost Trend | Supply | Charge | Cost/ Supply | Cost Trend | Data | Data |
| Jan-12 | 640,563 | \$436,099 | \$0.68 | | | | | | | |
| Feb-12 | 646,774 | \$443,553 | \$0.69 | | | | | | \$0.65 | \$0.65 |
| Mar-12 | 712,000 | \$485,222 | \$0.68 | | | | | | \$0.65 | \$0.65 |
| Apr-12 | 687,617 | \$486,666 | \$0.71 | | | | | | \$0.66 | \$0.66 |
| May-12 | 733,083 | \$521,475 | \$0.71 | | | | | | \$0.67 | \$0.66 |
| Jun-12 | 736,484 | \$492,191 | \$0.67 | | | | | | \$0.67 | \$0.67 |
| Jul-12 | 751,558 | \$504,693 | \$0.67 | | | | | | \$0.68 | \$0.67 |
| Aug-12 | 791,957 | \$547,355 | \$0.69 | | | | | | \$0.68 | \$0.67 |
| Sep-12 | 739,577 | \$557,796 | \$0.75 | | | | | | \$0.69 | \$0.68 |
| Oct-12 | 867,500 | \$645,317 | \$0.74 | | 7,307,113 | \$5,120,367 | \$0.70 | | \$0.69 | \$0.68 |
| Nov-12 | 829,031 | \$614,105 | \$0.74 | | 8,136,143 | \$5,734,471 | \$0.70 | | \$0.70 | \$0.69 |
| Dec-12 | 890,165 | \$641,014 | \$0.72 | | 9,026,308 | \$6,375,485 | \$0.71 | | \$0.70 | \$0.69 |
| Jan-13 | 877,653 | \$604,570 | \$0.69 | 1.2% | 9,263,398 | \$6,543,957 | \$0.71 | | \$0.71 | \$0.70 |
| Feb-13 | 801,607 | \$565,076 | \$0.70 | 2.8% | 9,418,231 | \$6,665,480 | \$0.71 | | \$0.71 | \$0.70 |
| Mar-13 | 874,350 | \$619,876 | \$0.71 | 4.0% | 9,580,581 | \$6,800,134 | \$0.71 | | \$0.72 | \$0.71 |
| Apr-13 | 912,540 | \$653,037 | \$0.72 | 1.1% | 9,805,504 | \$6,966,505 | \$0.71 | | \$0.72 | \$0.71 |
| May-13 | 915,644 | \$663,873 | \$0.73 | 1.9% | 9,988,065 | \$7,108,903 | \$0.71 | | \$0.73 | \$0.72 |
| Jun-13 | 872,065 | \$635,464 | \$0.73 | 9.0% | 10,123,646 | \$7,252,176 | \$0.72 | | \$0.74 | \$0.72 |
| Jul-13 | 929,901 | \$679,240 | \$0.73 | 8.8% | 10,301,989 | \$7,426,722 | \$0.72 | | \$0.74 | \$0.72 |
| Aug-13 | 935,748 | \$699,007 | \$0.75 | 8.1% | 10,445,781 | \$7,578,375 | \$0.73 | | \$0.75 | \$0.73 |
| Sep-13 | 925,216 | \$698,342 | \$0.75 | 0.1% | 10,631,420 | \$7,718,921 | \$0.73 | | \$0.75 | \$0.73 |
| Oct-13 | 986,062 | \$789,227 | \$0.80 | 7.6% | 10,749,982 | \$7,862,831 | \$0.73 | | \$0.76 | \$0.74 |
| Nov-13 | 916,614 | \$728,815 | \$0.80 | 7.3% | 10,837,566 | \$7,977,541 | \$0.74 | 4.4% | \$0.76 | \$0.74 |
| Dec-13 | 1,092,166 | \$875,235 | \$0.80 | 11.3% | 11,039,567 | \$8,211,762 | \$0.74 | 5.3% | \$0.77 | \$0.75 |
| Jan-14 | 877,589 | \$711,564 | \$0.81 | 17.7% | 11,039,503 | \$8,318,756 | \$0.75 | 6.7% | \$0.78 | \$0.75 |
| Feb-14 | 850,995 | \$720,725 | \$0.85 | 20.1% | 11,088,891 | \$8,474,405 | \$0.76 | 8.0% | \$0.78 | \$0.76 |
| Mar-14 | 1,000,194 | \$792,519 | \$0.79 | 11.8% | 11,214,735 | \$8,647,047 | \$0.77 | 8.6% | \$0.79 | \$0.76 |
| Apr-14 | 926,786 | \$698,103 | \$0.75 | 5.3% | 11,228,982 | \$8,692,113 | \$0.77 | 9.0% | \$0.79 | \$0.77 |
| May-14 | 963,156 | \$735,315 | \$0.76 | 5.3% | 11,276,494 | \$8,763,555 | \$0.78 | 9.2% | \$0.80 | \$0.77 |
| Jun-14 | 977,047 | \$732,119 | \$0.75 | 2.8% | 11,381,475 | \$8,860,210 | \$0.78 | 8.7% | \$0.81 | \$0.78 |
| Jul-14 | 1,008,264 | \$826,739 | \$0.82 | 12.3% | 11,459,838 | \$9,007,710 | \$0.79 | 9.0% | \$0.81 | \$0.78 |
| Aug-14 | 989,486 | \$815,392 | \$0.82 | 10.3% | 11,513,575 | \$9,124,095 | \$0.79 | 9.2% | \$0.82 | \$0.79 |
| Sep-14 | 1,017,066 | \$847,483 | \$0.83 | 10.4% | 11,605,425 | \$9,273,236 | \$0.80 | 10.1% | \$0.83 | \$0.79 |
| Oct-14 | 1,046,960 | \$848,834 | \$0.81 | 1.3% | 11,666,323 | \$9,332,843 | \$0.80 | 9.4% | \$0.83 | \$0.80 |
| Nov-14 | 980,397 | \$802,980 | \$0.82 | 3.0% | 11,730,106 | \$9,407,008 | \$0.80 | 8.9% | \$0.84 | \$0.81 |
| Dec-14 | 1,147,888 | \$997,911 | \$0.87 | 8.5% | 11,785,828 | \$9,529,683 | \$0.81 | 8.7% | \$0.84 | \$0.81 |

Exponential Trend: 9.7% 8.2% Adjustment for Future ESI Contract Terms: 0.7844 0.7844 Adjusted Trend: -14.0% -15.1%



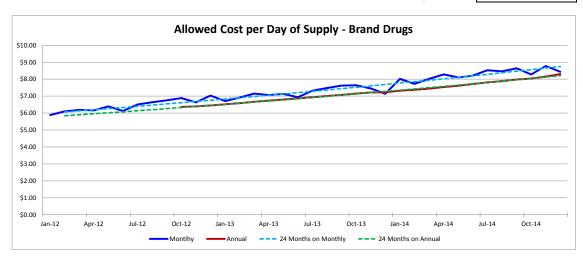
| Regressions | 24 Months of | on Monthly | 24 Months | on Annual |
|-------------|--------------|------------|-----------|-----------|
| | 1.000 | 0.000 | 1.000 | 0.000 |
| | 0.000 | 1.450 | 0.000 | 0.283 |
| | 0.706 | 0.036 | 0.979 | 0.007 |
| | 52.881 | 22.000 | 1007.963 | 22.000 |

PHARMACY TREND DEVELOPMENT

BRAND DRUGS - COST TREND

|] | | MONTH | Y DATA | | | ROLLIN | G 12 | | EXPONENTIAL FIT | |
|----------|---------|-------------|--------------|------------|-----------|--------------|--------------|------------|-----------------|------------|
| | | Adjusted | | | | Adjusted | | | | |
| Incurred | | Allowed | | Monthly | | Allowed | | Rolling 12 | Monthly | Rolling 12 |
| Date | Supply | Charge | Cost/ Supply | Cost Trend | Supply | Charge | Cost/ Supply | Cost Trend | Data | Data |
| Jan-12 | 146,715 | \$864,285 | \$5.89 | | | | | | | |
| Feb-12 | 149,981 | \$915,810 | \$6.11 | | | | | | \$6.07 | \$5.85 |
| Mar-12 | 160,702 | \$995,125 | \$6.19 | | | | | | \$6.13 | \$5.90 |
| Apr-12 | 150,005 | \$925,162 | \$6.17 | | | | | | \$6.20 | \$5.96 |
| May-12 | 159,623 | \$1,021,276 | \$6.40 | | | | | | \$6.27 | \$6.02 |
| Jun-12 | 143,691 | \$879,989 | \$6.12 | | | | | | \$6.34 | \$6.08 |
| Jul-12 | 146,646 | \$954,818 | \$6.51 | | | | | | \$6.40 | \$6.14 |
| Aug-12 | 148,284 | \$985,558 | \$6.65 | | | | | | \$6.48 | \$6.21 |
| Sep-12 | 145,814 | \$985,362 | \$6.76 | | | | | | \$6.55 | \$6.27 |
| Oct-12 | 162,895 | \$1,121,782 | \$6.89 | | 1,514,356 | \$9,649,168 | \$6.37 | | \$6.62 | \$6.33 |
| Nov-12 | 156,025 | \$1,035,553 | \$6.64 | | 1,670,381 | \$10,684,721 | \$6.40 | | \$6.69 | \$6.40 |
| Dec-12 | 175,880 | \$1,236,476 | \$7.03 | | 1,846,261 | \$11,921,197 | \$6.46 | | \$6.76 | \$6.46 |
| Jan-13 | 155,310 | \$1,042,344 | \$6.71 | 13.9% | 1,854,856 | \$12,099,256 | \$6.52 | | \$6.84 | \$6.53 |
| Feb-13 | 138,489 | \$958,813 | \$6.92 | 13.4% | 1,843,364 | \$12,142,258 | \$6.59 | | \$6.91 | \$6.59 |
| Mar-13 | 156,867 | \$1,121,693 | \$7.15 | 15.5% | 1,839,529 | \$12,268,827 | \$6.67 | | \$6.98 | \$6.65 |
| Apr-13 | 158,906 | \$1,122,922 | \$7.07 | 14.6% | 1,848,430 | \$12,466,587 | \$6.74 | | \$7.06 | \$6.72 |
| May-13 | 161,541 | \$1,153,360 | \$7.14 | 11.6% | 1,850,348 | \$12,598,671 | \$6.81 | | \$7.13 | \$6.79 |
| Jun-13 | 152,797 | \$1,060,670 | \$6.94 | 13.3% | 1,859,454 | \$12,779,352 | \$6.87 | | \$7.21 | \$6.86 |
| Jul-13 | 162,762 | \$1,191,904 | \$7.32 | 12.5% | 1,875,570 | \$13,016,437 | \$6.94 | | \$7.29 | \$6.93 |
| Aug-13 | 169,685 | \$1,269,988 | \$7.48 | 12.6% | 1,896,971 | \$13,300,867 | \$7.01 | | \$7.37 | \$7.00 |
| Sep-13 | 164,122 | \$1,252,289 | \$7.63 | 12.9% | 1,915,279 | \$13,567,794 | \$7.08 | | \$7.45 | \$7.07 |
| Oct-13 | 180,653 | \$1,381,032 | \$7.64 | 11.0% | 1,933,037 | \$13,827,044 | \$7.15 | | \$7.53 | \$7.14 |
| Nov-13 | 167,574 | \$1,249,678 | \$7.46 | 12.4% | 1,944,585 | \$14,041,169 | \$7.22 | 12.9% | \$7.61 | \$7.21 |
| Dec-13 | 203,516 | \$1,454,616 | \$7.15 | 1.7% | 1,972,222 | \$14,259,309 | \$7.23 | 12.0% | \$7.69 | \$7.28 |
| Jan-14 | 133,122 | \$1,067,917 | \$8.02 | 19.5% | 1,950,034 | \$14,284,882 | \$7.33 | 12.3% | \$7.78 | \$7.36 |
| Feb-14 | 136,378 | \$1,054,657 | \$7.73 | 11.7% | 1,947,923 | \$14,380,726 | \$7.38 | 12.1% | \$7.86 | \$7.43 |
| Mar-14 | 150,691 | \$1,209,514 | \$8.03 | 12.2% | 1,941,747 | \$14,468,547 | \$7.45 | 11.7% | \$7.94 | \$7.50 |
| Apr-14 | 136,167 | \$1,128,710 | \$8.29 | 17.3% | 1,919,008 | \$14,474,335 | \$7.54 | 11.8% | \$8.03 | \$7.58 |
| May-14 | 140,811 | \$1,141,874 | \$8.11 | 13.6% | 1,898,278 | \$14,462,850 | \$7.62 | 11.9% | \$8.11 | \$7.65 |
| Jun-14 | 143,554 | \$1,178,413 | \$8.21 | 18.3% | 1,889,035 | \$14,580,593 | \$7.72 | 12.3% | \$8.20 | \$7.73 |
| Jul-14 | 143,566 | \$1,224,585 | \$8.53 | 16.5% | 1,869,839 | \$14,613,274 | \$7.82 | 12.6% | \$8.29 | \$7.81 |
| Aug-14 | 140,096 | \$1,186,567 | \$8.47 | 13.2% | 1,840,249 | \$14,529,853 | \$7.90 | 12.6% | \$8.38 | \$7.89 |
| Sep-14 | 153,413 | \$1,326,155 | \$8.64 | 13.3% | 1,829,541 | \$14,603,719 | \$7.98 | 12.7% | \$8.47 | \$7.97 |
| Oct-14 | 164,569 | \$1,362,820 | \$8.28 | 8.3% | 1,813,457 | \$14,585,507 | \$8.04 | 12.4% | \$8.56 | \$8.05 |
| Nov-14 | 147,011 | \$1,290,509 | \$8.78 | 17.7% | 1,792,894 | \$14,626,339 | \$8.16 | 13.0% | \$8.66 | \$8.13 |
| Dec-14 | 184,671 | \$1,558,445 | \$8.44 | 18.1% | 1,774,049 | \$14,730,168 | \$8.30 | 14.8% | \$8.75 | \$8.21 |

Exponential Trend: 13.8% 12.7% Adjustment for Future ESI Contract Terms: 0.9915 0.9915 Adjusted Trend: 12.8% 11.8%



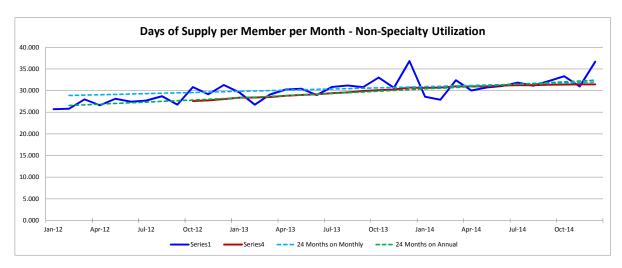
| Regressions | 24 Months o | on Monthly | 24 Months | on Annual |
|-------------|-------------|------------|-----------|-----------|
| | 1.000 | 0.000 | 1.000 | 0.000 |
| | 0.000 | 1.074 | 0.000 | 0.172 |
| | 0.895 | 0.027 | 0.997 | 0.004 |
| | 187.516 | 22.000 | 6315.206 | 22.000 |

PHARMACY TREND DEVELOPMENT

NON-SPECIALTY DRUGS - UTILIZATION TREND

| | | MONTH | LY DATA | | | ROLLIN | IG 12 | | EXPONENTIAL FIT | |
|----------|------------|-----------|------------|------------------------|------------|------------|------------|---------------------------|-----------------|------------|
| Incurred | | | Supply per | Monthly Utilization | | | Supply per | Rolling 12 Utilization | | Rolling 12 |
| Date | Membership | Supply | Member | Trend | Membership | Supply | Member | Trend | Monthly Data | Data |
| Jan-12 | 30,617 | 787,278 | 25.714 | | | | | | | |
| Feb-12 | 30,831 | 796,755 | 25.843 | | | | | | 28.880 | 26.571 |
| Mar-12 | 31,211 | 872,702 | 27.961 | | | | | | 28.962 | 26.719 |
| Apr-12 | 31,477 | 837,622 | 26.611 | | | | | | 29.050 | 26.879 |
| May-12 | 31,763 | 892,706 | 28.105 | | | | | | 29.135 | 27.034 |
| Jun-12 | 32,073 | 880,175 | 27.443 | | | | | | 29.223 | 27.196 |
| Jul-12 | 32,408 | 898,204 | 27.716 | | | | | | 29.309 | 27.353 |
| Aug-12 | 32,733 | 940,241 | 28.725 | | | | | | 29.398 | 27.516 |
| Sep-12 | 33,111 | 885,391 | 26.740 | | | | | | 29.487 | 27.681 |
| Oct-12 | 33,427 | 1,030,395 | 30.825 | | 319,651 | 8,821,469 | 27.597 | | 29.574 | 27.841 |
| Nov-12 | 33,770 | 985,056 | 29.170 | | 353,421 | 9,806,525 | 27.747 | | 29.664 | 28.007 |
| Dec-12 | 34,073 | 1,066,045 | 31.287 | | 387,494 | 10,872,570 | 28.059 | | 29.751 | 28.169 |
| Jan-13 | 34,913 | 1,032,963 | 29.587 | 15.1% | 391,790 | 11,118,255 | 28.378 | | 29.841 | 28.337 |
| Feb-13 | 35,143 | 940,096 | 26.751 | 3.5% | 396,102 | 11,261,596 | 28.431 | | 29.932 | 28.507 |
| Mar-13 | 35,395 | 1,031,217 | 29.135 | 4.2% | 400,286 | 11,420,111 | 28.530 | | 30.014 | 28.660 |
| Apr-13 | 35,405 | 1,071,446 | 30.263 | 13.7% | 404,214 | 11,653,935 | 28.831 | | 30.105 | 28.831 |
| May-13 | 35,390 | 1,077,185 | 30.438 | 8.3% | 407,841 | 11,838,414 | 29.027 | | 30.194 | 28.998 |
| Jun-13 | 35,384 | 1,024,862 | 28.964 | 5.5% | 411,152 | 11,983,101 | 29.145 | | 30.285 | 29.171 |
| Jul-13 | 35,404 | 1,092,663 | 30.863 | 11.4% | 414,148 | 12,177,559 | 29.404 | | 30.374 | 29.340 |
| Aug-13 | 35,424 | 1,105,434 | 31.206 | 8.6% | 416,839 | 12,342,752 | 29.610 | | 30.467 | 29.515 |
| Sep-13 | 35,353 | 1,089,338 | 30.813 | 15.2% | 419,081 | 12,546,699 | 29.939 | | 30.559 | 29.692 |
| Oct-13 | 35,314 | 1,166,715 | 33.038 | 7.2% | 420,968 | 12,683,019 | 30.128 | | 30.649 | 29.863 |
| Nov-13 | 35,332 | 1,084,188 | 30.686 | 5.2% | 422,530 | 12,782,151 | 30.251 | 9.0% | 30.742 | 30.042 |
| Dec-13 | 35,171 | 1,295,682 | 36.840 | 17.7% | 423,628 | 13,011,789 | 30.715 | 9.5% | 30.832 | 30.215 |
| Jan-14 | 35,342 | 1,010,711 | 28.598 | -3.3% | 424,057 | 12,989,537 | 30.632 | 7.9% | 30.926 | 30.396 |
| Feb-14 | 35,411 | 987,373 | 27.883 | 4.2% | 424,325 | 13,036,814 | 30.724 | 8.1% | 31.020 | 30.577 |
| Mar-14 | 35,492 | 1,150,885 | 32.427 | 11.3% | 424,422 | 13,156,482 | 30.999 | 8.7% | 31.105 | 30.742 |
| Apr-14 | 35,371 | 1,062,954 | 30.052 | -0.7% | 424,388 | 13,147,989 | 30.981 | 7.5% | 31.199 | 30.926 |
| May-14 | 35,928 | 1,103,967 | 30.727 | 1.0% | 424,926 | 13,174,772 | 31.005 | 6.8% | 31.291 | 31.105 |
| Jun-14 | 36,050 | 1,120,600 | 31.085 | 7.3% | 425,592 | 13,270,510 | 31.181 | 7.0% | 31.386 | 31.290 |
| Jul-14 | 36,146 | 1,151,829 | 31.866 | 3.3% | 426,334 | 13,329,676 | 31.266 | 6.3% | 31.478 | 31.471 |
| Aug-14 | 36,276 | 1,129,582 | 31.139 | -0.2% | 427,186 | 13,353,825 | 31.260 | 5.6% | 31.574 | 31.659 |
| Sep-14 | 36,308 | 1,170,479 | 32.237 | 4.6% | 428,141 | 13,434,966 | 31.380 | 4.8% | 31.670 | 31.848 |
| Oct-14 | 36,360 | 1,211,529 | 33.320 | 0.9% | 429,187 | 13,479,780 | 31.408 | 4.2% | 31.763 | 32.033 |
| Nov-14 | 36,392 | 1,127,408 | 30.980 | 1.0% | 430,247 | 13,523,000 | 31.431 | 3.9% | 31.859 | 32.224 |
| Dec-14 | 36,331 | 1,332,559 | 36.678 | -0.4% | 431,407 | 13,559,877 | 31.432 | 2.3% | 31.953 | 32.410 |

Exponential Trend: 3.6% 7.3%



| Regressions | 24 Months o | n Monthly | 24 Months on Annual | | | |
|-------------|-------------|-----------|---------------------|--------|--|--|
| | 1.000 | 0.527 | 1.000 | 0.010 | | |
| | 0.000 | 2.431 | 0.000 | 0.309 | | |
| | 0.113 | 0.060 | 0.968 | 0.008 | | |
| | 2.790 | 22.000 | 668.137 | 22.000 | | |

PHARMACY TREND DEVELOPMENT NON-SPECIALTY UTILIZATION TREND CALCULATION

| Month | Membership | Total Days Supply | Days Supply PMPM | Regression on Adjusted PMPM - 24 Months | Average Induced Utilization Factor | Normalization Factor for Induced Utilization | Adjusted Claims - Normalized for Induced Utilization Factor | Adjusted PMPM | Regression on Adjusted PMPM - 24 Months |
|--------|------------|-------------------|---------------------|---|---|---|--|------------------|---|
| Jan-13 | 34,913 | 1,032,963 | 29.59 | 29.13 | 0.8756 | 1.0080 | 1,041,249 | 29.82 | 29.27 |
| Feb-13 | 35,143 | 940,096 | 26.75 | 29.29 | 0.8766 | 1.0069 | 946,593 | 26.94 | 29.42 |
| Mar-13 | 35,395 | 1,031,217 | 29.13 | 29.44 | 0.8776 | 1.0058 | 1,037,180 | 29.30 | 29.56 |
| Apr-13 | 35,405 | 1,071,446 | 30.26 | 29.60 | 0.8779 | 1.0054 | 1,077,230 | 30.43 | 29.71 |
| May-13 | 35,390 | 1,077,185 | 30.44 | 29.76 | 0.8784 | 1.0049 | 1,082,429 | 30.59 | 29.86 |
| Jun-13 | 35,384 | 1,024,862 | 28.96 | 29.92 | 0.8788 | 1.0043 | 1,029,273 | 29.09 | 30.01 |
| Jul-13 | 35,404 | 1,092,663 | 30.86 | 30.08 | 0.8812 | 1.0017 | 1,094,477 | 30.91 | 30.16 |
| Aug-13 | 35,424 | 1,105,434 | 31.21 | 30.24 | 0.8817 | 1.0011 | 1,106,625 | 31.24 | 30.32 |
| Sep-13 | 35,353 | 1,089,338 | 30.81 | 30.41 | 0.8822 | 1.0004 | 1,089,803 | 30.83 | 30.48 |
| Oct-13 | 35,314 | 1,166,715 | 33.04 | 30.57 | 0.8822 | 1.0005 | 1,167,271 | 33.05 | 30.63 |
| Nov-13 | 35,332 | 1,084,188 | 30.69 | 30.74 | 0.8824 | 1.0003 | 1,084,495 | 30.69 | 30.79 |
| Dec-13 | 35,171 | 1,295,682 | 36.84 | 30.90 | 0.8823 | 1.0004 | 1,296,196 | 36.85 | 30.94 |
| Jan-14 | 35,342 | 1,010,711 | 28.60 | 31.07 | 0.8868 | 0.9953 | 1,005,963 | 28.46 | 31.10 |
| Feb-14 | 35,411 | 987,373 | 27.88 | 31.24 | 0.8871 | 0.9950 | 982,435 | 27.74 | 31.26 |
| Mar-14 | 35,492 | 1,150,885 | 32.43 | 31.40 | 0.8871 | 0.9949 | 1,145,031 | 32.26 | 31.41 |
| Apr-14 | 35,371 | 1,062,954 | 30.05 | 31.57 | 0.8820 | 1.0008 | 1,063,769 | 30.07 | 31.57 |
| May-14 | 35,928 | 1,103,967 | 30.73 | 31.74 | 0.8822 | 1.0005 | 1,104,464 | 30.74 | 31.73 |
| Jun-14 | 36,050 | 1,120,600 | 31.08 | 31.91 | 0.8825 | 1.0002 | 1,120,775 | 31.09 | 31.89 |
| Jul-14 | 36,146 | 1,151,829 | 31.87 | 32.08 | 0.8826 | 1.0001 | 1,151,910 | 31.87 | 32.05 |
| Aug-14 | 36,276 | 1,129,582 | 31.14 | 32.26 | 0.8826 | 1.0000 | 1,129,586 | 31.14 | 32.21 |
| Sep-14 | 36,308 | 1,170,479 | 32.24 | 32.43 | 0.8826 | 1.0000 | 1,170,456 | 32.24 | 32.38 |
| Oct-14 | 36,360 | 1,211,529 | 33.32 | 32.61 | 0.8828 | 0.9998 | 1,211,333 | 33.31 | 32.54 |
| Nov-14 | 36,392 | 1,127,408 | 30.98 | 32.78 | 0.8827 | 0.9999 | 1,127,298 | 30.98 | 32.71 |
| Dec-14 | 36,331 | 1,332,559 | 36.68 | 32.96 | 0.8826 | 1.0000 | 1,332,559 | 36.68 | 32.87 |

6.2% Adjusted PMPM - 24

0.0310

2.6081 0.0646

22

1.00017

0.00006 24.18%

7.01648

6.7%

Regressions

Annual Increase

 Adjusted PMPM - 24

 1.00018
 0.0200

 0.00006
 2.5929

 26.72%
 0.0643

 8.02137
 22

Impact of Benefit Chages

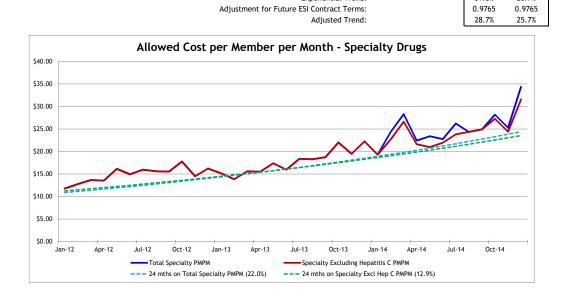
-0.38%

PHARMACY TREND DEVELOPMENT GENERIC DISPENSING RATE

| | • | | | | Generic Dis | pensing Rate |
|--------|-----------|-------------|---------|------------|-------------|--------------|
| | | Brands | | | | |
| | | Losing | | Total Non- | | |
| Month | Generic | Exclusivity | Brand | Specialty | Monthly | Rolling 12 |
| Jan-14 | 1,543,077 | | 240,201 | 1,783,278 | 86.5% | |
| Feb-14 | 1,478,244 | | 235,665 | 1,713,908 | 86.2% | |
| Mar-14 | 1,667,213 | | 260,094 | 1,927,307 | 86.5% | |
| Apr-14 | 1,562,819 | | 225,339 | 1,788,158 | 87.4% | |
| May-14 | 1,625,991 | | 236,860 | 1,862,851 | 87.3% | |
| Jun-14 | 1,618,132 | | 234,575 | 1,852,708 | 87.3% | |
| Jul-14 | 1,690,687 | | 238,019 | 1,928,706 | 87.7% | |
| Aug-14 | 1,678,155 | | 234,864 | 1,913,019 | 87.7% | |
| Sep-14 | 1,709,744 | | 253,645 | 1,963,389 | 87.1% | |
| Oct-14 | 1,764,168 | | 273,193 | 2,037,361 | 86.6% | |
| Nov-14 | 1,620,811 | | 242,138 | 1,862,949 | 87.0% | |
| Dec-14 | 1,877,440 | | 299,834 | 2,177,275 | 86.2% | 87.0% |
| Jan-15 | 1,543,077 | 7,470 | 232,731 | 1,783,278 | 86.9% | 87.0% |
| Feb-15 | 1,478,244 | 11,258 | 224,407 | 1,713,908 | 86.9% | 87.0% |
| Mar-15 | 1,667,213 | 11,240 | 248,854 | 1,927,307 | 87.1% | 87.1% |
| Apr-15 | 1,562,819 | 11,285 | 214,055 | 1,788,158 | 88.0% | 87.1% |
| May-15 | 1,625,991 | 10,384 | 226,476 | 1,862,851 | 87.8% | 87.2% |
| Jun-15 | 1,618,132 | 15,034 | 219,541 | 1,852,708 | 88.2% | 87.3% |
| Jul-15 | 1,690,687 | 13,518 | 224,501 | 1,928,706 | 88.4% | 87.3% |
| Aug-15 | 1,678,155 | 14,234 | 220,630 | 1,913,019 | 88.5% | 87.4% |
| Sep-15 | 1,709,744 | 14,403 | 239,242 | 1,963,389 | 87.8% | 87.4% |
| Oct-15 | 1,764,168 | 14,345 | 258,849 | 2,037,361 | 87.3% | 87.5% |
| Nov-15 | 1,620,811 | 14,354 | 227,783 | 1,862,949 | 87.8% | 87.6% |
| Dec-15 | 1,877,440 | 13,662 | 286,173 | 2,177,275 | 86.9% | 87.6% |
| Jan-16 | 1,550,547 | 13,808 | 218,923 | 1,783,278 | 87.7% | 87.7% |
| Feb-16 | 1,489,501 | 11,959 | 212,448 | 1,713,908 | 87.6% | 87.7% |
| Mar-16 | 1,678,453 | 11,911 | 236,943 | 1,927,307 | 87.7% | 87.8% |
| Apr-16 | 1,574,103 | 9,620 | 204,435 | 1,788,158 | 88.6% | 87.8% |
| May-16 | 1,636,375 | 22,841 | 203,634 | 1,862,851 | 89.1% | 87.9% |
| Jun-16 | 1,633,166 | 19,512 | 200,030 | 1,852,708 | 89.2% | 88.0% |
| Jul-16 | 1,704,205 | 23,180 | 201,321 | 1,928,706 | 89.6% | 88.1% |
| Aug-16 | 1,692,389 | 23,092 | 197,538 | 1,913,019 | 89.7% | 88.2% |
| Sep-16 | 1,724,146 | 22,674 | 216,569 | 1,963,389 | 89.0% | 88.3% |
| Oct-16 | 1,778,513 | 23,992 | 234,856 | 2,037,361 | 88.5% | 88.4% |
| Nov-16 | 1,635,166 | 21,705 | 206,079 | 1,862,949 | 88.9% | 88.5% |
| Dec-16 | 1,891,102 | 44,395 | 241,777 | 2,177,275 | 88.9% | 88.7% |

PHARMACY TREND DEVELOPMENT SPECIALTY TREND CALCULATIONS

| | MONTHLY DATA | | | | | | | P | MPM | Rolling | 12 PMPM | EXPONE | NTIAL FIT |
|---------------|--------------|-----|-------------|----|-----------|-----|--------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | | Spe | cialty Drug | | | | | | | | | | |
| | | | Allowed | | | | | | Specialty | | Specialty | | |
| | | | Charges | He | patitis C | Tot | al Specialty | Total | Excluding | Total | Excluding | | Specialty |
| | | E | Excluding | A | llowed | Dr | ug Allowed | Specialty | Hepatitis C | Specialty | Hepatitis C | Total | Excluding |
| Incurred Date | Members | Н | epatitis C | C | harges | | Charges | PMPM | PMPM | PMPM | PMPM | Specialty | Hepatitis C |
| Jan-12 | 30,617 | \$ | 360,816 | \$ | - | \$ | 360,816 | \$11.78 | \$11.78 | | | \$10.89 | \$11.26 |
| Feb-12 | 30,831 | \$ | 394,144 | \$ | - | \$ | 394,144 | \$12.78 | \$12.78 | | | \$11.15 | \$11.50 |
| Mar-12 | 31,211 | \$ | 426,516 | \$ | - | \$ | 426,516 | \$13.67 | \$13.67 | | | \$11.40 | \$11.74 |
| Apr-12 | 31,477 | \$ | 426,958 | \$ | - | \$ | 426,958 | \$13.56 | \$13.56 | | | \$11.67 | \$11.99 |
| May-12 | 31,763 | \$ | 513,031 | \$ | - | \$ | 513,031 | \$16.15 | \$16.15 | | | \$11.94 | \$12.24 |
| Jun-12 | 32,073 | \$ | 479,190 | \$ | - | \$ | 479,190 | \$14.94 | \$14.94 | | | \$12.22 | \$12.51 |
| Jul-12 | 32,408 | \$ | 517,370 | \$ | - | \$ | 517,370 | \$15.96 | \$15.96 | | | \$12.50 | \$12.77 |
| Aug-12 | 32,733 | \$ | 511,035 | \$ | - | \$ | 511,035 | \$15.61 | \$15.61 | | | \$12.80 | \$13.05 |
| Sep-12 | 33,111 | \$ | 514,669 | \$ | - | \$ | 514,669 | \$15.54 | \$15.54 | | | \$13.10 | \$13.33 |
| Oct-12 | 33,427 | \$ | 594,642 | \$ | - | \$ | 594,642 | \$17.79 | \$17.79 | | | \$13.41 | \$13.61 |
| Nov-12 | 33,770 | \$ | 489,687 | \$ | - | \$ | 489,687 | \$14.50 | \$14.50 | | | \$13.72 | \$13.90 |
| Dec-12 | 34,073 | \$ | 552,738 | \$ | - | \$ | 552,738 | \$16.22 | \$16.22 | \$14.92 | \$14.92 | \$14.04 | \$14.19 |
| Jan-13 | 34,913 | \$ | 529,314 | \$ | - | \$ | 529,314 | \$15.16 | \$15.16 | \$15.18 | \$15.18 | \$14.37 | \$14.50 |
| Feb-13 | 35,143 | \$ | 486,303 | \$ | - | \$ | 486,303 | \$13.84 | \$13.84 | \$15.25 | \$15.25 | \$14.71 | \$14.82 |
| Mar-13 | 35,395 | \$ | 552,803 | \$ | - | \$ | 552,803 | \$15.62 | \$15.62 | \$15.41 | \$15.41 | \$15.03 | \$15.11 |
| Apr-13 | 35,405 | \$ | 548,844 | \$ | - | \$ | 548,844 | \$15.50 | \$15.50 | \$15.56 | \$15.56 | \$15.39 | \$15.43 |
| May-13 | 35,390 | \$ | 615,962 | \$ | - | \$ | 615,962 | \$17.40 | \$17.40 | \$15.67 | \$15.67 | \$15.74 | \$15.76 |
| Jun-13 | 35,384 | \$ | 564,711 | \$ | - | \$ | 564,711 | \$15.96 | \$15.96 | \$15.76 | \$15.76 | \$16.11 | \$16.10 |
| Jul-13 | 35,404 | \$ | 650,838 | \$ | - | \$ | 650,838 | \$18.38 | \$18.38 | \$15.96 | \$15.96 | \$16.48 | \$16.44 |
| Aug-13 | 35,424 | \$ | 647,811 | \$ | - | \$ | 647,811 | \$18.29 | \$18.29 | \$16.19 | \$16.19 | \$16.87 | \$16.79 |
| Sep-13 | 35,353 | \$ | 662,192 | \$ | - | \$ | 662,192 | \$18.73 | \$18.73 | \$16.45 | \$16.45 | \$17.28 | \$17.16 |
| Oct-13 | 35,314 | \$ | 776,931 | \$ | - | \$ | 776,931 | \$22.00 | \$22.00 | \$16.81 | \$16.81 | \$17.67 | \$17.52 |
| Nov-13 | 35,332 | \$ | 688,064 | \$ | - | \$ | 688,064 | \$19.47 | \$19.47 | \$17.22 | \$17.22 | \$18.09 | \$17.90 |
| Dec-13 | 35,171 | \$ | 782,633 | \$ | - | \$ | 782,633 | \$22.25 | \$22.25 | \$17.72 | \$17.72 | \$18.51 | \$18.27 |
| Jan-14 | 35,342 | \$ | 682,023 | \$ | - | \$ | 682,023 | \$19.30 | \$19.30 | \$18.06 | \$18.06 | \$18.95 | \$18.67 |
| Feb-14 | 35,411 | \$ | 801,734 | \$ | 59,494 | \$ | 861,228 | \$24.32 | \$22.64 | \$18.93 | \$18.79 | \$19.40 | \$19.07 |
| Mar-14 | 35,492 | \$ | 944,957 | \$ | 58,827 | \$ | 1,003,784 | \$28.28 | \$26.62 | \$19.99 | \$19.71 | \$19.81 | \$19.45 |
| Apr-14 | 35,371 | \$ | 765,059 | \$ | 29,076 | \$ | 794,135 | \$22.45 | \$21.63 | \$20.57 | \$20.22 | \$20.28 | \$19.87 |
| May-14 | 35,928 | \$ | 753,145 | \$ | 87,245 | \$ | 840,390 | \$23.39 | \$20.96 | \$21.07 | \$20.52 | \$20.75 | \$20.28 |
| Jun-14 | 36,050 | \$ | 791,362 | \$ | 29,086 | \$ | 820,448 | \$22.76 | \$21.95 | \$21.64 | \$21.02 | \$21.24 | \$20.72 |
| Jul-14 | 36,146 | \$ | 861,001 | \$ | 87,268 | \$ | 948,269 | \$26.23 | \$23.82 | \$22.30 | \$21.48 | \$21.73 | \$21.16 |
| Aug-14 | 36,276 | \$ | 883,678 | \$ | - | \$ | 883,678 | \$24.36 | \$24.36 | \$22.81 | \$21.99 | \$22.24 | \$21.62 |
| Sep-14 | 36,308 | \$ | 904,400 | \$ | - | \$ | 904,400 | \$24.91 | \$24.91 | \$23.32 | \$22.50 | \$22.77 | \$22.08 |
| Oct-14 | 36,360 | \$ | 991,212 | \$ | 33,502 | \$ | 1,024,714 | \$28.18 | \$27.26 | \$23.84 | \$22.95 | \$23.30 | \$22.55 |
| Nov-14 | 36,392 | \$ | 887,058 | \$ | 33,505 | \$ | 920,564 | \$25.30 | \$24.38 | \$24.33 | \$23.35 | \$23.85 | \$23.04 |
| Dec-14 | 36,331 | \$ | 1,147,479 | \$ | 100,678 | \$ | 1,248,157 | \$34.36 | \$31.58 | \$25.34 | \$24.14 | \$24.40 | \$23.52 |



Exponential Trend:

| Regressions | 24 Months | on Monthly | 24 Months on Annual | | | |
|-------------|-------------|-------------|---------------------|------------|--|--|
| | | 3.86973E-13 | | | | |
| | 3.44276E-05 | 1.431984245 | 2.768E-05 | 1.1514775 | | |
| | 95.65% | 0.035507289 | 96.60% | 0.02855188 | | |
| | 483.4981824 | 22 | 624.3555 | 22 | | |

31.8%

28.7%

PHARMACY TREND DEVELOPMENT UTILIZATION ADJUSTMENT FOR SPECIALTY TREND

| | | Qualified H | ealth Plan Continuing Pop | oulation | |
|---------------------------------------|---------|--------------|---------------------------|--------------------|-----------------|
| Total Days Supply for Specialty Drugs | CY 2013 | CY 2014 | Annual Trend | CY 2016 Projection | Projected Trend |
| MISCELLANEOUS ANTINEOPLASTIC DRUGS | 8.27 | 11.26 | 36.2% | 20.88 | |
| MISCELLANEOUS NEUROLOGICAL THERAPY | 28.13 | 33.42 | 18.8% | 47.17 | |
| MISCELLANEOUS RHEUMATOLOGICAL AGENTS | 68.23 | 78.26 | 14.7% | 102.94 | |
| ALL OTHER | 39.18 | 44.08 | 12.5% | 55.78 | |
| TOTAL | 143.81 | 167.02 | | 226.78 | 16.5% |
| | | L | arge Group Population | | |
| Total Days Supply for Specialty Drugs | CY 2013 | CY 2014 | Annual Trend | | |
| MISCELLANEOUS ANTINEOPLASTIC DRUGS | 10.35 | 11.27 | 8.9% | | |
| MISCELLANEOUS NEUROLOGICAL THERAPY | 27.21 | 31.51 | 15.8% | | |
| MISCELLANEOUS RHEUMATOLOGICAL AGENTS | 54.82 | 59.02 | 7.7% | | |
| ALL OTHER | 50.06 | 51.14 | 2.2% | | |
| TOTAL | 142.44 | 152.94 | 7.4% | | |
| Adjustment for Utilization | | Qualified H | ealth Plan Continuing Pop | pulation | |
| Total Days Supply for Specialty Drugs | CY 2014 | Annual Trend | CY 2016 Projection | Projected Trend | |
| MISCELLANEOUS ANTINEOPLASTIC DRUGS | 11.26 | 8.9% | 13.35 | | |
| MISCELLANEOUS NEUROLOGICAL THERAPY | 33.42 | 15.8% | 44.80 | | |
| MISCELLANEOUS RHEUMATOLOGICAL AGENTS | 78.26 | 14.7% | 102.94 | | |
| ALL OTHER | 44.08 | 12.5% | 55.78 | | |
| | | | | | |

216.88

Adjustment Factor

14.0%

0.9779

167.02

TOTAL

PHARMACY TREND DEVELOPMENT SUMMARY

| | | (1) | (2) | (3) = (1) + (2) Non-Specialty | (4) | (5) = (3) + (4) | |
|--|------------------------|--------------|--------------|----------------------------------|--------------|-----------------|---------|
| | | Generic | Brand | Total | Specialty | Total Pharmacy | PMPM |
| Experience Period - Calendar Year 2014 | | | | | | | |
| Member Months | | | | | | 773,719 | |
| # Days Supply | a | 19,836,481 | 2,974,428 | 22,810,908 | 125,488 | 22,936,397 | |
| Allowed Charge per Supply | b | \$0.86 | \$8.12 | | | | |
| Total Allowed Charges | c=a*b | \$17,063,878 | \$24,155,213 | \$41,219,091 | \$19,558,864 | \$60,777,955 | \$78.55 |
| Utilization Trends | | | | | | | |
| Trend from the Regression Calculation (Exh 3D) | d1 | | | 3.6% | | | |
| Aging Adjustment | d2 | | | 0.9737 | | | |
| Adjustment for Benefits | d3 | | | 0.9962 | | | |
| Projected Utitlization Trend | e=d1*d2*d3-1 | | | 0.52% | | | |
| Projected # Days Supply (1 yr) | f=a*(1+e) ² | | | 23,049,969 | | | |
| Projected Rolling-12 dispensing rate (Generic and Brand split) | g=e*f | 88.7% | 11.3% | | | | |
| Non-Specialty Projected # Days Supply: Generic and Brand | h=f*g | 20,448,435 | 2,601,534 | | | | |
| Utilization Trends: Generic and Brand | i=h/a-1 | 1.5% | -6.5% | | | | |
| Cost Trends | | | | | | | |
| Calculated Annual Trend | j | 9.7% | 13.8% | | | | |
| Contract Change for FY 2015 | k | 0.7844 | 0.9915 | | | | |
| Adjusted Annual Trend | l=(1+j)*k-1 | -14.0% | 12.8% | | | | |
| Projected Allowed Charge per Supply | m=b*(1+l) ² | \$0.6368 | \$10.33 | | | | |
| Projected Total Allowed Charges | n=m*h | \$13,021,293 | \$26,881,850 | \$39,903,142 | \$29,041,492 | \$68,944,634 | \$89.11 |
| Annual Trend | o=(n/c) ^{0.5} | -12.6% | 5.5% | -1.6% | 21.9% | 6.5% | |

MEDICAL TREND DEVELOPMENT PROJECTION FACTOR FOR INDEX RATE CALCULATION

| | TREND FACTORS | | | | | | | |
|----------|---------------|-------------|-------|--|--|--|--|--|
| Annual | Cost | Utilization | Total | | | | | |
| Medical | 5.3% | 2.0% | 7.4% | | | | | |
| Pharmacy | 6.0% | 0.5% | 6.5% | | | | | |

MEDICAL CY 2014 Allowed CY 2016 Allowed Coverage Category in the PMPM Adjuted for Cost Trend Utilization Trend PMPM Adjuted for Adding Cost Membership Experience Network and Small (24mths) (24mths) Network and Small **Group Definition Group Definition** Catamount 28,606 \$502.78 \$557.71 1.0405 \$580.32 1.1093 Indemnity/PPO \$403.22 \$419.56 49,125 \$363.50 1.1093 1.0405 Point-of-Service 4,245 \$295.54 1.1093 \$327.84 1.0405 \$341.12 нмо 57,397 \$364.19 1.1093 \$403.98 1.0405 \$420.35 нιх 634,346 \$394.99 1.1093 \$438.15 1.0405 \$455.90

| PHARMACY | | | | | | | | | | |
|--|------------|--|------------------------|-------------|-------------------------------|---|--|--|--|--|
| Coverage Category in the Experience | Membership | CY 2014 Allowed PMPM Adjuted for Network and Small Group Definition | Cost Trend (24mths) | Adding Cost | Utilization Trend (24mths) | CY 2016 Allowed PMPM Adjuted for Network and Smal Group Definition | | | | |
| Catamount | 28,606 | \$146.96 | 1.1226 | \$164.98 | 1.0105 | \$166.70 | | | | |
| Indemnity/PPO | 49,125 | \$71.20 | 1.1226 | \$79.93 | 1.0105 | \$80.77 | | | | |
| Point-of-Service | 4,245 | \$65.71 | 1.1226 | \$73.77 | 1.0105 | \$74.54 | | | | |
| НМО | 57,397 | \$81.07 | 1.1226 | \$91.01 | 1.0105 | \$91.96 | | | | |
| ніх | 634,346 | \$75.90 | 1.1226 | \$85.20 | 1.0105 | \$86.09 | | | | |
| | | | Cost Trend (24mths) | | Utilization Trend (24mths) | | | | | |
| Medical | | \$394.14 | 1.1093 | \$437.21 | 1.0405 | \$454.93 | | | | |
| Rx | | \$78.55 | 1.1226 | \$88.18 | 1.0105 | \$89.11 | | | | |
| Total | | \$472.70 | 1.1115 | \$525.39 | 1.0355 | \$544.04 | | | | |

| Cost Trend Factor | 1+d ₁ | 1.1115 |
|--------------------------|------------------|--------|
| Utilization Trend Factor | 1+d ₂ | 1.0355 |

EXPECTED TRANSITIONAL REINSURANCE RECOVERIES

| Product | Expected Transitional Reinsurance Recoveries (PMPM) | Projected Individual Members |
|---|--|------------------------------------|
| Blue Rewards Gold | -\$30.92 | 922 |
| Blue Rewards Gold CDHP | -\$30.31 | 0 |
| Blue Rewards Silver | -\$27.33 | 4,349 |
| Blue Rewards Bronze CDHP | -\$25.27 | 1,891 |
| Standard Platinum | -\$36.04 | 4,182 |
| Standard Gold | -\$31.22 | 2,870 |
| Standard Silver | -\$27.33 | 9,518 |
| Standard Silver CDHP | -\$27.80 | 4,414 |
| Standard Bronze | -\$24.94 | 1,416 |
| Standard Bronze CDHP | -\$25.24 | 1,465 |
| Catastrophic | -\$28.64 | 120 |
| Weighted Average on Individual Members Only | -\$28.70 | 31,147 |
| Projected Small Group Members | | 38,867 |
| Projected Total Members | | 70,014 |
| Total Recoveried spread across all 70,014 members | -\$12.77 | |
| Uniform Reinsurance Contribution Rate of \$27 per Member per Year | \$2.25 | |
| Market Wide Adjustment for the Transitional Reinsurance Program | -\$10.52 | |

INDEX RATE CALCULATION

| Index Rate : Experience Period Allowed Claims for EHB | Α | \$466.72 |
|---|---|----------|
| Adjustments from Experience Period to Projection Period | | |
| Population Risk Morbidity | | |
| Impact of the Change in Small Group definition | 1+b ₁ | 1.0019 |
| 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 | 0.9911 |
| 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 | 0.9720 |
| Other | | |
| Impact of different benefit plans (in experience vs projection) | 1+c ₁ | 0.9947 |
| Changes in provider networks | 1+c ₂ | 1.0109 |
| Changes in demographics (age, gender, region, etc.) | 1+c ₃ | 1.0144 |
| Changes in pharmacy rebates | 1+c ₄ | 1.0000 |
| Changes in network delivery system | 1+c ₅ | 1.0000 |
| Impact of Selection | 1+c ₆ | 1.0206 |
| Adjusted Experience Period Allowed Claims for EHB | - | \$468.98 |
| Trend Factors | 4.1 | |
| Cost Trend | 1+d ₁ | 1.1115 |
| Utilization Trend | 1+d ₂ | 1.0355 |
| Projected Period Allowed Claims for Experience EHB | | \$539.76 |
| Additional Adjustments for Non System Claims | | |
| Projected Pharmacy Rebates | e ₁ | -\$4.66 |
| Projected Blue Print Payments | e ₂ | \$2.34 |
| Projected ITS Fees | e ₃ | \$1.39 |
| Projected Vaccine Payments | e ₄ | \$2.24 |
| Projected Net cost of Reinsurance | e ₅ | \$0.95 |
| Additional Adjustments for Additional Mandated Benefits | | · |
| Projected Allowed Claims for Pediatric Vision | e ₆ | \$0.37 |
| Projected Allowed Claims for Pediatric Dental | e ₇ | \$4.93 |
| Projected Index Rate : Projected Period Expected Allowed Claims | $F = A \prod_{n=1}^{8} (1+b_n) \prod_{n=1}^{6} (1+c_n) \prod_{n=1}^{2} (1+d_n) + \sum_{n=1}^{7} e_n.$ | \$547.33 |
| Market Wide Adjustments | | |
| Risk Adjustment Payments and Fees | g ₁ | \$0.15 |
| Transitional Reinsurance Payments and Recoveries | g ₂ | -\$10.52 |
| Vermont Exchange Fees | g ₃ | \$0.00 |
| Market Adjusted Index Rate | $H = F + \sum_{n=1}^{3} g_n$ | \$536.95 |

PLAN LEVEL ADJUSTMENT SUMMARY

| | | NON-STAN | DARD PLANS | | STANDARD PLANS | | | | | | | |
|---|--------------|----------------------|--------------|----------------------|----------------|------------|------------|----------|------------|----------|--------------|----------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | /ER | BRO | NZE | Catastrophic | Weighted |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | Average |
| Market Adjusted Index Rate | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | |
| Benefit Richness Adjustment | 1.0156 | 0.9960 | 0.9744 | 0.9375 | 1.0820 | 1.0266 | 0.9741 | 0.9773 | 0.9386 | 0.9404 | 0.9426 | |
| Paid to Allowed Ratio | 83.52% | 79.70% | 75.44% | 65.34% | 93.25% | 85.33% | 75.51% | 76.32% | 65.83% | 66.42% | 67.85% | |
| Changes in Family Tiers | 0.9430 | 0.9577 | 0.9447 | 0.9680 | 0.9920 | 0.9905 | 0.9864 | 0.9389 | 0.9788 | 0.9618 | 0.9750 | |
| For Catastrophic Only - Impact of Eligibility | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 0.5140 | |
| Expected Claims Cost | \$429.51 | \$408.21 | \$372.88 | \$318.42 | \$537.46 | \$465.94 | \$389.54 | \$376.03 | \$324.75 | \$322.57 | \$172.11 | \$416.97 |
| Administrative Charges Plan Level Adjustment | 1.0708 | 1.0740 | 1.0807 | 1.0948 | 1.0562 | 1.0646 | 1.0772 | 1.0803 | 1.0927 | 1.0938 | 1.1746 | |
| Taxes and Fees Plan Level Adjustment | 1.0389 | 1.0389 | 1.0388 | 1.0388 | 1.0389 | 1.0389 | 1.0388 | 1.0388 | 1.0388 | 1.0388 | 1.0388 | |
| Contribution to Reserve Plan Level Adjustment | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | |
| Plan Level Adjusted Index Rate | \$487.52 | \$464.73 | \$427.18 | \$369.54 | \$601.77 | \$525.84 | \$444.82 | \$430.60 | \$376.14 | \$374.02 | \$214.29 | \$473.99 |
| Projected Membership | 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |

PLAN LEVEL ADJUSTMENT BENEFIT RICHNESS ADJUSTMENT FACTOR

| | | NON-STANE | DARD PLANS | | STANDARD PLANS | | | | | | | |
|--|-------------------------|--------------|--------------|----------------------|----------------|------------|------------|----------|--------------|----------|--------------|--------|
| | GOLD Gold SILVER BRONZE | | PLATINUM | PLATINUM GOLD SILVER | | | | NZE | Catastrophic | | | |
| | Blue Rewards | Blue Rewards | Blue Rewards | Blue Rewards | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | TOTAL |
| | | CDHP | | CDHP | | | | | | | | |
| Projected Membership | 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |
| Allowed Charges in Re-adjudication Model | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | \$545.85 | |
| Paid Claims from Re-adjudication Model | \$456.77 | \$438.79 | \$416.41 | \$367.52 | \$507.80 | \$466.16 | \$416.04 | \$419.73 | \$368.71 | \$372.10 | \$375.64 | |
| Base Paid to Allowed Ratio | 83.68% | 80.39% | 76.29% | 67.33% | 93.03% | 85.40% | 76.22% | 76.89% | 67.55% | 68.17% | 68.82% | |
| Benefit Richness Adjustment for EHB | 1.1034 | 1.0823 | 1.0591 | 1.0200 | 1.1752 | 1.1153 | 1.0587 | 1.0623 | 1.0208 | 1.0230 | 1.0254 | 1.0866 |
| Normalized Benefit Richness Adjustment for EHB | 1.0155 | 0.9960 | 0.9747 | 0.9387 | 1.0815 | 1.0264 | 0.9743 | 0.9776 | 0.9394 | 0.9415 | 0.9437 | |
| Projected Period Paid Claims for Experience EHB | \$452.64 | \$433.61 | \$409.61 | \$357.86 | \$504.22 | \$462.23 | \$409.96 | \$415.60 | \$358.31 | \$362.79 | \$371.45 | |
| Benefit Richness Adjustment for EHB | 1.0155 | 0.9960 | 0.9747 | 0.9387 | 1.0815 | 1.0264 | 0.9743 | 0.9776 | 0.9394 | 0.9415 | 0.9437 | 1.0000 |
| Additional EHB Paid Claims | \$3.92 | \$2.44 | \$3.58 | \$1.11 | \$4.59 | \$4.07 | \$3.58 | \$2.31 | \$3.29 | \$1.96 | \$0.98 | |
| Non-System Claims | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | |
| Market Wide Adjustments | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | |
| Total Paid Claims with Benefit Richness Adjustment | \$455.46 | \$426.23 | \$394.70 | \$328.93 | \$541.79 | \$470.40 | \$394.92 | \$400.51 | \$331.78 | \$335.40 | \$343.39 | |
| Overall Benefit Richness Adjustment | 1.0156 | 0.9960 | 0.9744 | 0.9375 | 1.0820 | 1.0266 | 0.9741 | 0.9773 | 0.9386 | 0.9404 | 0.9426 | |

PLAN LEVEL ADJUSTMENT PAID TO ALLOWED RATIOS

| | | NON-STANE | OARD PLANS | | | | STANDAR | D PLANS | | | | |
|--|--------------|----------------------|--------------|----------------------|------------|------------|------------|----------|------------|----------|--------------|-----------------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | 'ER | BRO | NZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | Total |
| Projected Membership | 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |
| Projected Period Allowed Claims for Experience EHB | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 | \$539.76 |
| Paid to Allowed Ratio for EHB Portion | 83.86% | 80.34% | 75.89% | 66.30% | 93.42% | 85.64% | 75.95% | 77.00% | 66.38% | 67.21% | 68.82% | <i>2337.</i> 70 |
| Projected Period Paid Claims for Experience EHB | \$452.64 | \$433.61 | \$409.61 | \$357.86 | \$504.22 | \$462.23 | \$409.96 | \$415.60 | \$358.31 | \$362.79 | \$371.45 | \$430.83 |
| Additional EHB Allowed Claims | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 | \$5.30 |
| Additional EHB Paid Claims | \$3.92 | \$2.44 | \$3.58 | \$1.11 | \$4.59 | \$4.07 | \$3.58 | \$2.31 | \$3.29 | \$1.96 | \$0.98 | \$3.41 |
| Non-System Claims | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 |
| Market Wide Adjustments | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 |
| Market Adjusted Index Rate | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 |
| Total Paid Claims | \$448.46 | \$427.94 | \$405.08 | \$350.87 | \$500.71 | \$458.20 | \$405.44 | \$409.81 | \$353.49 | \$356.64 | \$364.32 | \$426.13 |
| Paid to Allowed Ratio | 83.52% | 79.70% | 75.44% | 65.34% | 93.25% | 85.33% | 75.51% | 76.32% | 65.83% | 66.42% | 67.85% | 79.36% |
| | | | | | | | | | | | | |

PLAN LEVEL ADJUSTMENT CHANGE IN FAMILY TIER FACTOR

| | NON-ST | ANDARD PLANS | | | | STANDAR | D PLANS | | | | |
|--------------|---|--|--|---|---|--|---|---|--|---|---|
| GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | 'ER | BRO | VZE | Catastrophic | |
| Blue Rewards | ue Rewards CI | DI Blue Rewards E | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | TOTAL |
| 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |
| \$452.64 | \$433.61 | \$409.61 | \$357.86 | \$504.22 | \$462.23 | \$409.96 | \$415.60 | \$358.31 | \$362.79 | \$371.45 | |
| 0.9429 | 0.9583 | 0.9319 | 0.9131 | 0.9921 | 0.9906 | 0.9865 | 0.9259 | 0.9791 | 0.9123 | 0.9161 | 0.9633 |
| 1.0007 | 1.0000 | 1.0144 | 1.0609 | 1.0000 | 1.0000 | 1.0000 | 1.0149 | 1.0000 | 1.0549 | 1.0649 | 1.0102 |
| 0.9436 | 0.9583 | 0.9453 | 0.9687 | 0.9921 | 0.9906 | 0.9865 | 0.9397 | 0.9791 | 0.9624 | 0.9755 | 0.9727 |
| \$3.92 | \$2.44 | \$3.58 | \$1.11 | \$4.59 | \$4.07 | \$3.58 | \$2.31 | \$3.29 | \$1.96 | \$0.98 | |
| \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | \$2.27 | |
| -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | -\$10.37 | |
| \$422.91 | \$409.85 | \$382.69 | \$339.65 | \$496.72 | \$453.85 | \$399.92 | \$384.75 | \$346.00 | \$343.00 | \$355.23 | |
| 0.9430 | 0.9577 | 0.9447 | 0.9680 | 0.9920 | 0.9905 | 0.9864 | 0.9389 | 0.9788 | 0.9618 | 0.9750 | |
| | Blue Rewards 3,159 \$452.64 0.9429 1.0007 0.9436 \$3.92 \$2.27 -\$10.37 \$422.91 | GOLD Gold Blue Rewards ue Rewards CI 3,159 987 \$452.64 \$433.61 0.9429 0.9583 1.0007 1.0000 0.9436 0.9583 \$3.92 \$2.44 \$2.27 \$2.27 \$10.37 -\$10.37 \$403.85 | Blue Rewards ue Rewards CDI Blue Rewards E 3,159 987 5,435 \$452.64 \$433.61 \$409.61 0.9429 0.9583 0.9319 1.0007 1.0000 1.0144 0.9436 0.9583 0.9453 \$3.92 \$2.44 \$3.58 \$2.27 \$2.27 \$2.27 -\$10.37 -\$10.37 -\$10.37 \$422.91 \$409.85 \$382.69 | GOLD Gold SILVER BRONZE Blue Rewards ue Rewards CDI Blue Rewards Blue Rewards Blue Rewards CDHP 3,159 987 5,435 3,498 \$452.64 \$433.61 \$409.61 \$357.86 0.9429 0.9583 0.9319 0.9131 1.0007 1.0000 1.0144 1.0609 0.9436 0.9583 0.9453 0.9687 \$3.92 \$2.44 \$3.58 \$1.11 \$2.27 \$2.27 \$2.27 -\$10.37 -\$10.37 -\$10.37 \$422.91 \$409.85 \$382.69 \$339.65 | GOLD Gold SILVER BRONZE PLATINUM Blue Rewards ue Rewards CDI Blue Rewards Blue Rewards CDHP Blue Rewards CDHP Deductible 3,159 987 5,435 3,498 14,626 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 0.9429 0.9583 0.9319 0.9131 0.9921 1.0007 1.0000 1.0144 1.0609 1.0000 0.9436 0.9583 0.9453 0.9687 0.9921 \$3.92 \$2.44 \$3.58 \$1.11 \$4.59 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 -\$10.37 -\$10.37 -\$10.37 -\$10.37 -\$10.37 \$422.91 \$409.85 \$382.69 \$339.65 \$496.72 | GOLD Gold SILVER BRONZE PLATINUM GOLD Blue Rewards ue Rewards CDI Blue Rewards Blue Rewards CDHP Blue Rewards CDHP Deductible Deductible Deductible 3,159 987 5,435 3,498 14,626 8,304 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 \$462.23 0.9429 0.9583 0.9319 0.9131 0.9921 0.9906 1.0007 1.0000 1.0144 1.0609 1.0000 1.0000 0.9436 0.9583 0.9453 0.9687 0.9921 0.9906 \$3.92 \$2.44 \$3.58 \$1.11 \$4.59 \$4.07 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 -\$10.37 -\$10.37 -\$10.37 -\$10.37 -\$10.37 \$407.37 \$422.91 \$409.85 \$382.69 \$339.65 \$496.72 \$453.85 | GOLD Gold SILVER BRONZE PLATINUM GOLD SILV Blue Rewards ue Rewards CDI Blue Rewards Blue Rewards CDHP Blue Rewards CDHP Deductible Deductible | GOLD Gold SILVER BRONZE PLATINUM GOLD SILVER Deductible CDHP 3,159 987 5,435 3,498 14,626 8,304 15,586 10,519 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 \$462.23 \$409.96 \$415.60 0.9429 0.9583 0.9319 0.9131 0.9921 0.9906 0.9865 0.9259 1.0007 1.0000 1.0144 1.0609 1.0000 1.0000 1.0149 0.9436 0.9583 0.9453 0.9687 0.9921 0.9906 0.9865 0.9397 \$3.92 \$2.44 \$3.58 \$1.11 \$4.59 \$4.07 \$3.58 \$2.31 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 \$2.27 \$2 | GOLD Gold SILVER BRONZE PLATINUM GOLD SILVER BRONZE Blue Rewards ue Rewards CDI Blue Rewards CDIP Blue Rewards CDHP Deductible Deductible Deductible Deductible Deductible CDHP Deductible Deductible Deductible CDHP Deductible Deductible Deductible CDHP Deductible SILVER BROID 3,159 987 5,435 3,498 14,626 8,304 15,586 10,519 3,049 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 \$462.23 \$409.96 \$415.60 \$358.31 0.9429 0.9583 0.9319 0.9131 0.9921 0.9906 0.9865 0.9279 0.9791 1.0000 1.0000 1.0000 1.0000 | GOLD Gold SILVER BRONZE PLATINUM GOLD SILVER BRONZE PLATINUM GOLD SILVER BRONZE Deductible Deductible CDHP Deductible CDHP 3,159 987 5,435 3,498 14,626 8,304 15,586 10,519 3,049 4,731 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 \$462.23 \$409.96 \$415.60 \$358.31 \$362.79 0.9429 0.9583 0.9319 0.9131 0.9921 0.9906 0.9865 0.9259 0.9791 0.9123 1.0007 1.0000 1.0144 1.0609 1.0000 1.0000 1.0149 1.0000 1.0549 0.9436 0.9583 0.9453 0.9687 0.9921 0.9906 0.9865 0.9397 0.9791 0.9624 \$3.92 \$2.44 \$3.58 \$1.11 \$4.59 \$4.07 \$3.58 \$2.31 \$3.29 \$1.96 \$2.27 \$2.27 \$2.27 \$2 | GOLD Gold SILVER BRONZE PLATINUM GOLD SILVER BRONZE Deductible Deductible CDHP BRONZE CDHP Catastrophic 3,159 987 5,435 3,498 14,626 8,304 15,586 10,519 3,049 4,731 120 \$452.64 \$433.61 \$409.61 \$357.86 \$504.22 \$462.23 \$409.96 \$415.60 \$358.31 \$362.79 \$371.45 0.9429 0.9583 0.9319 0.9131 0.9921 0.9906 0.9865 0.9259 0.9791 0.9123 0.9161 1.0007 1.0000 1.0144 1.0609 0.9921 0.9906 0.9865 0.9259 0.9791 0.9123 0.9161 1.0007 1.0000 1.0144 1.0609 0.9921 0.9906 0.9865 0.9397 0.9791 0.9624 0.9755 \$3.92 \$2.44 \$3.58 \$1.11 \$4.59 \$4.07 \$3.58 \$2.21 \$3.29 \$1.96 \$0.98 |

| | Percent of Eligible Population | Projected Allowed Charges for Experience EHB | | Projected Paid Claims for EHB Claims |
|---|-----------------------------------|--|--------|--|
| Average Population | 100.0% | \$544.04 | 68.8% | \$374.39 |
| Individual Ages 30 or Less | 92.0% | \$289.72 | 59.9% | \$173.64 |
| Individual Ages over 30 | 8.0% | \$647.74 | 70.4% | \$456.25 |
| Weighted Average | | \$318.36 | 61.6% | \$196.25 |
| Allowed Charges Adjustment | | 0.5852 | | |
| Paid to Allowed Ratio Adjustment | | | 0.8958 | |
| | | | | |
| Plan Level Adjustment Calculation | | | | |
| Projected Period Allowed Claims for Exper- | ience EHB | \$539.76 | | |
| Paid to Allowed Ratio for EHB Portion | | 68.8% | | |
| Benefit Richness Adjustment for EHB | | 0.9437 | | |
| Family Multiplier for EHB | | 0.9755 | | |
| Adjustment for Allowed Charges and Paid | | 0.5242 | | |
| Projected Period Paid Claims for Experience | e EHB | \$179.24 | | |
| Additional EHB Paid Claims | | \$0.98 | | |
| Non-System Claims | | \$2.27 | | |
| Market Wide Adjustments | | -\$10.37 | | |
| Expected Claims Cost | | \$172.11 | | |
| Market Adjusted Index Rate | | \$536.95 | | |
| Paid to Allowed Ratio | | 67.8% | | |
| Benefit Richness Adjustment | | 0.9426 | | |
| Changes in Family Tiers | | 0.9750 | | |
| For Catastrophic Only - Impact of Eligibility | / | 0.5140 | | |
| Expected Claims Cost | | \$172.11 | | |
| Total Adjustment for Catastrophic Plan | | | 0.5140 | |

DETAILS OF ADMINISTRATIVE CHARGES

| | | NON-STAN | DARD PLANS | | | | STANDAR | D PLANS | | | | |
|--|--------------|----------------------|--------------|----------------------|------------|------------|------------|---------|------------|---------|--------------|---------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | ER | BRON | 1ZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | TOTAL |
| BCBSVT Base Administrative Charges | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 | \$28.83 |
| Administrative Charges for Outside Vendors | \$1.56 | \$1.36 | \$1.27 | \$1.36 | \$1.37 | \$1.28 | \$1.25 | \$1.35 | \$1.26 | \$1.43 | \$1.22 | \$1.33 |
| Blue For You Reward Program | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | | | | | | \$0.00 | \$0.00 |
| Total Administrative Charges PMPM | \$30.39 | \$30.19 | \$30.10 | \$30.19 | \$30.20 | \$30.11 | \$30.08 | \$30.19 | \$30.09 | \$30.27 | \$30.05 | \$30.16 |
| Administrative Charges Plan Level Adjustment | 1.0708 | 1.0740 | 1.0807 | 1.0948 | 1.0562 | 1.0646 | 1.0772 | 1.0803 | 1.0927 | 1.0938 | 1.1746 | 1.0723 |
| Administrative Charges as a percent of Premium | 6.23% | 6.50% | 7.05% | 8.17% | 5.02% | 5.73% | 6.76% | 7.01% | 8.00% | 8.09% | 14.02% | 6.36% |

DETAILS OF CONTRIBUTION TO RESERVE

| Required Insured CTR Factor to Maintain Target | = (M)/(N) | 1.52% | | | |
|--|------------------------|---------------|-----|-----------------|-----------|
| Total | \$878,953,035 | 0.72 | (N) | \$634,258,811 | |
| Other Insured | \$155,416,774 | 1.00 | | \$155,416,774 | |
| Cost Plus (equiv prem) | \$326,258,965 | 0.25 | | \$81,564,741 | |
| Exchange | \$397,277,296 | 1.00 | | \$397,277,296 | |
| | (1) | (2) | | (3) = (1) x (2) | |
| | Premium | proportions | | Portion | |
| | 2016 Projected | CTR | | Premium | |
| Grossed up for Taxes | (M) = (L)/(1-I-J) | \$9,645,071 | | | |
| Additional Required | (L) = (F) - (K) | \$7,452,746 | | | |
| Investment Income Net of Tax | (K) = (G) X (1-I) | \$3,477,789 | | | |
| Federal Insurer Fee | (J) | 2.73% | | | |
| Tax rate | (1) | 20.0% | | | |
| Investment Income | (G) | \$4,347,236 | | | |
| Estimated Increase in Capital to Maintain Target | $(F) = (B) \times (E)$ | \$10,930,535 | | | |
| Estimated Increase in ACL | $(E) = (C) \times (D)$ | \$1,821,756 | | | |
| Estimated Benefit Trend | (D) | 8.05% | | LG | 7.20% |
| Target capital | $(C) = (A) \times (B)$ | \$135,857,430 | | OHP | 8.55% |
| Target RBC % | (B) | 600% | | Benefit Tre | nd by LOB |
| Section 1 Projected 2015 BCBSVT ACL | (A) | \$22,642,905 | | | |

Section 2

| | | NON-STAND | ARD PLANS | | | | STANDARD | PLANS | | | | |
|---|--------------|----------------------|--------------|----------------------|------------|------------|------------|--------|------------|--------|--------------|--------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILVI | ER | BRON | IZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | TOTAL |
| BCBSVT Contribution to Reserve | \$9.75 | \$9.29 | \$8.54 | \$7.39 | \$12.04 | \$10.52 | \$8.90 | \$8.61 | \$7.52 | \$7.48 | \$4.29 | \$9.48 |
| Total Contribution to Reserve PMPM | \$9.75 | \$9.29 | \$8.54 | \$7.39 | \$12.04 | \$10.52 | \$8.90 | \$8.61 | \$7.52 | \$7.48 | \$4.29 | \$9.48 |
| Contribution to Reserve Plan Level Adjustment | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0204 | 1.0388 |
| Contribution to Reserve as a percent of Premium | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

DETAILS OF TAXES AND FEES

| | | NON-STAN | DARD PLANS | | | | STANDAR | D PLANS | | | | |
|--|--------------|----------------------|--------------|----------------------|------------|------------|------------|---------|------------|---------|--------------|---------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | 'ER | BRO | NZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | Total |
| State Assessment - HCCA | \$3.49 | \$3.32 | \$3.04 | \$2.60 | \$4.36 | \$3.78 | \$3.17 | \$3.06 | \$2.65 | \$2.64 | \$1.43 | \$3.39 |
| State Tax - VITL | \$0.87 | \$0.83 | \$0.76 | \$0.65 | \$1.09 | \$0.94 | \$0.79 | \$0.76 | \$0.66 | \$0.66 | \$0.36 | \$0.85 |
| Federal Assessment - PCORI | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 | \$0.19 |
| Federal Insurer Fee | \$13.31 | \$12.69 | \$11.66 | \$10.09 | \$16.43 | \$14.36 | \$12.15 | \$11.76 | \$10.27 | \$10.21 | \$5.85 | \$12.94 |
| Total Taxes and Fees PMPM | \$17.87 | \$17.03 | \$15.65 | \$13.54 | \$22.07 | \$19.28 | \$16.30 | \$15.78 | \$13.78 | \$13.70 | \$7.84 | \$17.37 |
| Taxes and Fees Plan Level Adjustment | 1.0389 | 1.0389 | 1.0388 | 1.0388 | 1.0389 | 1.0389 | 1.0388 | 1.0388 | 1.0388 | 1.0388 | 1.0388 | 1.0389 |
| Taxes and Fees as a percent of Premium | 3.66% | 3.66% | 3.66% | 3.66% | 3.67% | 3.67% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.67% |

AV PRICING VALUE

| | NON-STANE | DARD PLANS | | | | | | | | |
|--------------|----------------------|--------------|----------------------|------------|------------|------------|----------|------------|----------|--------------|
| GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | 'ER | BROI | NZE | Catastrophic |
| Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards |
| \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 |
| \$487.52 | \$464.73 | \$427.18 | \$369.54 | \$601.77 | \$525.84 | \$444.82 | \$430.60 | \$376.14 | \$374.02 | \$214.29 |
| 90.79% | 86.55% | 79.56% | 68.82% | 112.07% | 97.93% | 82.84% | 80.19% | 70.05% | 69.66% | 39.91% |

Market Wide Adjusted Index Rate Plan Level Adjusted Index Rate

AV Pricing Value

FEDERAL MINIMUM LOSS RATIO for COMBINED MARKET (PROJECTION)

| | | NON-STAN | DARD PLANS | | | | STANDAR | D PLANS | | | | |
|---|--------------|----------------------|--------------|----------------------|------------|------------|------------|----------|------------|----------|--------------|----------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SILV | /ER | BRO | NZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | TOTAL |
| Expected Direct Claims PMPM | \$439.89 | \$418.58 | \$383.25 | \$328.78 | \$547.84 | \$476.31 | \$399.91 | \$386.39 | \$335.12 | \$332.93 | \$182.49 | \$427.34 |
| Transitional Reinsurance Recoveries PMPM | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 | -\$12.77 |
| Adjustments for Health Care Quality PMPM* | \$5.23 | \$5.21 | \$5.21 | \$5.21 | \$2.17 | \$2.17 | \$2.16 | \$2.17 | \$2.16 | \$2.18 | \$5.20 | \$2.74 |
| MLR Claims | \$432.35 | \$411.02 | \$375.69 | \$321.22 | \$537.24 | \$465.71 | \$389.30 | \$375.80 | \$324.51 | \$322.34 | \$174.92 | \$417.32 |
| Premium PMPM | \$487.52 | \$464.73 | \$427.18 | \$369.54 | \$601.77 | \$525.84 | \$444.82 | \$430.60 | \$376.14 | \$374.02 | \$214.29 | \$473.99 |
| Licensing and regulatory fees | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 | -\$2.40 |
| Taxes & Fees PMPM | -\$17.87 | -\$17.03 | -\$15.65 | -\$13.54 | -\$22.07 | -\$19.28 | -\$16.30 | -\$15.78 | -\$13.78 | -\$13.70 | -\$7.84 | -\$17.37 |
| MLR Premium | \$467.26 | \$445.30 | \$409.13 | \$353.61 | \$577.31 | \$504.17 | \$426.12 | \$412.43 | \$359.97 | \$357.93 | \$204.06 | \$454.22 |
| Expected Loss Ratio | 92.5% | 92.3% | 91.8% | 90.8% | 93.1% | 92.4% | 91.4% | 91.1% | 90.2% | 90.1% | 85.7% | 91.9% |
| Projected Membership | 3,159 | 987 | 5,435 | 3,498 | 14,626 | 8,304 | 15,586 | 10,519 | 3,049 | 4,731 | 120 | 70,014 |

*Approximately 7.19% of current BCBSVT Administrative Charges are for health care quality plus the Blue Rewards PMPN

CONSUMER ADJUSTED PREMIUM RATES

| | | | DARD PLANS | | | | STANDAR | RD PLANS | | | | |
|---|--------------|----------------------|--------------|----------------------|------------|------------|------------|------------|------------|------------|--------------|----------------------|
| | GOLD | Gold | SILVER | BRONZE | PLATINUM | GOLD | SIL | VER | BRC | NZE | Catastrophic | |
| | Blue Rewards | Blue Rewards CDHP | Blue Rewards | Blue Rewards CDHP | Deductible | Deductible | Deductible | CDHP | Deductible | CDHP | Blue Rewards | Total Annual Premium |
| Plan Level Adjusted Index Rate | \$487.52 | \$464.73 | \$427.18 | \$369.54 | \$601.77 | \$525.84 | \$444.82 | \$430.60 | \$376.14 | \$374.02 | \$214.29 | |
| PMPM to Single Contract Conversion Factor | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | 1.1151 | |
| 2016 Proposed Rates | | | | | | | | | | | | |
| Single Rate | \$543.64 | \$518.23 | \$476.36 | \$412.08 | \$671.04 | \$586.38 | \$496.03 | \$480.18 | \$419.44 | \$417.08 | \$238.96 | |
| Couple Rate | \$1,087.28 | \$1,036.46 | \$952.72 | \$824.16 | \$1,342.08 | \$1,172.76 | \$992.06 | \$960.36 | \$838.88 | \$834.16 | \$477.92 | |
| Adult and Child(ren) Rate | \$1,049.23 | \$1,000.18 | \$919.37 | \$795.31 | \$1,295.11 | \$1,131.71 | \$957.34 | \$926.75 | \$809.52 | \$804.96 | \$461.19 | |
| Family Rate | \$1,527.63 | \$1,456.23 | \$1,338.57 | \$1,157.94 | \$1,885.62 | \$1,647.73 | \$1,393.84 | \$1,349.31 | \$1,178.63 | \$1,171.99 | \$671.48 | \$380,094,464.76 |
| 2015 Approved Rates | | | | | | | | | | | | |
| Single Rate | \$493.87 | | \$428.14 | \$360.49 | \$624.18 | \$541.75 | \$465.61 | \$436.20 | \$395.78 | \$384.02 | \$228.24 | |
| Couple Rate | \$987.74 | | \$856.28 | \$720.98 | \$1,248.36 | \$1,083.50 | \$931.22 | \$872.40 | \$791.56 | \$768.04 | \$456.48 | |
| Adult and Child(ren) Rate | \$953.17 | | \$826.31 | \$695.75 | \$1,204.67 | \$1,045.58 | \$898.63 | \$841.87 | \$763.86 | \$741.16 | \$440.50 | |
| Family Rate | \$1,387.77 | | \$1,203.07 | \$1,012.98 | \$1,753.95 | \$1,522.32 | \$1,308.36 | \$1,225.72 | \$1,112.14 | \$1,079.10 | \$641.35 | \$350,712,794.16 |
| 2015 Proposed Rate Increases | | | | | | | | | | | | |
| Single Rate | 10.1% | | 11.3% | 14.3% | 7.5% | 8.2% | 6.5% | 10.1% | 6.0% | 8.6% | 4.7% | |
| Couple Rate | 10.1% | | 11.3% | 14.3% | 7.5% | 8.2% | 6.5% | 10.1% | 6.0% | 8.6% | 4.7% | |
| Adult and Child(ren) Rate | 10.1% | | 11.3% | 14.3% | 7.5% | 8.2% | 6.5% | 10.1% | 6.0% | 8.6% | 4.7% | |
| Family Rate | 10.1% | | 11.3% | 14.3% | 7.5% | 8.2% | 6.5% | 10.1% | 6.0% | 8.6% | 4.7% | 8.4% |
| Inforce Contracts | | | | | | | | | | | | |
| Single Rate | 1,091 | | 2,819 | 1,376 | 4,470 | 2,898 | 6,665 | 3,511 | 1,253 | 1,709 | 113 | |
| Couple Rate | 286 | | 730 | 352 | 1,634 | 847 | 2,182 | 1,168 | 359 | 461 | 0 | |
| Adult and Child(ren) Rate | 69 | | 104 | 76 | 358 | 186 | 301 | 206 | 55 | 89 | 2 | |
| Family Rate | 297 | | 220 | 299 | 1,330 | 705 | 1,003 | 997 | 207 | 435 | 1 | |



CONSULTING ACTUARIES of HEALTHCARE SPECIALISTS

BOSTON · CLEARWATER · DENVER · LOUISVILLE · MINNEAPOLIS

March 23, 2015

Mr. Dana Houlihan Director, Enrollment Policy & Plan Management VT Health Connect Department of Vermont Health Access *Via Email Only*

RE: State of Vermont Actuarial Value Certification for 2016 Standard Plan Designs

Dear Dana:

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 2016 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), 79% (Proposed, Vermont specific), 83% (Proposed, Vermont specific), 87% (federal) and 94% (federal) AV levels. The actual AVs and the corresponding FPLs for Vermont's CSR plans will not be final until after the state legislative session, likely in May. The State is requesting issuers file all potential CSR variations (six in total), including the two new proposed AV levels (79% and 83%).

The federal HDHP minimum deductible and Maximum Out of Pocket (MOOP) limits are not yet released for 2016. The 2015 minimum single deductible and MOOP are \$1,300 and \$6,450, respectively. The deductible increases \$50 every two to three years and the MOOP increases around \$100 a year on average. Should the plan designs need to change once these limits are released or as a result of the state legislative session regarding the CSR plans, the Department of Vermont Health Access (DVHA) will present the updated designs to Green Mountain Care Board (GMCB) for their information and approval, if needed.

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

The State contracted with Wakely Consulting Group, Inc. (Wakely) to assist in the development of the standard plan designs. A list of the changes from the 2015 standard plan designs is in Appendix B. At a high level the changes for each base standard plan are:

- Platinum no changes
- Gold no changes
- Silver Deductible changes made to the medical deductible, drug deductible, medical MOOP, and specialist, generic drug, and preferred brand drug copays
- Bronze Deductible changes made to the medical deductible, drug deductible, medical MOOP, and specialist copay
- Silver HDHP changes made to the medical deductible, medical MOOP, and general coinsurance
- Bronze HDHP changes made to the medical deductible and medical MOOP

For the Silver and Bronze HDHP plans, there are also now two options from which the issuers may choose one at each level. The 2016 regulations² require that all individuals, even those in non-self only contracts, have an out of pocket limit no more than the single limit (\$6,850 in 2016). This impacts HDHPs where the aggregate MOOP application could require an individual to have out of pocket costs higher than the individual limit. Compliance with the new regulation can be done by adjusting the family MOOP in two ways. The first option has an aggregate family medical MOOP with an embedded \$6,850 individual maximum. The second option has a stacked family medical MOOP. Both options comply with the new federal regulations on individual maximum out of pocket costs. Since the first option has operational challenges, the issuers are allowed to choose one from either Option for the HDHP standard plans.

In addition to the standard plans, the State of Vermont is also requesting that issuers offer a Gold plan where the deductible and MOOP are set at the same amount. This means that once the deductible is met, the plan pays 100% of all services. Unlike the standard plans, it is not required that issuers offer this plan, but it is highly recommended. The issuer may determine the amount at which to set the deductible and MOOP, as long as they are equal and the resulting plan falls in the Gold tier. An example of this plan design is in Appendix C.

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 D 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 E. 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

² http://www.gpo.gov/fdsys/pkg/FR-2015-02-27/pdf/2015-03751.pdf



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 aggregate³. 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. Note that due to the new regulation if the family MOOP is more than the single limit of \$6,850, the MOOP must either be stacked or there must be an embedded individual MOOP of \$6,850. Wakely had previously developed a model to account for aggregate family deductibles and has modified this model to account for stacked and embedded MOOPs for HDHPs. Thus, a specific adjustment has been made to the appropriate AVs for HDHPs.
- 2. Vermont implemented a statute (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 (\$1,300 and \$2,600 for individual and family coverage in 2015; 2016 amounts are not yet known). The requirement also states that for HDHPs the cost sharing benefit for prescription drugs must start after the minimum deductible amount for HDHPs (same \$1,300 and \$2,600 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 \$1,300 for individual or \$2,600 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 \$1,300 or \$2,600, 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 statute 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 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.



- 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. Wakely has not analyzed the exact portion of drugs this represents and this may vary by issuer. 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. Appendix F contains a list of the dental procedure codes that are classified as Class I and have no cost sharing. 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).

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 table in Appendix G 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 and the impact to higher AV plans is less significant.

The IRS has yet to release the minimum deductible amount for HDHPs for 2016. The drug deductibles and MOOPs for HDHPs may need to change if the IRS changes the minimum deductible from the 2015 amount of \$1,300. The current plan designs use the 2015 amounts.



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 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. For the 2016 AV adjustments this model was updated with more recent data and an option was added to account for embedded/stacked MOOPs.

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 2012 (original model used 2010 data)
- 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 2.3 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 six structural selections available in the model, described in the table below. Option 5 is most closely aligned to the federal AVC. Option 6 represents the design of the Vermont HDHPs. This changed from Option 1 due to the new federal regulations.

| | | Costs that Accumula | te | |
|---------|--------------|---------------------|----------------|---|
| | | Maximum Out-of | -Pocket (MOOP) | |
| Options | Deductible | Medical | Rx | Deductible / MOOP Type |
| 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 |
| 6 | Medical & Rx | Medical & Rx | Rx Only | Aggregate Deductible /Aggregate MOOP with Embedded Ind MOOP (can also be used for Stacked MOOP) |

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 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). The application of deductible and MOOP was also changed to use an aggregate family deductible and either a stacked MOOP or an aggregate family MOOP with an embedded individual MOOP. For the stacked application of the MOOP, all individuals are subject to a MOOP equal to the individual MOOP in addition to the family MOOP. The aggregate family MOOP has an embedded individual MOOP equal to \$6,850.
- 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. The Bronze Deductible plan then needs to be adjusted for the lower and separate prescription drug MOOP.
- 2. The HDHP model was used to develop the AV adjustments in a slightly different process than for the HDHPs.
 - a. Instead of normalizing the HDHP model to the AVC, the normalization factor for the Bronze HDHP was used.
 - b. 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.
 - c. 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.
- 3. The final AV is the ratio of the AV from 2c and 2b applied to the AV from the AVC in 1.

Appendix H 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.



RELIANCES

We have relied on others for information used in the actuarial value adjustments. For the original AV, the final 2016 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. Pet____

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



CONSULTING ACTUARIES of HEALTHCARE SPECIALISTS



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APPENDIX A

Actuarial Certification State of Vermont Actuarial Value of Standard Plan Designs Effective January 1, 2016

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, 2016 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 2016 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 79%, Silver HDHP CSR 83%, Silver HDHP CSR 87% and Silver HDHP CSR 94%) that will be effective as of January 1, 2016 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. Pet

Julie A. Peper, FSA, MAAA March 20, 2015



APPENDIX B

Summary of Plan Design Changes from 2015 designs

| | | Deducti | ble Plans | |
|---------|---|---|--|--|
| Plan | Platinum | Gold | Silver | Bronze |
| | No Change | No Change | Increase Medical Deductible from \$1,900 to \$2,000 | Increase Medical Deductible from \$3,500 to \$4,000 |
| | | | Increase Rx Deductible from \$100 to \$150 | Increase Rx Deductible from \$300 to \$500 |
| Changes | | | Increase Medical MOOP from \$5,100 to \$5,600 | Increase Medical MOOP from \$6,350 to \$6,850 |
| Changes | | | Increase Specialist office visit copay from \$45 to \$50 | Increase Specialist office visit copay from \$80 to \$85 |
| | | | Increase Rx Generic copay from \$12 to \$15 | |
| | | | Increase Rx Preferred Brand copay from \$50 to \$60 | |
| | | | | |
| | | | n Designs - Deductible Plans | |
| Plan | 250-300% FPL (73% AV) | 200-250% FPL (77% AV) | 150-200% FPL (87% AV) | 133-150% FPL (94% AV) |
| | Increase Medical Deductible from \$1,900 to \$2,000 | Increase Medical Deductible from \$1,500 to \$1,600 | No Change | No Change |
| | Increase Rx Deductible from \$100 to \$150 | Increase Rx Deductible from \$100 to \$150 | | |
| Changes | Increase Medical MOOP from \$4,000 to \$4,500 | Increase Medical MOOP from \$3,000 to \$3,400 | | |
| | Increase Specialist office visit copay from \$45 to \$50 | Increase Rx Preferred Brand copay from \$50 to \$60 | | |
| | Increase Rx Preferred Brand copay from \$50 to \$60 | | | |
| | | | | |
| | | pedded MOOP | | |
| Plan | Silver | Bronze | | |
| | Reduce Medical Deductible from \$1,500 to \$1,425 | Increase Medical Deductible from \$2,000 to \$4,100 | | |
| Changes | Aggregate family Medical MOOP has embedded \$6,850 individual maximum | Increase Medical MOOP from \$6,250 to \$6,500 | | |
| _ | Increase General Coinsurance from 20% to 25% | Aggregate family Medical MOOP has embedded \$6,850 individual maximum | | |
| | | | | |
| | | Cost Sharing Reduction Plan De | esigns - HDHPs Embedded MOOP | |
| Plan | 250-300% FPL (73% AV) | 200-250% FPL (77% AV) | 150-200% FPL (87% AV) | 133-150% FPL (94% AV) |
| | Increase Medical Deductible from \$1,400 to \$1,425 | Increase Medical MOOP from \$2,500 to \$2,700 | Increase Medical Deductible from \$1,000 to \$1,150 | Increase Medical Deductible from \$450 to \$500 |
| | Increase Medical MOOP from \$3,400 to \$3,800 | Increase General Coinsurance to 25% from 20% | Increase Medical MOOP from \$1,000 to \$1,150 | Increase Medical MOOP from \$450 to \$500 |
| Changes | Aggregate family Medical MOOP has embedded \$6,850 individual maximum | Increase Rx Generic copay from \$5 to \$10 | | |
| | Increase General Coinsurance to 25% from 20% | Increase Rx Preferred Brand copay from \$30 to \$40 | | |
| | | | | |
| | | acked MOOP | | |
| Plan | Silver | Bronze | | |
| _ | Family Medical MOOP is stacked instead of aggregate | Increase Medical Deductible from \$2,000 to \$4,400 | | |
| Changes | Increase General Coinsurance from 20% to 25% | Increase Medical MOOP from \$6,250 to \$6,500 | | |
| | | Family Medical MOOP is stacked instead of aggregate | | |
| | | | | |
| DI. | | | Designs - HDHPs Stacked MOOP | |
| Plan | 250-300% FPL (73% AV) | 200-250% FPL (77% AV) | 150-200% FPL (87% AV) | 133-150% FPL (94% AV) |
| | Increase Medical Deductible from \$1,400 to \$1,550 | Increase Medical Deductible from \$1,300 to \$1,400 | Increase Medical Deductible from \$1,000 to \$1,200 | Increase Medical Deductible from \$450 to \$500 |
| | Increase Medical MOOP from \$3,400 to \$4,250 | Increase Medical MOOP from \$2,500 to \$3,100 | Increase Medical MOOP from \$1,000 to \$1,200 | Increase Medical MOOP from \$450 to \$500 |
| Changes | Family Medical MOOP is stacked instead of aggregate | Family Medical MOOP is stacked instead of aggregate | Family Medical MOOP is stacked instead of aggregate | Family Medical MOOP is stacked instead of aggregate |
| | Increase General Coinsurance from 20% to 25% | Increase General Coinsurance from 20% to 25% | | |
| | | Increase Rx Generic copay from \$5 to \$10 | | |
| | | Increase Rx Preferred Brand copay from \$30 to \$40 | | |
| | | | | |
| 6 1 | th options of HDHP plans in 2016 are compared to the HDHP star | dard plan offered in 2015 | | |



Appendix C

Non-Standard Gold Plan – Example Plan Design

| | Non-Standard Plans |
|--|--------------------------|
| Deductible/OOP Max | Gold |
| Type of Plan | HSA Q/HDHP |
| Medical Ded | \$2,000 |
| Rx Ded | \$1,300 |
| Integrated Ded | Yes |
| Medical OOPM | \$2,000 |
| Rx OOPM | \$1,300 |
| Integrated OOPM | Rx -No, Medical - Yes |
| Family Deductible / OOP | Aggregate, 2x Individual |
| Medical Deductible waived for: | Preventive |
| Drug Deductible waived for: | Wellness scripts |
| Service Category | Copay / Coinsurance |
| Inpatient ¹ | 0% |
| Outpatient ² | 0% |
| ER ³ | 0% |
| Radiology (MRI, CT, PET) | 0% |
| Preventive | 0% |
| PCP Office Visit | 0% |
| MH/SA Office Visit | 0% |
| Specialist Office Visit ⁴ | 0% |
| Urgent Care | 0% |
| Ambulance | 0% |
| Rx Generic | \$o |
| Rx Preferred Brand | \$o |
| Rx Non-Preferred Brand | 0% |
| Actuarial Value | |
| 2016 Final Federal AVC, Adjusted if Necessary | 79.5% |

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



APPENDIX D

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

<u>3.1 Overview</u> – 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.

 $\underline{3.2 \text{ Selection of Data}}$ - 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.

<u>3.3 Reliance on Data Supplied by Others</u> - Reliance is discussed in the management report to which this appendixis attached.

<u>3.4 Reliance on Other Information Relevant to the Use of Data</u> - 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.

<u>3.5 Review of Data</u> - 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.

<u>3.6 Limitation of the Actuary's Responsibility</u> - We did not audit the data.

<u>3.7 Use of Data</u>– 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.

ASOP 41: Actuarial Communications

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

3.1 General Requirements for Actuarial Communications

<u>3.1.1 Principal and Scope of Engagement</u> – 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.

<u>3.1.2 Form and Content</u> – 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.

<u>3.1.3 Timing of Communication</u> – This report is provided in conjunction with the actuarial certification of the submitted actuarial values.

<u>3.1.4 Identification of Responsible Actuary</u> – The responsible actuary is identified in the attestation and this management report.

<u>3.2 Actuarial Report</u> – 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.

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

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

<u>3.4.1 Uncertainty or Risk</u> – Uncertainty is discussed in the management report.

<u>3.4.2 Conflict of Interest</u> – Wakely is financially, organizationally, and otherwise independent from the State of Vermont and any reliant parties.

<u>3.4.3 Reliance on Other Sources for Data and Other Information</u> - Reliance regarding data and assumptions are discussed in this management report.

<u>3.4.4 Responsibility for Assumptions and Methods</u> - 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.

<u>3.4.5 Information Date of Report</u> -The management report list the applicable dates for the analysis and correspondence.

<u>3.4.6 Subsequent Events</u> - There are no subsequent events, as of the date of this report that would materially affect the results presented herein.

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

<u>3.6 Oral Communications</u> - 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.



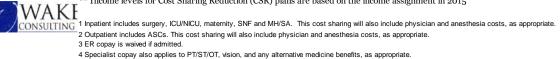
APPENDIX E

Standard Plan Designs – Deductible Plans

| | | Deductib | le Plans | |
|---|--------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Medical Ded Rx Ded Integrated Ded Medical OOPM Rx OOPM Integrated OOPM Family Deductible / OOP Medical Deductible waived for: Drug Deductible waived for: Service Category Inpatient ¹ Outpatient ² ER ³ | Platinum Same as 2015 Plan Design | Gold Same as 2015 Plan Design | Silver 2016 Proposed Design | Bronze 2016 Proposed Design |
| Type of Plan | Deductible | Deductible | Deductible | Deductible |
| Medical Ded | \$150 | \$750 | \$2,000 | \$4,000 |
| Rx Ded | \$o | \$50 | \$150 | \$500 |
| Integrated Ded | No | No | No | No |
| Medical OOPM | \$1,250 | \$4,250 | \$5,600 | \$6,850 |
| Rx OOPM | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Integrated OOPM | No | No | No | Rx -No, Medical - Yes |
| Family Deductible / OOP | Stacked, 2x Individual | Stacked, 2x Individual | Stacked, 2x Individual | Stacked, 2x Individual |
| Medical Deductible waived for: | Prev, OV, UC, Amb, ER | Prev, OV, UC, Amb, ER | Prev, OV, UC, Amb | Preventive |
| Drug Deductible waived for: | N/A | Generic scripts | Generic scripts | Applies to all scripts |
| Service Category | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance |
| Inpatient ¹ | 10% | 20% | 40% | 50% |
| Outpatient ² | 10% | 20% | 40% | 50% |
| ER ³ | \$100 | \$150 | \$250 | 50% |
| Radiology (MRI, CT, PET) | 10% | 20% | 40% | 50% |
| Preventive | \$o | \$o | \$o | \$o |
| PCP Office Visit | \$10 | \$15 | \$25 | \$35 |
| MH/SA Office Visit | \$10 | \$15 | \$25 | \$35 |
| Specialist Office Visit ⁴ | \$20 | \$25 | \$50 | \$85 |
| Urgent Care | \$40 | \$45 | \$60 | \$100 |
| Ambulance | \$50 | \$50 | \$100 | \$100 |
| Rx Generic | \$5 | \$5 | \$15 | \$20 |
| Rx Preferred Brand | \$40 | \$40 | \$60 | \$80 |
| Rx Non-Preferred Brand | 50% | 50% | 50% | 60% |
| Actuarial Value | 30% | 50% | 50% | 0070 |
| 2016 Final Federal AVC, Adjusted if Necessary | 89.0% | 81.0% | 71.6% | 61.4% |

* Federal HDHP MOOP limits are not yet released for 2016. The 2015 minimum single deductible and MOOP are \$1,300 and \$6,450, respectively. The deductible increases \$50 every two to three years and the MOOP increases around \$100 a year on average.

** Income levels for Cost Sharing Reduction (CSR) plans are based on the income assignment in 2015



Standard Plan Designs – Cost Sharing Reduction Plans (Deductibles)

| | | | Deductib | le Plans | | |
|--|--|--|------------------------|------------------------|------------------------|------------------------|
| Deductible/OOP Max250-300% FPL (73% AV CSR) 2016 Proposed Plan Design200-250% FPL (77% AV CSR) 2016 Proposed Plan Design79% AV CSR (New in 2016)83% AV CSR (New in 2016)150-200 (87% AN Same as 2015)Type of PlanDeductibleDeductibleDeductibleDeductible0100 | 150-200% FPL (87% AV CSR) Same as 2015 Plan Design | 133-150% FPL (94% AV CSR) Same as 2015 Plan Design | | | | |
| Type of Plan | Deductible | Deductible | Deductible | Deductible | Deductible | Deductible |
| Medical Ded | \$2,000 | \$1,600 | \$1,250 | \$1,000 | \$600 | \$100 |
| Rx Ded | \$150 | \$150 | \$100 | \$100 | \$100 | \$o |
| Integrated Ded | No | No | No | No | No | No |
| - | \$4,500 | \$3,400 | \$2,900 | \$2,250 | \$1,250 | \$500 |
| Rx OOPM | \$1,200 | \$1,000 | \$1,000 | \$500 | \$400 | \$200 |
| Integrated OOPM | No | No | No | No | No | No |
| Family Deductible / OOP | Stacked, 2x Individual | 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 | Prev, OV, UC, Amb |
| Drug Deductible waived for: | Generic scripts | Generic scripts | Generic scripts | Generic scripts | Generic scripts | N/A |
| Service Category | Cross-Av CSND 2016 Proposed Plan Design Crops-WAVCSN 2016 Proposed Plan Design Crops-WAVCSN 2016 Plan Design Crops-WAVCSN 2016 Propa-WAVCSN 2016 Plan Design Crops-WAVCSN 2016 Plan Design Crops-WAVCSN | Copay / Coinsurance | | | | |
| Inpatient ¹ | 40% | 40% | 40% | 40% | 40% | 10% |
| Outpatient ² | 40% | 40% | 40% | 40% | 40% | 10% |
| ER ³ | \$250 | \$250 | \$250 | \$250 | \$250 | \$75 |
| Radiology (MRI, CT, PET) | 40% | 40% | 40% | 40% | 40% | 10% |
| Preventive | \$0 | \$O | \$o | \$0 | \$0 | \$o |
| PCP Office Visit | \$25 | \$20 | \$20 | \$15 | \$10 | \$5 |
| MH/SA Office Visit | \$25 | \$20 | \$20 | \$15 | \$10 | \$5 |
| Specialist Office Visit ⁴ | \$50 | \$40 | \$40 | \$30 | \$30 | \$15 |
| · · | \$60 | \$60 | \$60 | \$60 | \$50 | \$35 |
| Ambulance | \$100 | \$100 | \$100 | \$100 | \$100 | \$50 |
| Rx Generic | \$12 | \$12 | \$12 | \$12 | \$10 | \$5 |
| Rx Preferred Brand | \$60 | \$60 | \$60 | \$50 | \$50 | \$20 |
| Rx Non-Preferred Brand | 50% | 50% | 50% | | | 30% |
| | | 54.4 | | | | |
| | 73.7% | 77.0% | 78.7% | 82.8% | 87.4% | 94.3% |

* Federal HDHP MOOP limits are not yet released for 2016. The 2015 single limit is \$6,450 and on average increases around \$100 a year.

** Income levels for Cost Sharing Reduction (CSR) plans are based on the income assignment in 2015

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.



Standard Plan Designs – HDHP Plans

| | HDHPs Option 1: 1 | 8 | HDHPs Option 2 | :: Stacked MOOP |
|--|---|---|--|--|
| Deductible/OOP Max | Silver 2016 Proposed Design Option 1 | Bronze 2016 Proposed Design Option 1 | Silver 2016 Proposed Design Option 2 | Bronze 2016 Proposed Design Option 2 |
| Type of Plan | HSA Q/HDHP | HSA Q/HDHP | HSA Q/HDHP | HSA Q/HDHP |
| Medical Ded | \$1,425 | \$4,100 | \$1,550 | \$4,400 |
| Rx Ded | \$1,300 | \$1,300 | \$1,300 | \$1,300 |
| Integrated Ded | Yes | Yes | Yes | Yes |
| Medical OOPM | \$5,750 | \$6,500 | \$5,750 | \$6,500 |
| Rx OOPM | \$1,300 | \$1,300 | \$1,300 | \$1,300 |
| Integrated OOPM | Rx -No, Medical - Yes | Rx -No, Medical - Yes | Rx -No, Medical - Yes | Rx -No, Medical - Yes |
| Family Deductible / OOP | Aggregate with Combined Medical/Rx embedded \$6,850 Single MOOP; 2x Individual | Aggregate with Combined Medical/Rx embedded \$6,850 Single MOOP; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual |
| Medical Deductible waived for: | Preventive | Preventive | Preventive | Preventive |
| Drug Deductible waived for: | Wellness scripts | Wellness scripts | Wellness scripts | Wellness scripts |
| Service Category | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance |
| Inpatient ¹ | 25% | 50% | 25% | 50% |
| Outpatient ² | 25% | 50% | 25% | 50% |
| ER ³ | 25% | 50% | 25% | 50% |
| Radiology (MRI, CT, PET) | 25% | 50% | 25% | 50% |
| Preventive | 0% | 0% | 0% | 0% |
| PCP Office Visit | 10% | 50% | 10% | 50% |
| MH/SA Office Visit | 10% | 50% | 10% | 50% |
| Specialist Office Visit ⁴ | 25% | 50% | 25% | 50% |
| Urgent Care | 25% | 50% | 25% | 50% |
| Ambulance | 25% | 50% | 25% | 50% |
| Rx Generic | \$10 | \$12 | \$10 | \$12 |
| Rx Preferred Brand | \$40 | 40% | \$40 | 40% |
| Rx Non-Preferred Brand | 50% | 60% | 50% | 60% |
| Actuarial Value | | | | |
| 2016 Final Federal AVC, Adjusted if Necessary | 70.1% | 61.0% | 70.1% | 61.0% |

* Federal HDHP MOOP limits are not yet re

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.



Standard Plan Designs – Cost Sharing Reduction Plans (HDHP – Embedded MOOP)

| | | | HDHPs Option 1: Eml | bedded MOOP | | |
|--|--|--|---|---|--|--|
| ype of Plan Aedical Ded tx Ded Integrated Ded Aedical OOPM tx OOPM Integrated OOPM amily Deductible / OOP Aedical Deductible waived for: Drug Deductible waived for: Drug Deductible waived for: CP office Category Inpatient ¹ Dutpatient ² CR ³ Cadiology (MRI, CT, PET) Preventive CP Office Visit HI/SA Office Visit ⁴ Jrgent Care | 250-300% FPL (73% AV CSR) 2016 Proposed Plan Design Option 1 | 200-250% FPL (77% AV CSR) 2016 Proposed Plan Design Option 1 | 79% AV CSR (New in 2016) Option 1 | 83% AV CSR (New in 2016) Option 1 | 150-200% FPL (87% AV CSR) 2016 Proposed Plan Design Option 1 | 133-150% FPL (94% AV CSR) 2016 Proposed Plan Design Option 1 |
| Deductible/OOP Max (72% AV CSR) 00 Proposed Plan Design Option 1 (72% AV CSR) 200 Proposed Plan Design Option 1 (82% AV CSR) (New in 2010) Option 1 (82% AV CSR) (New in 2010) Option 1 (67% AV CSR) 0ption 1 <th< td=""><td>Deductible (NOT HSAO)</td></th<> | Deductible (NOT HSAO) | | | | | |
| Medical Ded | \$1,425 | \$1,300 | \$1,300 | \$1,300 | | \$500 |
| Rx Ded | \$1,300 | N/A | N/A | N/A | N/A | N/A |
| Integrated Ded | Yes | Yes | Yes | Yes | Yes | Yes |
| Medical OOPM | \$3,800 | \$2,700 | \$2,400 | \$1,650 | \$1,150 | \$500 |
| Rx OOPM | \$1,300 | \$1,300 | \$1,300 | \$1,300 | N/A | N/A |
| Integrated OOPM | Rx -No, Medical - Yes | Rx -No, Medical - Yes | Rx -No, Medical - Yes | Rx - No, Medical - Yes | Yes | Yes |
| Family Deductible / OOP | Medical/Rx embedded \$6,850 Single MOOP; 2x | Aggregate, 2x Individual | Aggregate, 2x Individual | Aggregate, 2x Individual | Aggregate, 2x Individual | Aggregate, 2x Individual |
| | Preventive | | Preventive | | Preventive | Preventive |
| Drug Deductible waived for: | Wellness scripts | Wellness scripts | Wellness scripts | Wellness scripts | Wellness scripts | Wellness scripts |
| Service Category | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance | Copay / Coinsurance |
| Inpatient ¹ | 25% | 25% | 20% | 10% | 0% | 0% |
| Outpatient ² | 25% | 25% | 20% | 10% | 0% | 0% |
| ER ³ | 25% | 25% | 20% | 10% | 0% | 0% |
| Radiology (MRI, CT, PET) | 25% | 25% | 20% | 10% | 0% | 0% |
| Preventive | 0% | 0% | 0% | 0% | 0% | 0% |
| PCP Office Visit | 10% | 10% | 5% | 0% | 0% | 0% |
| MH/SA Office Visit | 10% | 10% | 5% | 0% | 0% | 0% |
| Specialist Office Visit ⁴ | 25% | 25% | 20% | 10% | 0% | 0% |
| Urgent Care | 25% | 25% | 20% | 10% | 0% | 0% |
| Ambulance | 25% | 25% | 20% | 10% | 0% | 0% |
| Rx Generic | \$10 | \$10 | \$5 | \$5 | \$0 | \$o |
| Rx Preferred Brand | \$40 | \$40 | \$15 | \$10 | \$0 | \$o |
| Rx Non-Preferred Brand | 50% | 50% | 50% | 10% | 0% | 0% |
| Actuarial Value | | | | | | |
| 2016 Final Federal AVC, Adjusted if Necessary | 72.9% | 76.8% | 78.8% | 82.7% | 87.0% | 94.0% |

* Federal HDHP MOOP limits are not yet re

 $\ast\ast$ Income levels for Cost Sharing Reduction (CSR) plans are based on the income assignment in 2015

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.



Standard Plan Designs - Cost Sharing Reduction Plans (HDHP - Stacked MOOP)

| | | | HDHPs Option 2 | :: Stacked MOOP | | |
|--|--|--|--|--|--|--|
| Deductible/OOP Max | 250-300% FPL (73% AV CSR) 2016 Proposed Plan Design Option 2 | 200-250% FPL (77% AV CSR) 2016 Proposed Plan Design Option 2 | 79% AV CSR (New in 2016) Option 2 | 83% AV CSR (New in 2016) Option 2 | 150-200% FPL (87% AV CSR) 2016 Proposed Plan Design Option 2 | 133-150% FPL (94% AV CSR) 2016 Proposed Plan Design Option 2 |
| Type of Plan | HSA Q/HDHP | HSA Q/HDHP | HSA Q/HDHP | HSA Q/HDHP | Deductible (NOT HSAO) | Deductible (NOT HSAO) |
| Medical Ded | \$1,550 | \$1,400 | \$1,300 | \$1,300 | \$1,200 | \$500 |
| Rx Ded | \$1,300 | \$1,300 | N/A | N/A | N/A | N/A |
| Integrated Ded | Yes | Yes | Yes | Yes | Yes | Yes |
| Medical OOPM | \$4,250 | \$3,100 | \$2,900 | \$2,000 | \$1,200 | \$500 |
| Rx OOPM | \$1,300 | \$1,300 | \$1,300 | \$1,300 | N/A | N/A |
| Integrated OOPM | Rx -No, Medical - Yes | Yes | Yes |
| Family Deductible / OOP | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual | Ded and Rx MOOP- Aggregate, Combined Medical/Rx MOOP - Stacked; 2x Individual |
| Medical Deductible waived for: | Preventive | Preventive | Preventive | Preventive | Preventive | Preventive |
| Drug Deductible waived for: | Wellness scripts |
| Service Category | Copay / Coinsurance |
| Inpatient ¹ | 25% | 25% | 20% | 10% | 0% | 0% |
| Outpatient ² | 25% | 25% | 20% | 10% | 0% | 0% |
| ER ³ | 25% | 25% | 20% | 10% | 0% | 0% |
| Radiology (MRI, CT, PET) | 25% | 25% | 20% | 10% | 0% | 0% |
| Preventive | 0% | 0% | 0% | 0% | 0% | 0% |
| PCP Office Visit | 10% | 10% | 5% | 0% | 0% | 0% |
| MH/SA Office Visit | 10% | 10% | 5% | 0% | 0% | 0% |
| Specialist Office Visit ⁴ | 25% | 25% | 20% | 10% | 0% | 0% |
| Urgent Care | 25% | 25% | 20% | 10% | 0% | 0% |
| Ambulance | 25% | 25% | 20% | 10% | 0% | 0% |
| Rx Generic | \$10 | \$10 | \$5 | \$5 | \$0 | \$o |
| Rx Preferred Brand | \$40 | \$40 | \$15 | \$10 | \$0 | \$0 |
| Rx Non-Preferred Brand | 50% | 50% | 50% | 10% | 0% | 0% |
| Actuarial Value | | | 50.0 | | | |
| 2016 Final Federal AVC, Adjusted if Necessary | 72.9% | 76.7% | 78.8% | 82.8% | 86.9% | 94.1% |

* Federal HDHP MOOP limits are not yet re

** Income levels for Cost Sharing Reduction (CSR) plans are based on the income assignment in 2015

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.



APPENDIX F

Class I Pediatric Dental Codes

These procedures are diagnostic and preventive in nature. Under the definition of what is essential they may have limits. The services and limits are described in the Department of Vermont Health Access, Dental Procedure/Fee Schedule (Effective for services provided on or after 11/01/2013)

D0120 Periodic Oral Evaluation

D0140 Limited Oral Evaluation – Problem Focused

D0145 Oral Evaluation for a patient under three years of age and counseling with primary caregiver

D0150 Comprehensive Oral Evaluation

D0170 Re-evaluation – Limited, Problem Focused

D0210 Intraoral Radiographs– Complete Series (including bitewings)

D0220 Intraoral Radiographs - Periapical - First Film

D0230 Intraoral Radiographs- Periapical - Each Additional Film

D0240 Intraoral – Occlusal Film

D0250 Extraoral - First Film

D0260 Extraoral – Each Additional Film

D0270 Bitewing – Single Film

D0272 Bitewings – 2 Films

D0273 Bitewings – 3 Films

D0274 Bitewings – 4 Films

D0330 Panoramic Film

D0340 Cephalometric Film

D0350 Oral/Facial Photographic Images

D0364 Cone Beam CT Capture and Interpretation with Limited Field of View - Less Than One Whole Jaw

D0365 Cone Beam CT Capture and Interpretation with Limited Field of View of One Full Dental Arch - Mandible

D0366 Cone Beam CT Capture and Interpretation with Limited Field of View of One Full Dental Arch - Maxilla, with or without Cranium

D0367 Cone Beam CT Capture and Interpretation with Limited Field of View of Both Jaws, With or Without Cranium

D0368 Cone Beam CT Capture and Interpretation for TMJ Series Including Two or More Exposures

D0391 Interpretation of Diagnostic Image by a Practitioner Not Associated with Capture of the Image, Including the Report

D0470 Diagnostic Models

D1120 Prophylaxis – Child

D1208 Topical Application of Fluoride

D1330 Oral Hygiene Instructions

D1351 Sealant – Per Tooth

D1351 U9 Sealant – Per Tooth-Deciduous second molars and bicuspids*

D1352 Preventive resin restoration in a moderate to high caries risk patient -permanent tooth

D1510 Space Maintainer - Fixed - Unilateral

D1515 Space Maintainer – Fixed – Bilateral

D1525 Space Maintainer – Removable – Bilateral

D1550 Recementation of Space Maintainer



APPENDIX G

Summary of Adjustments Considered and Final Adjusted AVs

| Adjustments Considered | Aggregate Ded | Aggregate MOOP, Embedded \$6,850 | Stacked MOOP | Drug Regulation | Preventive Drugs | Pediatric Dental | AV from AVC | Final Adjusted AV |
|---|------------------|---|-----------------|--------------------|---------------------|---------------------|----------------|-------------------------|
| Silver HDHP – Embedded \$6,850 Individual MOOP | Yes | Yes | No | Yes | Yes | Yes | 72.5% | 70.1% |
| Bronze HDHP– Embedded \$6,850 Individual MOOP | Yes | Yes | No | Yes | Yes | Yes | 61.4% | 61.0% |
| Silver HDHP – Stacked MOOP | Yes | No | Yes | Yes | Yes | Yes | 71.9% | 70.1% |
| Bronze HDHP– Stacked MOOP | Yes | No | Yes | Yes | Yes | Yes | 61.2% | 61.0% |
| Bronze Deductible | No | No | No | Yes | No | Yes | 60.4% | 61.4% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 73% | Yes | Yes | No | Yes | Yes | Yes | 75.4% | 72.9% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 77% | Yes | Yes | No | Yes | Yes | Yes | 79.0% | 76.8% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 79% | Yes | Yes | No | No | Yes | Yes | 80.8% | 78.8% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 83% | Yes | Yes | No | No | Yes | Yes | 84.1% | 82.7% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 87% | Yes | Yes | No | No | Yes | Yes | 87.5% | 87.0% |
| Silver HDHP - Embedded \$6,850 Individual MOOP CSR 94% | Yes | Yes | No | No | Yes | Yes | 94.0% | 94.0% |
| Silver HDHP - Stacked MOOP CSR 73% | Yes | No | Yes | Yes | Yes | Yes | 74.0% | 72.9% |
| Silver HDHP - Stacked MOOP CSR 77% | Yes | No | Yes | Yes | Yes | Yes | 77.4% | 76.7% |
| Silver HDHP - Stacked MOOP CSR 79% | Yes | No | Yes | No | Yes | Yes | 79.5% | 78.8% |
| Silver HDHP - Stacked MOOP CSR 83% | Yes | No | Yes | No | Yes | Yes | 83.1% | 82.8% |
| Silver HDHP - Stacked MOOP CSR 87% | Yes | No | Yes | No | Yes | Yes | 87.0% | 86.9% |
| Silver HDHP - Stacked MOOP CSR 94% | Yes | No | Yes | No | Yes | Yes | 94.0% | 94.1% |



APPENDIX H

Screen shots and AV Development

- 1. Silver HDHP Embedded MOOP
- 2. Bronze HDHP Embedded MOOP
- 3. Silver HDHP Stacked MOOP
- 4. Bronze HDHP Stacked MOOP
- 5. Bronze Deductible Plan
- 6. Silver HDHP Embedded MOOP CSR 73%
- 7. Silver HDHP Embedded MOOP CSR 77%
- 8. Silver HDHP Embedded MOOP CSR 79%
- 9. Silver HDHP Embedded MOOP CSR 83%
- 10. Silver HDHP Embedded MOOP CSR 87%
- 11. Silver HDHP Embedded MOOP CSR 94%
- 12. Silver HDHP Stacked MOOP CSR 73%
- 13. Silver HDHP Stacked MOOP CSR 77%
- 14. Silver HDHP Stacked MOOP CSR 79%
- 15. Silver HDHP Stacked MOOP CSR 83%
- 16. Silver HDHP Stacked MOOP CSR 87%
- 17. Silver HDHP Stacked MOOP CSR 94%

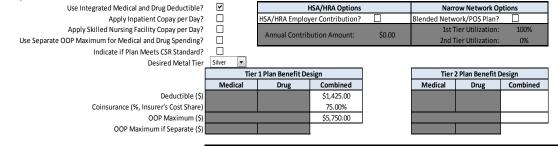


1. Silver HDHP – Embedded MOOP

AV from AVC = 72.5%Adjusted AV = 70.1%

AVC Screen Shot:

User Inputs for Plan Parameters



| | Tie | r1 | | | Ti | er 2 | | Tier 1 | Tier 2 |
|---------------------|---|--|---|--|--|---|---|--|---|
| Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to | Coinsurance, if | Copay, if | Copay appli | es only after |
| Deductible? | Coinsurance? | different | separate | Deductible? | Coinsurance? | different | separate | dedu | |
| All | All | | | All | All | | | All | All |
| ✓ | ✓ | | | ✓ | ✓ | | | | |
| ✓ | v | | | ✓ | ✓ | | | | |
| | | 0.09/ | | | | | | | _ |
| • | | 90% | | | | | | | |
| ~ | • | | | | ✓ | | | | |
| | | 0.0%/ | | | | | | | |
| • | | 90% | | | | | | | |
| ~ | v | | | | | | | | |
| ~ | v | | | ✓ | ✓ | | | | |
| > | | | | ✓ | ✓ | | | | |
| | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| ~ | • | | | ✓ | ✓ | | | | |
| ~ | • | | | ✓ | ✓ | | | | |
| ~ | • | | | | ✓ | | | | |
| • | V | | | | | | | | |
| ~ | • | | | | ✓ | | | | |
| All | All | | | All | All | | | All | All |
| > | | | \$10.00 | ✓ | ✓ | | | > | |
| ~ | | | \$40.00 | Image: A start of the start | ✓ | | | v | |
| ~ | v | 50% | | Image: A start and a start | ✓ | | | | |
| ~ | • | 50% | | | ✓ | | | | |
| | Deductible? All V | Subject to Deductible? Subject to Coinsurance? All All V V All All V Q V Q V Q | Deductible? Coinsurance? different AII AII Image: Coinsurance of the second se | Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Copay, if separate AI AI Ifferent separate V V V V V V 90% V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V S10.00 S40.00 V V S0% S0% | Subject to Deductible? Subject to Coinsurance? Copay, if different Subject to separate All All All All All V V V V V V V 90% V V V V V V V V V V V V 100% \$0.00 V V V V V V V V V V | Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance? All All All All All V V V V V V V V V V V V V V 90% V V V V V V V V V 90% V V V V 100% \$0.00 V V V V V V V V V V V V V V All All <td< td=""><td>Subject to Deductible? Subject to Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance, if Deductible? All All All All All V V V V V V V V V V V V V V V V V V V V V V V V V V 90% V V V V 100% \$0.00 V V V V V V V V V <td< td=""><td>Subject to Deductible? Subject to Coinsurance, if Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance, if Deductible? Copay, if Deductible? All <t< td=""><td>Subject to Deductible? Subject to Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Deductible? Copay, if Deductible? Copay appli deductible? All All All All All All V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Copay appli deductible? V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Co</td></t<></td></td<></td></td<> | Subject to Deductible? Subject to Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance, if Deductible? All All All All All V V V V V V V V V V V V V V V V V V V V V V V V V V 90% V V V V 100% \$0.00 V V V V V V V V V <td< td=""><td>Subject to Deductible? Subject to Coinsurance, if Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance, if Deductible? Copay, if Deductible? All <t< td=""><td>Subject to Deductible? Subject to Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Deductible? Copay, if Deductible? Copay appli deductible? All All All All All All V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Copay appli deductible? V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Co</td></t<></td></td<> | Subject to Deductible? Subject to Coinsurance, if Coinsurance, if different Copay, if separate Subject to Deductible? Subject to Coinsurance, if Deductible? Copay, if Deductible? All All <t< td=""><td>Subject to Deductible? Subject to Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Deductible? Copay, if Deductible? Copay appli deductible? All All All All All All V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Copay appli deductible? V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Co</td></t<> | Subject to Deductible? Subject to Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Coinsurance, if Deductible? Copay, if Deductible? Copay appli deductible? All All All All All All V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Coinsurance, if Subject to Coinsurance, if Deductible? Copay appli deductible? V V V V Image: Coinsurance, if Deductible? Coinsurance, if Coinsurance, if Co |

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 | |

Output

Calculate

Status/Error Messages: Actuarial Value: Error: Result is outside of +/- 2 percent de minimis variation. 72.51%

Metal Tier:

WAKELY

1. Silver HDHP – Embedded MOOP, Continued

HDHP Model – Normalization:

| Inputs | | | | | | |
|-----------|----------------------|---------------------|---------------------|--------------------|----------------------|------------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dow | n box, and press 'Co | alculate'. |
| Press 'C | Calculate' anytime | an input or drop | down selection is a | changed. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing s | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,425 | 1,425 | | | |
| F | amily Deductible | 2,850 | 2,850 | | | |
| Individu | al Out-of-Pocket | 5,750 | 5,750 | | | |
| Fam | ily Out-of-Pocket | 11,500 | 11,500 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | 5 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$238.33 | \$37.14 | \$275.48 | | |
| | Plan PMPM | \$177.90 | \$21.85 | \$199.75 | | |
| | Actuarial Value | 74.6% | 58.8% | 72.5% | | |
| | | | | | | |



1. Silver HDHP – Embedded MOOP, Continued

HDHP Model – Adjusted Actuarial Value:

| Inputs | | | | | | |
|-----------|----------------------|---------------------|---------------------|--------------------|---------------------|------------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | n box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is a | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing s | peed. | |
| A mes | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,425 | 1,300 | | | |
| F | amily Deductible | 2,850 | 2,600 | | | |
| Individu | al Out-of-Pocket | 5,750 | 1,300 | | | |
| Fami | ily Out-of-Pocket | 11,500 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | Co | osts that Accumula | ate | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | (|
| | | | | | | |
| | | Calculat | ie | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$238.33 | \$37.14 | \$275.48 | | |
| | Plan PMPM | \$169.90 | \$23.26 | \$193.16 | | |
| | Actuarial Value | 71.3% | 62.6% | 70.1% | | |
| | | | | | | |



2. Bronze HDHP – Embedded MOOP

AV from AVC = 61.4%Adjusted AV = 61.0%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | e? HSA/HRA Options | | | Nar | Narrow Network Options | | | | | |
|---|----------------------------|---------------|--------------------|----------------------------|------------------------|------------------|-----------------|-----------|--------------|--------|
| Apply Inpatient Copay per Day? | _ | HSA/HRA Emplo | over Contribution? | | Blended Netv | | | | | |
| Apply Skilled Nursing Facility Copay per Day? | _ | | 1 | | | Tier Utilization | | | | |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contri | ibution Amount: | \$0.00 | 2nd | Tier Utilization | | | | |
| Indicate if Plan Meets CSR Standard? | _ | | | | | | | | | |
| Desired Metal Tier | | | | | | | | | | |
| | Tier 1 Plan Benefit Design | | | Tier 2 Plan Benefit Design | | Design | | | | |
| | Medical | Drug | Combined | | Medical | Drug | Combined | | | |
| Deductible (\$) | | | \$4,100.00 | | | | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 50.00% | | | | | | | |
| OOP Maximum (\$) | | | \$6,500.00 | | | | | | | |
| OOP Maximum if Separate (\$) | | | | | | | | | | |
| | | | | | | | | | | |
| Click Here for Important Instructions | | Ti | er 1 | | | Ti | er 2 | | Tier 1 | 1 |
| | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to | Coinsurance, if | Copay, if | Copay applie | s only |

| chek here for hisportant hist declons | iiei 1 | | | ner z | | | | TIELT | Tiel Z | |
|--|---|---------------------|-----------|---|---------------------|---------------------|-----------|--------------------------|-------------|---------|
| Type of Benefit | Subject to Subject to Coinsurance, if Copay, if | | | Subject to Subject to Coinsurance, if Copay, if | | | | Copay applies only after | | |
| | Deductible? | Coinsurance? | different | separate | Deductible? | Coinsurance? | different | separate | | ctible? |
| Medical | 🗌 All | 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) | | ✓ | | | ✓ | Z | | | | |
| 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 | v | ~ | | | ✓ | ✓ | | | | |
| Drugs | All | All | | | All | 🗌 All | | | All | All |
| Generics | ✓ | | | \$12.00 | ✓ | ✓ | | | > | |
| Preferred Brand Drugs | ✓ | ✓ | 60% | | ✓ | V | | | | |
| Non-Preferred Brand Drugs | ✓ | ✓ | 40% | | ✓ | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | ~ | ~ | 40% | | > | ✓ | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |

| options for Additional Benefit Besign Linnis | |
|---|--|
| 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: Actuarial Value: Metal Tier:

Calculation Successful. 61.43% Bronze



2. Bronze HDHP – Embedded MOOP, Continued

| lculate' anytime at the model rur | an input or dropo | lown selection is c ased on the compu | hanged. | n box, and press 'Co | alculate'. |
|--------------------------------------|---------------------------|--|--|---|---|
| at the model rur | n-time will vary bo | ased on the compu | - | need | |
| | | • | iters processing s | need | |
| age box will app | ear to indicate the | at the calculations | | ueeu. | |
| | | | are done. | | |
| | Medical | Rx | | | |
| dual Deductible | 4,100 | 4,100 | | | |
| nily Deductible | 8,200 | 8,200 | | | |
| l Out-of-Pocket | 6,500 | 6,500 | | | |
| v Out-of-Pocket | 13,000 | 13,000 | | | |
| ce (50% or Less) | 48% | 44% | | | |
| | Cc | osts that Accumula | ate | | |
| | | | | Deductible / | |
| | Deductible | Medical | Rx | OOP Type | |
| Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | 5 |
| | Calculat | e | | | |
| | | | | | |
| | Medical | Rx | Total | | |
| Allowed PMPM | \$289.21 | \$45.07 | \$334.29 | | |
| Plan PMPM | \$184.19 | \$21.12 | \$205.31 | | |
| Actuarial Value | 63.7% | 46.9% | 61.4% | | |
| | Allowed PMPM Plan PMPM | lual Deductible nily Deductible Out-of-Pocket Out-of-Pocket E (50% or Less) A8% Ccc Deductible Settings Medical & Rx Calculat Allowed PMPM \$289.21 Plan PMPM \$184.19 | Iual Deductible4,1004,100nily Deductible8,2008,200Out-of-Pocket6,5006,500Out-of-Pocket13,00013,000Deductible13,00013,000DeductibleMedicalOutoutoutoutoutoutoutoutoutoutoutoutoutou | Iual Deductible4,1004,100nily Deductible8,2008,200Out-of-Pocket6,5006,500Out-of-Pocket13,00013,000ie (50% or Less)48%44%Costs that AccumulateDeductibleMedicalRxMedical & RxMedical & RxTotalMedical PMPM\$289.21\$45.07\$334.29Plan PMPM\$184.19\$205.31 | Iual Deductible4,1004,1004,100nily Deductible8,2008,200 |



2. Bronze HDHP – Embedded MOOP, Continued

| Inputs | | | | | | |
|----------|---------------------------|----------------------|----------------------|----------------------|-------------------|------------|
| Enter va | lues in the blue cel | lls below, choose d | a setting option fro | om the drop down | box, and press 'C | alculate'. |
| | Calculate' anytime | | | • | | |
| Note | that the model rui | n-time will vary bo | used on the compu | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 4,100 | 1,300 | | | |
| F | amily Deductible | 8,200 | 2,600 | | | |
| Individu | ual Out-of-Pocket | 6,500 | 1,300 | | | |
| Fam | ily Out-of-Pocket | 13,000 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 48% | 44% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | | Du | Tatal | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM Plan PMPM | \$289.21 \$177.40 | \$45.07 \$26.43 | \$334.29 \$203.83 | | |
| | | - | | 60.98% | | |
| | Actuarial Value | 61.3% | 58.6% | 60.98% | | |
| L | | | | | | |



3. Silver HDHP – Stacked MOOP

AV from AVC = 71.9%Adjusted AV = 70.1%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | ✓ | | ISA/HRA Options | | Narro | w Network C | ptions | |
|---|-----------------------|-----------------------------|-----------------------|--------|----------------------|----------------|----------|--|
| Apply Inpatient Copay per Day? | | HSA/HRA Employ | ver Contribution? | | Blended Netwo | ork/POS Plan | 2 | |
| Apply Skilled Nursing Facility Copay per Day? | | Annual Contrib | ution Amounts | \$0.00 | 1st Ti | er Utilization | : 100% | |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: | | ŞU.UU | 2nd Tier Utilization | | n: 0% | |
| Indicate if Plan Meets CSR Standard? | | | | | | | | |
| Desired Metal Tier | Silver 💌 | | | | | | | |
| | Tier 1 Plan Benefit I | | 1 Plan Benefit Design | | Tier 2 Plan Benefit | | Design | |
| | Medical | Drug | Combined | | Medical | Drug | Combined | |
| Deductible (\$) | | | \$1,550.00 | | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 75.00% | | | | | |
| OOP Maximum (\$) | | | \$5,750.00 | | | | | |
| OOP Maximum if Separate (\$) | | | | | | | | |

| Click Here for Important Instructions | | Tie | r1 | | | Tie | er 2 | | Tier 1 | Tier 2 |
|--|---------------------------|----------------------------|------------------------------|--------------------|---------------------------|---------------------|------------------------------|--------------------|-----------------------|--------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | • | Coinsurance, if different | Copay, if separate | Copay applie deduc | - |
| Medical | All | All | | | All | All | | | All | |
| Emergency Room Services | V | ✓ | | | K | < | | | | |
| All Inpatient Hospital Services (inc. MHSA) | Y | ✓ | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | • | V | 90% | | ⊻ | | | | | |
| Specialist Visit | V | ✓ | | | ✓ | | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | | V | 90% | | | | | | | |
| Imaging (CT/PET Scans, MRIs) | < | ✓ | | | _ | ✓ | | | | |
| Rehabilitative Speech Therapy | ~ | ✓ | | | I | V | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | | V | | | | | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | Y | ✓ | | | ✓ | ✓ | | | | |
| X-rays and Diagnostic Imaging | > | ✓ | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | Y | ✓ | | | | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | • | ~ | | | | ~ | | | | |
| Outpatient Surgery Physician/Surgical Services | 7 | ~ | | | v | ✓ | | | | |
| Drugs | All | All | | | All | All | | | All | |
| Generics | Y | | | \$10.00 | V | > | | | > | |
| Preferred Brand Drugs | Y | | | \$40.00 | ✓ | ✓ | | | > | |
| Non-Preferred Brand Drugs | > | ✓ | 50% | | ✓ | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | Y | < | 50% | | Y | > | | | | |

| 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: Actuarial Value: Metal Tier:

Calculation Successful. 71.86% Silver



4. Silver HDHP – Stacked MOOP, Continued

| Inputs | | | | | | |
|-----------|---------------------|---------------------|----------------------|---------------------|-------------------|------------|
| Enter val | ues in the blue cel | ls below, choose d | a setting option fro | om the drop down | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is c | hanged. | | |
| Note t | that the model ru | n-time will vary bo | ased on the compu | iters processing sp | peed. | |
| A mes | sage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,550 | 1,550 | | | |
| Fa | amily Deductible | 3,100 | 3,100 | | | |
| Individu | al Out-of-Pocket | 5,750 | 5,750 | | | |
| Fami | ily Out-of-Pocket | 11,500 | 11,500 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | 0 | ОР | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | <u> </u> |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$243.69 | \$37.98 | \$281.67 | | |
| | Plan PMPM | \$180.52 | \$22.06 | \$202.59 | | |
| | Actuarial Value | 74.1% | 58.1% | 71.9% | | |
| | | | | | | |



3. Silver HDHP – Stacked MOOP, Continued

| ılate' anytime the model rui | lls below, choose d an input or dropd n-time will vary bo tear to indicate the Medical 1,550 | down selection is ased on the comp | changed. uters processing | vn box, and press 'Calcu speed. | late'. | |
|---|---|---|---|---|---|--|
| <i>the model run e box will app</i> al Deductible ly Deductible | n-time will vary bo ear to indicate the Medical | ased on the comp at the calculation | uters processing | speed. | | |
| <i>e box will app</i> al Deductible ly Deductible | ear to indicate the Medical | at the calculation | | speed. | | |
| al Deductible ly Deductible | Medical | | s are done. | | | |
| ly Deductible | | Rx | | | | |
| ly Deductible | | Rx | | | | |
| ly Deductible | 1,550 | 1 | | | | |
| • | | 1,300 | | | | |
| ut-of-Pocket | 3,100 | 2,600 | | | | |
| at of i beket | 5,750 | 1,300 | | | | |
|)ut-of-Pocket | 11,500 | 2,600 | | | | |
| (50% or Less) | 23% | 30% | | | | |
| | | | | | | |
| | Co | osts that Accumul | | | | |
| | | - | | | | |
| | | | | | | |
| Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 | |
| | Calculat | ce | | | | |
| | | | | | | |
| | Madiaal | Dv | Tatal | | | |
| | | | | | | |
| Plan PMPM | | | | | | |
| - | 71.3% | 62.5% | 70.1% | | | |
| | Dwed PMPM | Medical Dwed PMPM \$243.69 Plan PMPM \$173.80 | Deductible Medical Settings Medical & Rx Calculate Calculate Medical & Rx Settings Medical & Rx Calculate Medical Rx Settings Medical Rx Settings Settings S | SettingsMedical & RxMedical & RxRx OnlyCalculateMedicalRxTotalSandaSandaSandaSandaSandaSandaSandaSandaSanda <td colspa<="" td=""><td>Deductible Medical Rx OOP Type Settings Medical & Rx Medical & Rx Rx Only Aggregate Plus Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Medical Rx Total Image: Calculate Image: Calculat</td></td> | <td>Deductible Medical Rx OOP Type Settings Medical & Rx Medical & Rx Rx Only Aggregate Plus Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Medical Rx Total Image: Calculate Image: Calculat</td> | Deductible Medical Rx OOP Type Settings Medical & Rx Medical & Rx Rx Only Aggregate Plus Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Image: Calculate Medical Rx Total Image: Calculate Image: Calculat |



4. Bronze HDHP – Stacked MOOP

AV from AVC = 61.2%Adjusted AV = 61.0%

AVC Screen Shot:

User Inputs for Plan Parameters

| ✓ | | HSA/HRA Options | | Narrow Network Options | | | |
|-----------------|--------------------------------|--|--|--------------------------------|---|---|--|
| | HSA/HRA Employer Contribution? | | Blended Network/POS Plan? | | | | |
| | Annual Contribution Amount: | | ¢0.00 | 1st Tier Utilization: 10 | | | |
| | | | ŞU.UU | 2nd Tier Utilization: | | 0% | |
| | | | | | | | |
| Bronze 💌 | | | | | | | |
| Tier 1 Plan Ben | | 1 Plan Benefit Design | | Tier 2 Plan Bene | | it Design | |
| Medical | Drug | Combined | | Medical | Drug | Combined | |
| | | \$4,400.00 | | | | | |
| | | 50.00% | | | | | |
| | | \$6,500.00 | | | | | |
| | | | | | | | |
| | | | | | | | |
| | Bronze Tie | HSA/HRA Emplo HSA/HRA Emplo Annual Contril | HSA/HRA Employer Contribution? Annual Contribution Amount: Bronze Tier 1 Plan Benefit Design Medical Drug Combined \$4,400.00 50.00% | HSA/HRA Employer Contribution? | HSA/HRA Employer Contribution? Blended Netw Annual Contribution Amount: \$0.00 1st T Bronze Tier 1 Plan Benefit Design Tier 2 Medical Drug Combined Medical \$4,400.00 \$0.00% 50.00% 1 | HSA/HRA Employer Contribution? Blended Network/POS Plan? Annual Contribution Amount: \$0.00 Ist Tier Utilization: 2nd Tier Utilization: Bronze Tier 1 Plan Benefit Design Medical Drug St.00% Medical | |

| Click Here for Important Instructions | | Tie | r 1 | | | Tie | er 2 | | Tier 1 | Tier 2 |
|--|---------------------------|----------------------------|---------------------------|--------------------|---------------------------|---------------------|---------------------------|-----------------------|----------------------|--------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | • | Coinsurance, if different | Copay, if separate | Copay appli deduc | |
| Medical | All | 🗌 All | | | 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) | Y | • | | | ~ | | | | | |
| Specialist Visit | • | ✓ | | | ✓ | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | • | • | | | ~ | ✓ | | | | |
| Imaging (CT/PET Scans, MRIs) | 7 | ✓ | | | | ✓ | | | | |
| Rehabilitative Speech Therapy | V | v | | | I | ✓ | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | • | • | | | | | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | Y | ✓ | | | | ✓ | | | | |
| X-rays and Diagnostic Imaging | > | ✓ | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | > | ✓ | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | ~ | • | | | ~ | ✓ | | | | |
| Outpatient Surgery Physician/Surgical Services | • | • | | | Z | ✓ | | | | |
| Drugs | All | 🗌 All | | | All | All | | | 🗌 All | 🗌 All |
| Generics | > | | | \$12.00 | ✓ | ✓ | | | Z | |
| Preferred Brand Drugs | Y | ✓ | 60% | | v | ✓ | | | | |
| Non-Preferred Brand Drugs | Y | ✓ | 40% | | I | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | > | ~ | 40% | | | ✓ | | | | |

| | Calculate | |
|----------------|-----------|--|
| Status/Error N | lessages: | |
| Actuarial Valu | e: | |
| Metal Tier: | | |
| | | |

Calculation Successful. 61.17% Bronze



4. Bronze HDHP – Stacked MOOP, Continued

| Inputs | | | | | | |
|----------|----------------------|---------------------|----------------------|---------------------|-------------------|------------|
| Enter va | lues in the blue cel | ls below, choose c | a setting option fro | om the drop down | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is c | hanged. | | |
| Note | that the model ru | n-time will vary bo | used on the compu | iters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 4,400 | 4,400 | | | |
| F | amily Deductible | 8,800 | 8,800 | | | |
| Individu | al Out-of-Pocket | 6,500 | 6,500 | | | |
| Fam | ily Out-of-Pocket | 13,000 | 13,000 | | | |
| Coinsura | nce (50% or Less) | 48% | 44% | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | 5 |
| | | | | | | |
| | | Calculat | | | | |
| | | | | | | |
| Results | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$291.89 | \$45.49 | \$337.38 | | |
| | Plan PMPM | \$185.29 | \$21.23 | \$206.52 | | |
| | Actuarial Value | 63.5% | 46.7% | 61.2% | | |
| | | | | | | |



4. Bronze HDHP – Stacked MOOP, Continued

| Inputs | | | | | | |
|----------------------|----------------------|---------------------|---------------------|--------------------|---------------------|------------|
| Enter va | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dow | n box, and press 'C | alculate'. |
| | Calculate' anytime | | | • | | |
| Note | that the model rui | n-time will vary bo | used on the comp | uters processing s | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 4,400 | 1,300 | | | |
| Family Deductible | | 8,800 | 2,600 | | | |
| Individu | ual Out-of-Pocket | 6,500 | 1,300 | | | |
| Family Out-of-Pocket | | 13,000 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 48% | 44% | | | |
| | | | | | | |
| | | Сс | osts that Accumul | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | Cal | | e | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$291.89 | \$45.49 | \$337.38 | | |
| | Plan PMPM | \$179.18 | \$26.55 | \$205.74 | | |
| | Actuarial Value | 61.4% | 58.4% | 60.98% | | |
| | | | | | | |



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5. Bronze Deductible

AV from AVC = 60.4%

Adjustments

• HDHP Model with drug adjustments / HDHP Model without drug adjustments = 63.1%/62.1% = 1.016 x .604 = 61.4%

Adjusted AV = 61.4%

AVC Screen Shot:

User Inputs for Plan Parameters

| User inputs for Flan Farameters | | | | | | | |
|---|------------|-----------------------------|-------------------|--------|----------------------------|-----------------|----------|
| Use Integrated Medical and Drug Deductible? | | | HSA/HRA Options | | Narro | ow Network Op | tions |
| Apply Inpatient Copay per Day? | | HSA/HRA Emplo | yer Contribution? | | Blended Netwo | ork/POS Plan? | |
| Apply Skilled Nursing Facility Copay per Day? | | A manual Cambril | | \$0.00 | 1st Ti | er Utilization: | 100% |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: | | ŞU.UU | 2nd Tier Utilization: | | 0% |
| Indicate if Plan Meets CSR Standard? | | - | | | | | |
| Desired Metal Tier | Bronze 💌 | | | | | | |
| | Tie | r 1 Plan Benefit De | esign | | Tier 2 Plan Benefit Design | | |
| | Medical | Drug | Combined | | Medical | Drug | Combined |
| Deductible (\$) | \$4,000.00 | \$500.00 | | | | | |
| Coinsurance (%, Insurer's Cost Share) | 50.00% | 40.00% | | | | | |
| OOP Maximum (\$) | \$6,8 | 50.00 | | | | | |
| OOP Maximum if Separate (\$) | | | | | | | |
| | | | | | | | |

| Click Here for Important Instructions | | Tie | r 1 | | | Tie | er 2 | | Tier 1 | Tier 2 |
|--|-------------|--------------|-----------------|-----------|-------------|---------------------|-----------------|-----------|--------------|---------------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to | Coinsurance, if | Copay, if | Copay applie | es only after |
| Type of Benefit | Deductible? | Coinsurance? | different | separate | | Coinsurance? | different | separate | deduc | |
| Medical | All | 🗌 All | | | All | All | | | All | All |
| Emergency Room Services | > | v | | | > | > | | | | |
| All Inpatient Hospital Services (inc. MHSA) | > | v | | | | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | 7 | | | \$35.00 | | | | | ~ | |
| X-rays) | | | | \$35.00 | | | | | | |
| Specialist Visit | Y | | | \$85.00 | ✓ | ✓ | | | × | |
| Mental/Behavioral Health and Substance Abuse Disorder | | | | \$35.00 | | | | | • | |
| Outpatient Services | V | | | \$35.00 | | | | | ⊻ | |
| Imaging (CT/PET Scans, MRIs) | > | ✓ | | | ✓ | ✓ | | | | |
| Rehabilitative Speech Therapy | > | | | \$85.00 | | ✓ | | | 2 | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | V | | | \$85.00 | • | | | | ☑ | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | > | ~ | | | V | ✓ | | | | |
| X-rays and Diagnostic Imaging | > | ~ | | | | ✓ | | | | |
| Skilled Nursing Facility | ◄ | | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | ✓ | ✓ | | | | ~ | | | | |
| Outpatient Surgery Physician/Surgical Services | N | • | | | ✓ | < | | | | |
| Drugs | All | 🗌 Ali | | | All | All | | | All | All |
| Generics | > | | | \$20.00 | > | ✓ | | | > | |
| Preferred Brand Drugs | V | | | \$80.00 | v | | | | • | |
| Non-Preferred Brand Drugs | > | v | | | | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | > | ~ | | | > | > | | | | |

Options for Additional Benefit Design Limits:

| Options for Additional Denenit 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:

Actuarial Value: Metal Tier:

Calculation Successful. 60.38% Bronze



5. Bronze Deductible, Continued

HDHP Model – Without Prescription Drug Adjustments:

| Inputs | | | | | | |
|-------------------|----------------------|---------------------|---------------------|--------------------|---------------------|------------|
| Enter va | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | h box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or drop | down selection is a | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing s | peed. | |
| A me | ssage box will app | ear to indicate th | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 4,000 | 500 | | | |
| Family Deductible | | 8,000 | 1,000 | | | |
| Individu | al Out-of-Pocket | 6,850 | 6,850 | | | |
| Fam | ily Out-of-Pocket | 13,700 | 13,700 | | | |
| Coinsura | nce (50% or Less) | 47% | 52% | | | |
| | | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | Calculat | te | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$290.55 | \$45.28 | \$335.83 | | |
| | Plan PMPM | \$182.43 | \$26.27 | \$208.70 | | |
| | Actuarial Value | 62.8% | 58.0% | 62.1% | | |
| | | | | | | |



5. **Bronze Deductible, Continued**

HDHP Model – With Prescription Drug Adjustments:

| Inputs | | | | | | |
|--------------------------|----------------------|---------------------|---|---------------------|---------------------|------------|
| Enter val | lues in the blue cel | lls below, choose d | a setting option fr | om the drop dowr | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is c | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculations | are done. | | |
| | | Medical | Rx | | | |
| Indiv | /idual Deductible | 4,000 | 500 | | | |
| | amily Deductible | 8,000 | 1,000 | | | |
| Individual Out-of-Pocket | | 6,850 | 1,250 | | | |
| Family Out-of-Pocket | | 13,700 | 2,500 | | | |
| Coinsura | nce (50% or Less) | 47% | 52% | | | |
| | | Ca | osts that Accumula | 210 | | |
| | | | | | | |
| | | Deductible | Medical | Rx | | |
| | Cottingo | Medical & Rx | Medical & Rx | Rx Only | OOP Type Stacked | |
| | Settings | | | KX Only | Stackeu | · |
| | | Calculat | ie de la constante de la consta | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$290.55 | \$45.28 | \$335.83 | | |
| | Plan PMPM | \$180.70 | \$31.26 | \$211.96 | | |
| | Actuarial Value | 62.2% | 69.0% | 63.1% | | |
| | | | | | | |



6. Silver HDHP – Embedded MOOP CSR – 73%

AV from AVC = 75.4% Adjusted AV = 72.9%

AVC Screen Shot:

User Inputs for Plan Parameters

| | | HSA/HRA Options | | Narrow Network Options | | | |
|----------------------|----------------------------|--|---|--|---|--|--|
| | HSA/HRA Emplo | ver Contribution? | | Blended Netwo | ork/POS Plan? | | |
| | Annual Contri | ution Amounts | ¢0.00 | 1st Ti | er Utilization: | 100% | |
| | Annual Contri | oution Amount: | ŞU.UU | 2nd Ti | er Utilization: | 0% | |
| ✓ | | | | | | | |
| Silver 💌 | | | | | | | |
| Tie | er 1 Plan Benefit Design | | | Tier 2 Plan Benefit Design | | | |
| Medical | Drug | Combined | | Medical | Drug | Combined | |
| | | \$1,425.00 | | | | | |
| | | 75.00% | | | | | |
| | | \$3,800.00 | | | | | |
| | | | | | | | |
| | Silver V Tie Medical | HSA/HRA Employ HSA/HRA Employ Annual Contrit | HSA/HRA Employer Contribution? → ✓ Silver Tier 1 Plan Benefit Design Medical Drug Combined \$1,425.00 75,00% \$3,800.00 | HSA/HRA Employer Contribution? Annual Contribution Amount: Silver ▼ Silver Tier 1 Plan Benefit Design Medical Drug Combined \$1,425.00 75.00% \$3,800.00 | HSA/HRA Employer Contribution? Blended Network Annual Contribution Amount: \$0.00 Image: Silver 1st Till Image: Silver Image: Silver Tier 1 Plan Benefit Design Tier 2 Medical Drug Silver \$1,425.00 75.00% \$3,800.00 | HSA/HRA Employer Contribution? Blended Network/POS Plan? Annual Contribution Amount: \$0.00 Ist Tier Utilization: 2nd Tier Utilization: Image: Silver Ist Tier Utilization: Silver Tier 1 Plan Benefit Design Medical Drug Combined Medical 75.00% S3,800.00 | |

| Click Here for Important Instructions | | Tie | er 1 | | | T | ier 2 | | Tier 1 | Tier 2 |
|--|---------------------------|----------------------------|------------------------------|--------------------|--|---------------------|---------------------------|--------------------|----------------------|--------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | • | Coinsurance, if different | Copay, if separate | Copay appli deduc | |
| Medical | 🗌 Ali | 🗌 Ali | | | All | 🗌 All | | | 🗌 Ali | 🗌 All |
| Emergency Room Services | ~ | ✓ | | | K | > | | | | |
| All Inpatient Hospital Services (inc. MHSA) | ~ | • | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | ~ | • | 90% | | ~ | V | | | | |
| Specialist Visit | • | • | | | v | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder | | _ | 000/ | | | | | | | _ |
| Outpatient Services | ✓ | v | 90% | | ✓ | | | | | |
| Imaging (CT/PET Scans, MRIs) | • | ✓ | | | ✓ | ✓ | | | | |
| Rehabilitative Speech Therapy | • | | | | I | | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | ~ | • | | | | | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | v | ✓ | | | v | ✓ | | | | |
| X-rays and Diagnostic Imaging | v | ✓ | | | Image: A start of the start | ✓ | | | | |
| Skilled Nursing Facility | • | ✓ | | | ✓ | | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | | • | | | | | | | | |
| Outpatient Surgery Physician/Surgical Services | • | • | | | v | ✓ | | | | |
| Drugs | 🗌 All | All | | | Ali | 🗌 All | | | 🗌 Ali | 🗌 All |
| Generics | • | | | \$10.00 | V | > | | | 7 | |
| Preferred Brand Drugs | • | | | \$40.00 | ✓ | ✓ | | | v | |
| Non-Preferred Brand Drugs | v | v | 50% | | | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | > | ✓ | 50% | | v | ~ | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |

| options for Auditional Benefit Besign Linnis | |
|---|--|
| 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: Actuarial Value: Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 75.44%

Metal Tier:



6. Silver HDHP – Embedded MOOP CSR – 73%, Continued

| Inputs | | | | | | |
|--------------------------|----------------------|---------------------|---------------------|---------------------|--------------------|-----------|
| Enter val | lues in the blue cel | lls below, choose d | a setting option fr | om the drop down | box, and press 'Ca | lculate'. |
| | | | down selection is a | - | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | sage box will app | ear to indicate th | at the calculation | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,425 | 1,425 | | | |
| F | amily Deductible | 2,850 | 2,850 | | | |
| Individual Out-of-Pocket | | 3,800 | 3,800 | | | |
| Fami | ily Out-of-Pocket | 7,600 | 7,600 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | | | | |
| | | | | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$262.43 | \$40.90 | \$303.33 | | |
| | Plan PMPM | | \$25.43 | \$228.74 | | |
| | Actuarial Value | 77.5% | 62.2% | 75.4% | | |
| | | | | | | |



6. Silver HDHP – Embedded MOOP CSR – 73%, Continued

| Inputs | | | | | | |
|--------------------------|----------------------|---------------------|----------------------|---------------------|-------------------|------------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fro | om the drop down | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is c | hanged. | | |
| Note | that the model ru | n-time will vary bo | used on the compu | uters processing sp | peed. | |
| A mes | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,425 | 1,300 | | | |
| F | amily Deductible | 2,850 | 2,600 | | | |
| Individual Out-of-Pocket | | 3,800 | 1,300 | | | |
| Family Out-of-Pocket | | 7,600 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | 00000.80 | | | | | |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$262.43 | \$40.90 | \$303.33 | | |
| | Plan PMPM | \$194.77 | \$26.30 | \$221.07 | | |
| | Actuarial Value | 74.2% | 64.3% | 72.9% | | |
| | | | | | | |

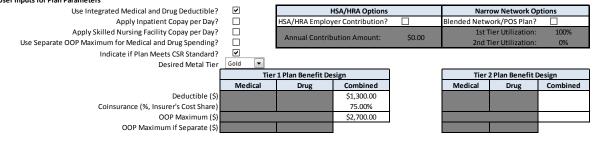


7. Silver HDHP – Embedded MOOP CSR – 77%

AV from AVC = 79.0%Adjusted AV = 76.8%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | | Tie | er 1 | Tier 2 | | | | Tier 1 | Tier 2 | |
|--|---------------------|---------------------|-----------------|-----------|---------------------|---------------------|-----------------|-----------|--------------|-------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | • | Coinsurance, if | Copay, if | Copay applie | - |
| | Deductible? | Coinsurance? | different | separate | Deductible? | Coinsurance? | different | separate | deduc | |
| Medical | 🗌 All | 🗌 All | | | All | | | | 🗌 All | 🗌 Ali |
| Emergency Room Services | ✓ | | | | ✓ | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | v | ✓ | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | • | • | 90% | | | V | | | | |
| Specialist Visit | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | | • | 90% | | | v | | | | |
| Imaging (CT/PET Scans, MRIs) | | v | | | v | ✓ | | | | |
| Rehabilitative Speech Therapy | I | V | | | v | | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | • | • | | | V | V | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | v | v | | | > | ✓ | | | | |
| X-rays and Diagnostic Imaging | • | • | | | V | ✓ | | | | |
| Skilled Nursing Facility | • | • | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | ✓ | • | | | | V | | | | |
| Outpatient Surgery Physician/Surgical Services | v | v | | | > | > | | | | |
| Drugs | 🗌 All | 🗌 All | | | All | 🗌 All | | | All | All |
| Generics | ~ | | | \$10.00 | × | > | | | Y | |
| Preferred Brand Drugs | v | | | \$40.00 | ✓ | ✓ | | | > | |
| Non-Preferred Brand Drugs | • | • | 50% | | V | V | | | | |
| Specialty Drugs (i.e. high-cost) | > | • | 50% | | 7 | 7 | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |
| | | | | | | | | | | |

| ialty Rx Coinsurance Payments? | Set a Maximum o |
|-------------------------------------|-----------------------------|
| cialty Rx Coinsurance Maximum: | |
| f Days for Charging an IP Copay? 🛛 | Set a Maximum Nun |
| # Days (1-10): | |
| ng After a Set Number of Visits? | Begin Primary Care Cost |
| # Visits (1-10): | |
| insurance After a Set Number of 🛛 🗌 | Begin Primary Care Deductib |
| Copays? | |
| # Copays (1-10): | |
| | |

Output

Calculate Status/Error Messages:

Actuarial Value:

Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 78.98%

Metal Tier:



7. Silver HDHP – Embedded MOOP CSR – 77%, Continued

| Inputs | | | | | | |
|-----------|---------------------|--------------------|-------------------------|---------------------|---------------------|---------|
| Enter val | ues in the blue cel | lls helow choose (| a settina ontion fr | om the dron down | box, and press 'Cal | culate' |
| | | | down selection is a | - | | |
| | • | | | uters processing sp | peed. | |
| | | • | , at the calculation | | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | idual Deductible | 1,300 | 1,300 | | | |
| Fa | amily Deductible | 2,600 | 2,600 | | | |
| Individu | al Out-of-Pocket | 2,700 | 2,700 | | | |
| Fami | ly Out-of-Pocket | 5,400 | 5,400 | | | |
| Coinsura | nce (50% or Less) | 23% | 29% | | | |
| | | | | | | |
| | | Co | osts that Accumul | | | |
| | | | 0 | ОР | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | te | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$281.18 | \$43.82 | \$325.00 | | |
| | Plan PMPM | \$227.68 | \$29.22 | \$256.89 | | |
| | Actuarial Value | 81.0% | 66.7% | 79.0% | | |
| | | | | | | |



7. Silver HDHP – Embedded MOOP CSR – 77%, Continued

| | Jusicu – Aujusicu I | ictuariar variae. | | | | |
|----------|----------------------|---------------------|----------------------|---------------------|--------------------|------------|
| Inputs | | | | | | |
| Enter va | lues in the blue cel | lls below, choose d | a setting option fro | om the drop down | box, and press 'Co | alculate'. |
| Press ' | Calculate' anytime | an input or dropo | lown selection is c | hanged. | | |
| Note | that the model ru | n-time will vary bo | used on the compu | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | ual Out-of-Pocket | 2,700 | 1,300 | | | |
| Fam | ily Out-of-Pocket | 5,400 | 2,600 | | | |
| Coinsura | ince (50% or Less) | 23% | 29% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | 0 | ОР | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$281.18 | \$43.82 | \$325.00 | | |
| | Plan PMPM | \$220.51 | \$28.98 | \$249.50 | | |
| | Actuarial Value | 78.4% | 66.1% | 76.8% | | |
| | | | | | | |

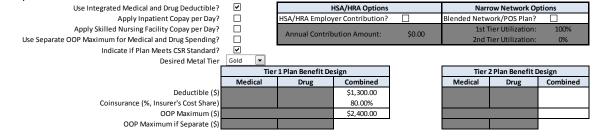


8. Silver HDHP – Embedded MOOP CSR – 79%

AV from AVC = 80.8%Adjusted AV = 78.8%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | | Tie | er 1 | | | Tie | er 2 | | Tier 1 | Tier 2 |
|--|-------------|---------------------|-----------------|-----------|---|---------------------|-----------------|-----------|-------------|--------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | • | Coinsurance, if | Copay, if | Copay appli | |
| Type of benefit | Deductible? | Coinsurance? | different | separate | Deductible? | | different | separate | deduo | |
| Medical | 🗌 All | 🗌 All | | | | 🗌 All | | | | Ali |
| Emergency Room Services | ✓ | ✓ | | | v | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | • | • | | | v | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | • | ~ | 95% | | ~ | ~ | | | | |
| Specialist Visit | v | v | | | v | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | | • | 95% | | ~ | | | | | |
| Imaging (CT/PET Scans, MRIs) | • | • | | | v | ✓ | | | | |
| Rehabilitative Speech Therapy | v | v | | | v | | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | ✓ | • | | | ~ | V | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | ✓ | ✓ | | | Image: A start of the start of | ✓ | | | | |
| X-rays and Diagnostic Imaging | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | • | • | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | ✓ | ✓ | | | | > | | | | |
| Outpatient Surgery Physician/Surgical Services | 2 | • | | | ✓ | ✓ | | | | |
| Drugs | 🗌 All | 🗌 All | | | All | 🗌 All | | | All | 🗌 Ali |
| Generics | • | | | \$5.00 | ~ | ✓ | | | V | |
| Preferred Brand Drugs | v | | | \$15.00 | | ✓ | | | N | |
| Non-Preferred Brand Drugs | • | • | 50% | | ✓ | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | ~ | 7 | 50% | | 7 | > | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |
| Set a Maximum on Specialty Rx Coinsurance Payments? | · 🔲 | 1 | | | | | | | | |

| 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: Actuarial Value:

Metal Tier:

Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 80.84%



8. Silver HDHP – Embedded MOOP CSR – 79%, Continued

| | | | | 1 | | |
|-----------|---------------------|--------------------|---------------------|---------------------|--------------------|-----------|
| Inputs | | | | | | |
| Enter val | lues in the hlue ce | lls helow choose i | a settina ontion fr | om the dron down | box, and press 'Co | alculate' |
| | | | down selection is a | • | | |
| | | | | uters processing sp | peed. | |
| | | • | at the calculations | | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | idual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | al Out-of-Pocket | 2,400 | 2,400 | | | |
| Fami | ily Out-of-Pocket | 4,800 | 4,800 | | | |
| Coinsura | nce (50% or Less) | 18% | 19% | | | |
| | | | | | | |
| | | Co | | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | te | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$289.21 | \$45.07 | \$334.29 | | |
| | Plan PMPM | \$238.23 | \$31.83 | \$270.07 | | |
| | Actuarial Value | 82.4% | 70.6% | 80.8% | | |
| | | | | | | |



8. Silver HDHP – Embedded MOOP CSR – 79%, Continued

| | ouer rajusteur | letuariar varae. | 1 | | | |
|----------|----------------------|---------------------|---------------------|---------------------|--------------------|------------|
| Inputs | | | | | | |
| Enter va | lues in the blue cel | lls below. choose d | a settina option fr | om the drop down | box, and press 'Ca | alculate'. |
| | Calculate' anytime | | | • | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indi | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individ | ual Out-of-Pocket | 2,400 | 1,300 | | | |
| Fam | ily Out-of-Pocket | 4,800 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 18% | 19% | | | |
| | | | | | | |
| | | Cc | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$289.21 | \$45.07 | \$334.29 | | |
| | Plan PMPM | \$232.30 | \$31.16 | \$263.46 | | |
| | Actuarial Value | 80.3% | 69.1% | 78.8% | | |
| | | | | | | |

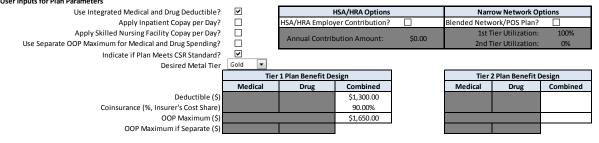


9. Silver HDHP – Embedded MOOP CSR – 83%

AV from AVC = 84.1%Adjusted AV = 82.7%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | | Tie | er 1 | | | Ti | er 2 | | Tier 1 | Tier 2 |
|--|---------------------|---------------------|-----------------|-----------|--|---------------------|-----------------|-----------|--------------|---------------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to | Coinsurance, if | Copay, if | Copay applie | es only after |
| Type of benefit | Deductible? | Coinsurance? | different | separate | Deductible? | Coinsurance? | different | separate | deduc | |
| Medical | | 🗌 All | | | 🗌 All | | | | | 🗌 All |
| Emergency Room Services | ✓ | ✓ | | | > | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | ~ | • | 100% | | ✓ | | | | | |
| X-rays) | | | 100% | | | • | | | | |
| Specialist Visit | ✓ | ✓ | | | V | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder | ~ | • | 100% | | ✓ | | | | | |
| Outpatient Services | | Ľ | 100% | | • | • | | | | |
| Imaging (CT/PET Scans, MRIs) | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Rehabilitative Speech Therapy | I | v | | | I | | | | | |
| | • | • | | | ✓ | | | | | |
| 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 | v | ✓ | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | ✓ | ✓ | | | | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | • | V | | | ~ | ✓ | | | | |
| Outpatient Surgery Physician/Surgical Services | ✓ | • | | | | ✓ | | | | |
| Drugs | 🗌 All | 🗌 All | | | 🗌 All | 🗌 All | | | 🗌 Ali | 🗌 All |
| Generics | ✓ | | | \$5.00 | × | > | | | Y | |
| Preferred Brand Drugs | ✓ | | | \$10.00 | V | ✓ | | | > | |
| Non-Preferred Brand Drugs | v | ✓ | | | Image: A start of the start | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | > | ✓ | | | ✓ | v | | | | |
| 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

Status/Error Messages: Actuarial Value:

Calculate

Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 84.15%

Metal Tier:

WAKELY CONSULTING GROUP

9. Silver HDHP – Embedded MOOP CSR – 83%, Continued

| Inputs | | | | | | |
|-----------|---------------------|---------------------|---------------------|---------------------|--------------------|------------|
| Enter val | ues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | box, and press 'Co | alculate'. |
| Press 'C | Calculate' anytime | an input or drop | down selection is a | changed. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | sage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | al Out-of-Pocket | 1,650 | 1,650 | | | |
| Fami | ily Out-of-Pocket | 3,300 | 3,300 | | | |
| Coinsura | nce (50% or Less) | 9% | 8% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | te | | | |
| | | | | | | |
| Results | | | | | | |
| | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$297.25 | \$46.33 | \$343.57 | | |
| | Plan PMPM | \$254.00 | \$34.91 | \$288.91 | | |
| | Actuarial Value | 85.4% | 75.4% | 84.1% | | |
| | | | | | | |



9. Silver HDHP – Embedded MOOP CSR – 83%, Continued

| | Jusicu – Aujusicu I | ictuariar variae. | | | | |
|----------|----------------------|---------------------|----------------------|---------------------|--------------------|------------|
| Inputs | | | | | | |
| Enter va | lues in the blue cel | lls below, choose d | a setting option fro | om the drop down | box, and press 'Co | alculate'. |
| Press '0 | Calculate' anytime | an input or dropo | lown selection is c | hanged. | | |
| Note | that the model ru | n-time will vary bo | used on the compu | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | ual Out-of-Pocket | 1,650 | 1,300 | | | |
| Fam | ily Out-of-Pocket | 3,300 | 2,600 | | | |
| Coinsura | ince (50% or Less) | 9% | 8% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | 0 | ОР | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$297.25 | \$46.33 | \$343.57 | | |
| | Plan PMPM | \$250.48 | \$33.61 | \$284.09 | | |
| | Actuarial Value | 84.3% | 72.6% | 82.7% | | |
| | | | | | | |



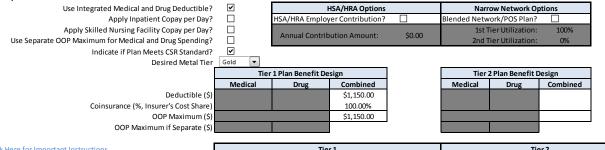
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10. Silver HDHP – Embedded MOOP CSR – 87%

AV from AVC = 87.5%Adjusted AV = 87.0%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | | Tie | r 1 | | | Ti | er 2 | | Tier 1 | Tier 2 |
|--|---------------------------|----------------------------|------------------------------|--------------------|---------------------------|----------------------------|------------------------------|-----------------------|------------------------|--------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Copay applie deduct | - |
| Medical | All | 🗌 Ali | | | All | All | | | 🗌 Ali | All |
| Emergency Room Services | ✓ | ✓ | | | V | > | | | | |
| 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) | ✓ | v | | | | ✓ | | | | |
| Rehabilitative Speech Therapy | ~ | v | | | | v | | | | |
| 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) | ✓ | V | | | ✓ | | | | | |
| Outpatient Surgery Physician/Surgical Services | ✓ | • | | | ✓ | ✓ | | | | |
| Drugs | All | 🗌 Ali | | | All | All | | | 🗌 Ali | 🗌 All |
| Generics | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Preferred Brand Drugs | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Non-Preferred Brand Drugs | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | • | ✓ | | | ✓ | v | | | | |
| 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? | | | | | | | | | | |

| 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: Actuarial Value:

CSR Level of 87% (150-200% FPL), Calculation Successful. 87.46%

Metal Tier:

87.46% Gold



10. Silver HDHP – Embedded MOOP CSR – 87%, Continued

| Inputs | | | | | | |
|-----------|-----------------------------|---------------------|---------------------|---------------------|--------------------|------------|
| | <i>les in the blue ce</i> l | lls below. choose d | a settina option fr | om the drop dowr | box, and press 'Ca | alculate'. |
| | | | down selection is a | • | | |
| Note t | hat the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mess | sage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indivi | idual Deductible | 1,150 | 1,150 | | | |
| Fa | mily Deductible | 2,300 | 2,300 | | | |
| Individua | al Out-of-Pocket | 1,150 | 1,150 | | | |
| Famil | ly Out-of-Pocket | 2,300 | 2,300 | | | |
| Coinsuran | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumul | | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | Calculat | te | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$310.64 | \$48.41 | \$359.05 | | |
| | Plan PMPM | \$275.42 | \$38.69 | \$314.11 | | |
| | Actuarial Value | 88.7% | 79.9% | 87.5% | | |
| | | | | | | |



10. Silver HDHP – Embedded MOOP CSR – 87%, Continued

| | odel – Aujusted A | Tetuariar value. | | 1 | | |
|----------|----------------------|-------------------|----------------------|---------------------|-------------------|-----------|
| Inputs | | | | | | |
| Enter va | lues in the hlue cel | ls helow choose a | a setting ontion fro | om the drop down | box, and press 'C | alculate' |
| | Calculate' anytime | • | | • | | |
| | • | • | | uters processing sp | beed. | |
| | ssage box will app | | • | | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 1,150 | 1,150 | | | |
| F | amily Deductible | 2,300 | 2,300 | | | |
| Individu | ual Out-of-Pocket | 1,150 | 1,150 | | | |
| Fam | ily Out-of-Pocket | | 2,300 | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | |
| | , | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calaviat | | | | |
| | | Calculat | .e | | | |
| | | | | | | |
| Results | | | | | | |
| | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | • | \$48.41 | \$359.05 | | |
| | Plan PMPM | \$273.89 | \$38.47 | \$312.36 | | |
| | Actuarial Value | 88.2% | 79.5% | 87.0% | | |
| | | | | | | |

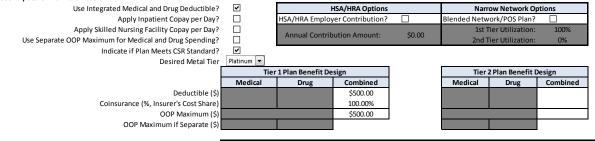


11. Silver HDHP – Embedded MOOP CSR – 94%

AV from AVC = 94.0%Adjusted AV = 94.0%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | Important Instructions Tier 1 Tier 2 | | Tier 1 | Tier 2 | | | | | | |
|--|--------------------------------------|----------------------------|------------------------------|-----------------------|--|---------------------|---------------------------|-----------------------|------------------------|-------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | • | Coinsurance, if different | Copay, if separate | Copay applie deduct | |
| Medical | All | | | | All | All | | | 🗌 All | All |
| Emergency Room Services | • | > | | | × | ~ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | > | ✓ | | | V | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | V | • | | | ⊻ | ~ | | | | |
| Specialist Visit | ~ | • | | | - - | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | 7 | ✓ | | | ~ | V | | | | |
| Imaging (CT/PET Scans, MRIs) | ~ | • | | | Image: A state of the state | ✓ | | | | |
| Rehabilitative Speech Therapy | ✓ | ~ | | | | ✓ | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | • | • | | | | | | | | |
| Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| Laboratory Outpatient and Professional Services | ✓ | • | | | v | ✓ | | | | |
| X-rays and Diagnostic Imaging | ✓ | • | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | • | I | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | ✓ | ~ | | | ~ | ✓ | | | | |
| Outpatient Surgery Physician/Surgical Services | ~ | ~ | | | 7 | ✓ | | | | |
| Drugs | All | 🗌 All | | | All | 🗌 All | | | 🗌 All | 🗌 All |
| Generics | > | • | | | K | > | | | | |
| Preferred Brand Drugs | ✓ | • | | | | ✓ | | | | |
| Non-Preferred Brand Drugs | • | • | | | . | V | | | | |
| Specialty Drugs (i.e. high-cost) | > | v | | | ✓ | ✓ | | | | |
| Options for Additional Benefit Design Limits: | | _ | | | | | | | | |
| Set a Maximum on Specialty Rx Coinsurance Payments? | | | | | | | | | | |
| Specialty Rx Coinsurance Maximum: | | | | | | | | | | |

| 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: Actuarial Value: Metal Tier:

CSR Level of 94% (100-150% FPL), Calculation Successful. 93.96%

Platinum



11. Silver HDHP – Embedded MOOP CSR – 94%, Continued

| Inputs | | | | | | |
|-----------|----------------------|---------------------|---------------------|--------------------|-------------------|-------------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | box, and press 'C | `alculate'. |
| Press 'C | Calculate' anytime | an input or drop | lown selection is a | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing s | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 500 | 500 | | | |
| F | amily Deductible | 1,000 | 1,000 | | | |
| Individu | al Out-of-Pocket | 500 | 500 | | | |
| Fami | ily Out-of-Pocket | 1,000 | 1,000 | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | 5 |
| | | | | | | |
| | | Calculat | ie 📃 | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$328.04 | \$51.12 | \$379.17 | | |
| | Plan PMPM | \$310.69 | \$45.85 | \$356.55 | | |
| | Actuarial Value | 94.7% | 89.7% | 94.0% | | |
| | | | | | | |



11. Silver HDHP – Embedded MOOP CSR – 94%, Continued

| Inputs | odel – Adjusted I | | | | | |
|----------|----------------------|--------------------|---------------------|---------------------|--------------------|------------|
| inputs | | | | | | |
| Enter va | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | box, and press 'Co | alculate'. |
| | Calculate' anytime | • • | | | | |
| | | | • | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 500 | 500 | | | |
| F | amily Deductible | 1,000 | 1,000 | | | |
| Individu | ual Out-of-Pocket | 500 | 500 | | | |
| Fam | ily Out-of-Pocket | 1,000 | 1,000 | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$328.04 | \$51.12 | \$379.17 | | |
| | Plan PMPM | \$310.73 | \$45.80 | \$356.53 | | |
| | Actuarial Value | 94.7% | 89.6% | 94.0% | | |
| | | | | | | |



12. Silver HDHP – Stacked MOOP CSR – 73%

AV from AVC = 74.0%Adjusted AV = 72.9%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | ✓ | H | HSA/HRA Options | | Narrow Network Options | | ptions |
|---|----------|-----------------------------|------------------|--------|------------------------|----------------|----------|
| Apply Inpatient Copay per Day? | | HSA/HRA Employ | er Contribution? | | Blended Netwo | ork/POS Plani | ? |
| Apply Skilled Nursing Facility Copay per Day? | | Annual Cantrib | ution Amounts | \$0.00 | 1st Ti | er Utilization | : 100% |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: | | ŞU.UU | 2nd Tier Utilization: | | : 0% |
| Indicate if Plan Meets CSR Standard? | ✓ | | | | | | |
| Desired Metal Tier | Silver 💌 | | | | | | |
| | Tie | 1 Plan Benefit Design | | | Tier 2 | Plan Benefit | Design |
| | Medical | Drug | Combined | | Medical | Drug | Combined |
| Deductible (\$) | | | \$1,550.00 | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 75.00% | | | | |
| OOP Maximum (\$) | | | \$4,250.00 | | | | |
| OOP Maximum if Separate (\$) | | | | | | | |

| Click Here for Important Instructions | | Tie | er 1 | | | Tier 2 | | | Tier 1 | Tier 2 |
|--|---------------------|---------------------|-----------------|-----------|---------------------|---------------------|-----------------|-----------|---------------------|--------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | • | Coinsurance, if | Copay, if | Copay applie | |
| , | Deductible? | Coinsurance? | different | separate | Deductible? | | different | separate | deduc | |
| Medical | All | All | | | All | All | | | 🗌 All | 🗌 All |
| Emergency Room Services | ✓ | ✓ | | | ✓ | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | Y | • | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | > | ~ | 90% | | ~ | | | | | |
| X-rays) | | | 90% | | ✓ | | | | | |
| Specialist Visit | ✓ | ✓ | | | ✓ | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder | ~ | ✓ | 90% | | ~ | | | | | |
| Outpatient Services | Ľ | • | 5078 | | Ľ | | | | | |
| 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 | N | ✓ | | | ✓ | ✓ | | | | |
| X-rays and Diagnostic Imaging | N | ✓ | | | ✓ | ✓ | | | | |
| Skilled Nursing Facility | 7 | • | | | ✓ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | V | ◄ | | | | ✓ | | | | |
| Outpatient Surgery Physician/Surgical Services | 7 | ~ | | | | 7 | | | | |
| Drugs | | 🗌 All | | | All | All | | | 🗌 Ali | All |
| Generics | > | | | \$10.00 | ~ | ✓ | | | ~ | |
| Preferred Brand Drugs | ~ | | | \$40.00 | _ | ✓ | | | ✓ | |
| Non-Preferred Brand Drugs | > | ~ | 50% | | v | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | > | ~ | 50% | | > | ▼ | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |
| Sot a Maximum on Specialty By Coincurance Bayments? | | 7 | | | | | | | | |

| 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

Calculate Status/Error Messages: Actuarial Value: Metal Tier:

Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 74.04%



12. Silver HDHP – Stacked MOOP CSR – 73%, Continued

| Inputs | | | | | | |
|-----------|---------------------|---------------------|---------------------|---------------------|-------------------|------------|
| Enter val | ues in the blue cel | ls below, choose d | a setting option fr | om the drop down | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropa | lown selection is a | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | sage box will app | ear to indicate th | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,550 | 1,550 | | | |
| F | amily Deductible | 3,100 | 3,100 | | | |
| Individu | al Out-of-Pocket | 4,250 | 4,250 | | | |
| Fami | ily Out-of-Pocket | 8,500 | 8,500 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | ОР | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$261.10 | \$40.69 | \$301.79 | | |
| | Plan PMPM | \$198.78 | \$24.62 | \$223.40 | | |
| | Actuarial Value | 76.1% | 60.5% | 74.0% | | |
| | | | | | | |



12. Silver HDHP – Stacked MOOP CSR – 73%, Continued

| Inputs | | | | | | |
|-----------|----------------------|---------------------|---------------------|--------------------|----------------------|-----------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dow | n box, and press 'Ca | lculate'. |
| | Calculate' anytime | | | - | | |
| Note t | that the model ru | n-time will vary bo | ased on the comp | uters processing s | speed. | |
| A mes | ssage box will app | ear to indicate th | at the calculation | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,550 | 1,300 | | | |
| Fa | amily Deductible | 3,100 | 2,600 | | | |
| Individu | al Out-of-Pocket | 4,250 | 1,300 | | | |
| Fami | ily Out-of-Pocket | 8,500 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 23% | 30% | | | |
| | | | | | | |
| | | Co | osts that Accumul | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | |
| | | Calculat | te | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$261.10 | \$40.69 | \$301.79 | | |
| | Plan PMPM | \$194.01 | \$25.94 | \$219.95 | | |
| | Actuarial Value | 74.3% | 63.7% | 72.9% | | |
| | | | | | | |



13. Silver HDHP – Stacked MOOP CSR – 77%

AV from AVC = 77.4%Adjusted AV = 76.7%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | ✓ | ✓ HSA/HRA Options | | | Narrow Network Options | | | | |
|---|---------|-----------------------------|-------------------|--------|----------------------------|------------------|----------|------------------|------|
| Apply Inpatient Copay per Day? | | HSA/HRA Employ | ver Contribution? | | Blended Netw | | | | |
| Apply Skilled Nursing Facility Copay per Day? | | Annual Contribution Amount: | | | | ¢0.00 | 1st T | ier Utilization: | 100% |
| Use Separate OOP Maximum for Medical and Drug Spending? | | | | \$0.00 | 2nd T | ier Utilization: | 0% | | |
| Indicate if Plan Meets CSR Standard? | ✓ | | | | | | | | |
| Desired Metal Tier | Gold 💌 | | | | | | | | |
| | Tier | 1 Plan Benefit De | sign | | Tier 2 Plan Benefit Design | | | | |
| | Medical | Drug | Combined | | Medical | Drug | Combined | | |
| Deductible (\$) | | | \$1,400.00 | | | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 75.00% | | | | | | |
| OOP Maximum (\$) | | | \$3,100.00 | | | | | | |
| OOP Maximum if Separate (\$) | | | | | | | | | |

| Tier 1 Tier 2 | | | | Tier 1 | Tier 2 | | | | |
|---------------------|--|---|---|---|---|---|--|--|--|
| Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | • | | Copay, if | | es only after |
| | Coinsurance? | different | separate | Deductible? | | different | separate | | ctible? |
| 🗌 All | | | | All | All | | | | All |
| ✓ | • | | | ✓ | ✓ | | | | |
| ✓ | ✓ | | | ✓ | ✓ | | | | |
| | _ | 000/ | | _ | _ | | | | |
| ~ | • | 90% | | × | | | | | |
| ✓ | - | | | I | ✓ | | | | |
| _ | 9 | 000/ | | _ | _ | | | | _ |
| ⊻ | • | 90% | | ✓ | | | | | |
| | • | | | ✓ | | | | | |
| v | ~ | | | v | V | | | | |
| ~ | • | | | | | | | | |
| | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| ✓ | v | | | ✓ | > | | | | |
| ✓ | ~ | | | ✓ | ✓ | | | | |
| v | ~ | | | ✓ | ✓ | | | | |
| • | • | | | | | | | | |
| ✓ | • | | | v | | | | | |
| 🗌 All | 🗌 All | | | All | All | | | 🗌 All | 🗌 All |
| > | | | \$10.00 | ✓ | ✓ | | | ~ | |
| ✓ | | | \$40.00 | ✓ | ✓ | | | ~ | |
| ✓ | • | 50% | | v | | | | | |
| ✓ | • | 50% | | v | ✓ | | | | |
| | Deductible? AI V | Subject to Subject to Deductible? Coinsurance? Al All Y Y | Subject to Deductible? Subject to Coinsurance? Coinsurance, if different All All V V V O V O V O V O V O | Subject to Subject to Coinsurance, if Copay, if Deductible? Coinsurance? different separate AI AII Image: Coinsurance of the separate separate V Image: Coinsurance of the separate separate separate V Image: Coinsurance of the separate separate separate V Image: Coinsurance of the separate separate separate V V V separate separate V V sep | Subject to Subject to Coinsurance, if Copay, if Subject to Deductible? Coinsurance? different separate Deductible? All All All All All V V V V V V V V V V 90% V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V S10.00 V V V 50% V | Subject to Subject to Coinsurance? different separate All All All All All V V V V V V V V V V V V V V V V V V V V V V V V V V 90% V V V 90% V V V 90% V V V 90% V V V V V V V 90% V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V V Sto.00 V V St0.00 V V <td>Subject to Subject to Coinsurance; if Copay, if Subject to Subject to Coinsurance; if Deductible? Coinsurance? different separate All All All V V V V V V V V V V V V V V V V V V V V 90% V V V V 100% \$0.00 V V V V V V V V V V V V V St0.00 V V</td> <td>Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Subject to separate Subject to Deductible? Subject to Coinsurance, if Deductible? Coinsurance, if separate Copay, if Deductible? All All All All All All All All V V V V V V V V V V V V V V V V V V V V 90% V</td> <td>Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Subject to separate Subject to Deductible? Subject to Coinsurance? Copay applied deductible? All All</td> | Subject to Subject to Coinsurance; if Copay, if Subject to Subject to Coinsurance; if Deductible? Coinsurance? different separate All All All V V V V V V V V V V V V V V V V V V V V 90% V V V V 100% \$0.00 V V V V V V V V V V V V V St0.00 V V | Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Subject to separate Subject to Deductible? Subject to Coinsurance, if Deductible? Coinsurance, if separate Copay, if Deductible? All All All All All All All All V V V V V V V V V V V V V V V V V V V V 90% V | Subject to Deductible? Subject to Coinsurance? Coinsurance, if different Subject to separate Subject to Deductible? Subject to Coinsurance? Copay applied deductible? All All |

| Options | for Additiona | 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? |
| #Conavs (1-10): |

Output

Calculate

Status/Error Messages: Actuarial Value: Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 77.42%

Metal Tier:



13. Silver HDHP – Stacked MOOP CSR – 77%, Continued

| Inputs | | | | | | |
|----------|--------------------------------|---------------------|---------------------|---------------------|--------------------|-----------|
| Enter va | lues in the blue cel | lls below. choose d | a settina option fr | om the drop down | box, and press 'Ca | lculate'. |
| | Calculate' anytime | - | | • | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculation | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | Individual Deductible 1,400 | | 1,400 | | | |
| F | amily Deductible | 2,800 | 2,800 | | | |
| Individu | Individual Out-of-Pocket 3,100 | | 3,100 | | | |
| Fam | ily Out-of-Pocket | 6,200 | 6,200 | | | |
| Coinsura | nce (50% or Less) | 23% | 29% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | te | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$277.16 | \$43.20 | \$320.36 | | |
| | Plan PMPM | \$220.15 | \$27.95 | \$248.10 | | |
| | Actuarial Value | 79.4% | 64.7% | 77.4% | | |
| | | | | | | |



13. Silver HDHP – Stacked MOOP CSR – 77%, Continued

| | uci – Aujusicu I | tetuariar varae. | 1 | | | |
|----------|--------------------------------|---------------------|---------------------|---------------------|--------------------|-----------|
| Inputs | | | | | | |
| Enter va | lues in the blue cel | lls below. choose d | a settina option fr | om the drop dowr | box, and press 'Ca | lculate'. |
| | Calculate' anytime | | | • | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | Individual Deductible 1,400 | | 1,300 | | | |
| F | amily Deductible | 2,800 | 2,600 | | | |
| Individu | Individual Out-of-Pocket 3,100 | | 1,300 | | | |
| Fam | ily Out-of-Pocket | 6,200 | 2,600 | | | |
| Coinsura | Coinsurance (50% or Less) 23% | | 29% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | Calculat | :e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | | \$43.20 | \$320.36 | | |
| | Plan PMPM | | \$28.31 | \$245.67 | | |
| | Actuarial Value | 78.4% | 65.5% | 76.7% | | |
| | | | | | | |



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14. Silver HDHP – Stacked MOOP CSR – 79%

AV from AVC = 79.5%Adjusted AV = 78.8%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | ✓ HSA/HRA Options | | | | Narrow Network Options | | |
|---|-------------------|-----------------------------|--------------------|--------|----------------------------|------------------|----------|
| Apply Inpatient Copay per Day? | | HSA/HRA Emplo | over Contribution? | | Blended Netwo | ork/POS Plan? | |
| Apply Skilled Nursing Facility Copay per Day? | | Annual Contri | bution Amounts | \$0.00 | 1st Ti | ier Utilization: | 100% |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: | | ŞU.UU | 2nd Tier Utilization: | | 0% |
| Indicate if Plan Meets CSR Standard? | v | | | | | | |
| Desired Metal Tier | Gold 💌 | | | | | | |
| | Tie | r 1 Plan Benefit D | esign | | Tier 2 Plan Benefit Design | | |
| | Medical | Drug | Combined | | Medical | Drug | Combined |
| Deductible (\$) | | | \$1,300.00 | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 80.00% | | | | |
| OOP Maximum (\$) | | | \$2,900.00 | | | | |
| OOP Maximum if Separate (\$) | | | | | | | |
| | | | | | | | |

| Click Here for Important Instructions | Tier 1 Tier 2 | | | | Tier 1 | Tier 2 | | | | |
|--|---------------------------|----------------------------|------------------------------|--------------------|---|-------------------------------|---------------------------|--------------------|---------------------|-------------------------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | | es only after tible? |
| Medical | 🗌 All | 🗌 All | | | All | 🗌 All | | | | 🗌 All |
| Emergency Room Services | V | • | | | ✓ | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | Y | ✓ | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | | | 05% | | _ | _ | | | | _ |
| X-rays) | • | ✓ | 95% | | ✓ | ✓ | | | | |
| Specialist Visit | > | ✓ | | | ✓ | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder | | | 95% | | _ | _ | | | _ | _ |
| Outpatient Services | v | ✓ | 95% | | ✓ | ✓ | | | | |
| Imaging (CT/PET Scans, MRIs) | v | ✓ | | | | ✓ | | | | |
| Rehabilitative Speech Therapy | ~ | ~ | | | I | | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | ✓ | V | | | | | | | | |
| 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 | V | | | | | ✓ | | | | |
| Drugs | 🗌 All | | | | 🗌 All | 🗌 All | | | 🗌 All | 🗌 Ali |
| Generics | ~ | | | \$5.00 | Image: A set of the set of the | ✓ | | | v | |
| Preferred Brand Drugs | ~ | | | \$15.00 | V | ✓ | | | ✓ | |
| Non-Preferred Brand Drugs | ~ | • | 50% | | I | ✓✓ | | | | |
| Specialty Drugs (i.e. high-cost) | ~ | ~ | 50% | | | ✓ | | | | |
| Options for Additional Benefit Design Limits: | | | | | | | | | | |

| Options for Additional Benefit Design Limits: | |
|--|-------|
| Set a Maximum on Specialty Rx Coinsurance Payment | :s? 🗌 |
| Specialty Rx Coinsurance Maximu | m: |
| Set a Maximum Number of Days for Charging an IP Copa | y? 🗆 |
| # Days (1-1 | 0): |
| Begin Primary Care Cost-Sharing After a Set Number of Visit | :s? 🗌 |
| # Visits (1-1 | 0): |
| Begin Primary Care Deductible/Coinsurance After a Set Number | of 🗌 |
| Сорау | rs? |
| # Copays (1-1 | 0): |

Output

Calculate Status/Error Messages: Actuarial Value: Metal Tier:

Error: Result is outside of +/- 1 percent de minimis variation for CSRs. 79.54%



14. Silver HDHP – Stacked MOOP CSR – 79%, Continued

HDHP Model – Normalization:

| | | | | 1 | 1 | |
|----------|--|--------------------|---------------------|--------------------|------------------|-----------|
| Inputs | | | | | | |
| Enter va | lues in the hlue cel | lls helow choose i | a settina ontion fr | om the drop down | hox and press 'C | alculate' |
| | Calculate' anytime | | | • | | |
| | | • • | | uters processing s | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculation. | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 1,300 | 1,300 | | | |
| F | Family Deductible 2,600 2,600 Juid and Control of Decket 2,000 2,000 | | | | | |
| Individu | al Out-of-Pocket | 2,900 | 2,900 | | | |
| Fam | ily Out-of-Pocket | 5,800 | 5,800 | | | |
| Coinsura | nce (50% or Less) | 18% | 19% | | | |
| | | | | | | |
| | | Co | osts that Accumul | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | te | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$282.52 | \$44.03 | \$326.55 | | |
| | Plan PMPM | \$229.20 | \$30.48 | \$259.68 | | |
| | Actuarial Value | 81.1% | 69.2% | 79.5% | | |
| | | | | | | |



14. Silver HDHP – Stacked MOOP CSR – 79%, Continued

HDHP Model – Adjusted Actuarial Value:

| | uci – Aujusicu I | tetuariar varae. | 1 | | | |
|----------|----------------------|---------------------|---------------------|---------------------|--------------------|-----------|
| Inputs | | | | | | |
| Enter va | lues in the blue cel | lls below. choose d | a settina option fr | om the drop dowr | box, and press 'Ca | lculate'. |
| | Calculate' anytime | | | • | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate the | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| Indiv | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | ual Out-of-Pocket | 2,900 | 1,300 | | | |
| Fam | ily Out-of-Pocket | 5,800 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 18% | 19% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | Calculat | | | | |
| | | Calculat | | | | |
| Results | | | | | | |
| | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$282.52 | \$44.03 | \$326.55 | | |
| | Plan PMPM | \$226.97 | \$30.32 | \$257.29 | | |
| | Actuarial Value | 80.3% | 68.9% | 78.8% | | |
| | | | | | | |

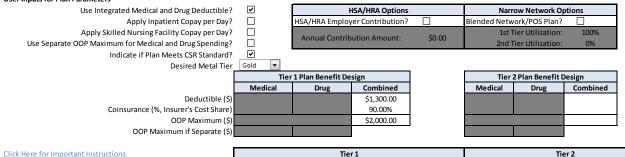


15. Silver HDHP – Stacked MOOP CSR – 83%

AV from AVC = 83.1%Adjusted AV = 82.8%

AVC Screen Shot:

User Inputs for Plan Parameters



| Click Here for Important Instructions | | Tie | er 1 | | | T | ier 2 | | Tier 1 | Tier 2 |
|--|-------------------------------|---------------------|-----------------|-----------|-------------|---------------------|-----------------|-----------|---------------------|---------------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to | Coinsurance, if | Copay, if | Copay applie | es only after |
| Type of Benefit | Deductible? | Coinsurance? | different | separate | Deductible? | Coinsurance | different | separate | deduc | tible? |
| Medical | All | All | | | Ali | All | | | 🗌 Ali | All |
| Emergency Room Services | V | ✓ | | | ✓ | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | Y | v | | | | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | | | 100% | | | | | | _ | |
| X-rays) | V | | 100% | | ✓ | | | | | |
| Specialist Visit | | ✓ | | | ✓ | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder | | | 100% | | | _ | | | _ | _ |
| Outpatient Services | \checkmark | ✓ | 100% | | ✓ | ✓ | | | | |
| Imaging (CT/PET Scans, MRIs) | × | ✓ | | | ✓ | ✓ | | | | |
| Rehabilitative Speech Therapy | < | ✓ | | | ✓ | ✓ | | | | |
| | 7 | | | | | ✓ | | | | |
| 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 | 2 | ✓ | | | | ✓ | | | | |
| Skilled Nursing Facility | > | ✓ | | | ▼ | ✓ | | | | |
| Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | 7 | v | | | | V | | | | |
| Outpatient racinty ree (e.g., Ambulatory Surgery Center) | | | | | _ | | | | | |
| Outpatient Surgery Physician/Surgical Services | 7 | ~ | | | V | ✓ | | | | |
| Drugs | 🗌 All | | | | All | | | | 🗌 Ali | 🗌 All |
| Generics | V | | | \$5.00 | V | ✓ | | | ✓ | |
| Preferred Brand Drugs | V | | | \$10.00 | ✓ | ✓ | | | ✓ | |
| Non-Preferred Brand Drugs | Y | ✓ | | | ✓ | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | Y | ~ | | | × | ✓ | | | | |
| 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: Actuarial Value:

Metal Tier:

Error: Result is outside of +/- 1 percent de minimis variation for CSRs.

83.06%



15. Silver HDHP – Stacked MOOP CSR – 83%, Continued

HDHP Model – Normalization:

| Inputs | | | | | | |
|-----------|----------------------|---------------------|---------------------|---------------------|--------------------|------------|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop down | box, and press 'Co | alculate'. |
| Press 'C | Calculate' anytime | an input or dropo | lown selection is c | changed. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | ssage box will app | ear to indicate th | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | al Out-of-Pocket | 2,000 | 2,000 | | | |
| Fami | ily Out-of-Pocket | 4,000 | 4,000 | | | |
| Coinsura | nce (50% or Less) | 9% | 8% | | | |
| | | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$294.57 | \$45.91 | \$340.48 | | |
| | Plan PMPM | \$248.82 | \$34.11 | \$282.93 | | |
| | Actuarial Value | 84.5% | 74.3% | 83.1% | | |
| | | | | | | |



15. Silver HDHP – Stacked MOOP CSR – 83%, Continued

HDHP Model – Adjusted Actuarial Value:

| Inputs | Juci – Aujusteu I | | | | | |
|-----------|---------------------|---------------------|---------------------|---------------------|-------------------|------------|
| inputs | | | | | | |
| Enter val | ues in the blue cel | ls below, choose d | a setting option fr | om the drop down | box, and press 'C | alculate'. |
| Press 'C | Calculate' anytime | an input or dropo | lown selection is a | hanged. | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | |
| A mes | ssage box will app | ear to indicate the | at the calculations | are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,300 | 1,300 | | | |
| F | amily Deductible | 2,600 | 2,600 | | | |
| Individu | al Out-of-Pocket | 2,000 | 1,300 | | | |
| Fami | ily Out-of-Pocket | 4,000 | 2,600 | | | |
| Coinsura | nce (50% or Less) | 9% | 8% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | - | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$294.57 | \$45.91 | \$340.48 | | |
| | Plan PMPM | \$248.89 | \$32.93 | \$281.81 | | |
| | Actuarial Value | 84.5% | 71.7% | 82.8% | | |
| | | | | | | |



16. Silver HDHP – Stacked MOOP CSR – 87%

AV from AVC = 87.0%Adjusted AV = 86.9%

AVC Screen Shot:

User Inputs for Plan Parameters

| Use Integrated Medical and Drug Deductible? | ✓ | | HSA/HRA Options | | Narrow Network Options | | |
|---|-----------------------------|-----------------------------|-------------------|--------|----------------------------|--------------|----------|
| Apply Inpatient Copay per Day? | | HSA/HRA Emplo | yer Contribution? | | Blended Netw | ork/POS Plan | ? |
| Apply Skilled Nursing Facility Copay per Day? | Annual Contribution Amount: | | ¢0.00 | 1st T | ier Utilization | : 100% | |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: | | \$0.00 | 2nd Tier Utilization: | | : 0% |
| Indicate if Plan Meets CSR Standard? | ✓ | | | | | | |
| Desired Metal Tier | Gold 💌 | | | | | | |
| | Tie | r 1 Plan Benefit D | enefit Design | | Tier 2 Plan Benefit Design | | Design |
| | Medical | Drug | Combined | | Medical | Drug | Combined |
| Deductible (\$) | | | \$1,200.00 | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 100.00% | | | | |
| OOP Maximum (\$) | | | \$1,200.00 | | | | |
| OOP Maximum if Separate (\$) | | | | | | | |

| Click Here for Important Instructions | | Tie | r 1 | | | Tie | er 2 | | Tier 1 | Tier 2 |
|---|---------------------------|----------------------------|------------------------------|-----------------------|---------------------------|----------------------------|------------------------------|--------------------|--------|---------------------------|
| Type of Benefit | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | Subject to Deductible? | Subject to Coinsurance? | Coinsurance, if different | Copay, if separate | | ies only after ctible? |
| Medical | 🗌 All | 🗌 All | | | All | 🗌 All | | | | 🗌 All |
| Emergency Room Services | • | > | | | > | ✓ | | | | |
| All Inpatient Hospital Services (inc. MHSA) | V | ✓ | | | ✓ | ✓ | | | | |
| Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays) | Y | v | | | ~ | | | | | |
| Specialist Visit | ~ | ~ | | | v | ✓ | | | | |
| Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services | • | • | | | | | | | | |
| Imaging (CT/PET Scans, MRIs) | • | • | | | v | ✓ | | | | |
| Rehabilitative Speech Therapy | | ✓ | | | v | | | | | |
| Rehabilitative Occupational and Rehabilitative Physical Therapy | • | V | | | | ⊻ | | | | |
| 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 | • | ~ | | | V | Z | | | | |
| Drugs | 🗌 All | All | | | All | 🗌 All | | | 🗌 All | 🗌 Ali |
| Generics | > | < | | | ▼ | ✓ | | | | |
| Preferred Brand Drugs | > | ✓ | | | ✓ | ✓ | | | | |
| Non-Preferred Brand Drugs | Y | ✓ | | | v | ✓ | | | | |
| Specialty Drugs (i.e. high-cost) | ~ | ~ | | | v | ✓ | | | | |

| 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? |
| # Conavs (1-10) |

Output

Calculate Status/Error Messages: Actuarial Value: Metal Tier:

CSR Level of 87% (150-200% FPL), Calculation Successful. 87.01%

Gold



16. Silver HDHP – Stacked MOOP CSR – 87%, Continued

HDHP Model – Normalization:

| Inputs | | | | | | | |
|-----------|----------------------|---------------------|---------------------|---------------------|--------------------|------------|--|
| Enter val | lues in the blue cel | ls below, choose d | a setting option fr | om the drop down | box, and press 'Co | alculate'. | |
| Press 'C | Calculate' anytime | an input or drope | down selection is a | changed. | | | |
| Note | that the model ru | n-time will vary bo | ased on the comp | uters processing sp | peed. | | |
| A mes | ssage box will app | ear to indicate th | at the calculations | s are done. | | | |
| | | | | | | | |
| | | Medical | Rx | | | | |
| Indiv | vidual Deductible | 1,200 | 1,200 | | | Р Туре | |
| F | amily Deductible | 2,400 | 2,400 | | | | |
| Individu | al Out-of-Pocket | 1,200 | 1,200 | | | | |
| Fami | ily Out-of-Pocket | 2,400 | 2,400 | | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | | |
| | | | | | | | |
| | | Co | osts that Accumul | ate | | | |
| | | | 0 | OP | Deductible / | | |
| | | Deductible | Medical | Rx | OOP Type | | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | | |
| | | | | | | | |
| | | Calculat | te | | | | |
| | | | | | | | |
| Results | | | | | | | |
| | | Medical | Rx | Total | | | |
| | Allowed PMPM | \$309.30 | \$48.20 | \$357.50 | | | |
| | Plan PMPM | \$272.89 | \$38.20 | \$311.09 | | | |
| | Actuarial Value | 88.2% | 79.2% | 87.0% | | | |
| | | | | | | | |



16. Silver HDHP – Stacked MOOP CSR – 87%, Continued

HDHP Model – Adjusted Actuarial Value:

| Inputs | odel – Adjusted I | | | | | |
|----------|----------------------|--------------------|---------------------|---------------------|--------------------|------------|
| inputs | | | | | | |
| Enter va | lues in the blue cel | ls below, choose d | a setting option fr | om the drop dowr | box, and press 'Co | alculate'. |
| | Calculate' anytime | • • | | | | |
| | | | • | uters processing sp | peed. | |
| A me | ssage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 1,200 | 1,200 | | | |
| F | amily Deductible | 2,400 | 2,400 | | | |
| Individu | ual Out-of-Pocket | 1,200 | 1,200 | | | |
| Fam | ily Out-of-Pocket | 2,400 | 2,400 | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumula | ate | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Calculat | e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$309.30 | \$48.20 | \$357.50 | | |
| | Plan PMPM | \$274.18 | \$36.48 | \$310.66 | | |
| | Actuarial Value | 88.6% | 75.7% | 86.9% | | |
| | | | | | | |



17. Silver HDHP – Stacked MOOP CSR – 94%

AV from AVC = 94.0%Adjusted AV = 94.1%

AVC Screen Shot:

User Inputs for Plan Parameters

| | | - | | | - | | |
|---|--------------|----------------------------------|------------------|--------|------------------------|----------------------------|----------|
| Use Integrated Medical and Drug Deductible? | \checkmark | HSA/HRA Options | | | Narrow Network Options | | |
| Apply Inpatient Copay per Day? | | HSA/HRA Employ | er Contribution? | | Blended Netwo | ork/POS Plan? | |
| Apply Skilled Nursing Facility Copay per Day? | | | | | | er Utilization: | 100% |
| Use Separate OOP Maximum for Medical and Drug Spending? | | Annual Contribution Amount: \$0. | | \$0.00 | 2nd Tier Utilization: | | 0% |
| Indicate if Plan Meets CSR Standard? | v | | | | | | |
| Desired Metal Tier | Platinum 💌 | | | | | | |
| | Tie | er 1 Plan Benefit Design | | | Tier 2 | Tier 2 Plan Benefit Design | |
| | Medical | Drug | Combined | | Medical | Drug | Combined |
| Deductible (\$) | | | \$500.00 | | | | |
| Coinsurance (%, Insurer's Cost Share) | | | 100.00% | | | | |
| OOP Maximum (\$) | | | \$500.00 | | | | |
| OOP Maximum if Separate (\$) | | | | | | | |

| | | | | | | | er 2 | | Tier 1 | Tier 2 |
|---|---------------------|--------------|-----------------|-----------|------------|---------------------|-----------------|-----------|--------|---------------|
| Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | • | Coinsurance, if | Copay, if | | es only after |
| | Deductible? | Coinsurance? | different | separate | | Coinsurance? | different | separate | | tible? |
| Medical | All | | | | | All | | | | All |
| mergency Room Services | • | 2 | **** | | | | | | | |
| ll Inpatient Hospital Services (inc. MHSA) | • | • | | | | ✓ | | | | |
| rimary Care Visit to Treat an Injury or Illness (exc. Preventive, and | ~ | ~ | | | v | | | | | |
| rays) | | | | | _ | - | | | | |
| pecialist Visit | • | • | | | ✓ | ✓ | | | | |
| ental/Behavioral Health and Substance Abuse Disorder | ~ | I | | | | | | | | |
| utpatient Services | | Ľ | | | | _ | | | | |
| naging (CT/PET Scans, MRIs) | ✓ | v | | | ✓ | ✓ | | | | |
| ehabilitative Speech Therapy | • | v | | | | ✓ | | | | |
| | ~ | ~ | | | | | | | | |
| ehabilitative Occupational and Rehabilitative Physical Therapy | | | | | | | | | | - |
| reventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | | |
| boratory Outpatient and Professional Services | ✓ | • | | | | ✓ | | | | |
| rays and Diagnostic Imaging | • | v | | | v | ✓ | | | | |
| cilled Nursing Facility | • | • | | | ✓ | ✓ | | | | |
| utpatient Facility Fee (e.g., Ambulatory Surgery Center) | • | • | | | | ✓ | | | | |
| utpatient Surgery Physician/Surgical Services | v | ~ | | | ✓ | ✓ | | | | |
| Drugs | 🗌 All | 🗌 All | | | All | 🗌 All | | | 🗌 All | 🗌 All |
| enerics | • | 7 | | | × | ✓ | | | | |
| referred Brand Drugs | • | • | | | v | ✓ | | | | |
| on-Preferred Brand Drugs | v | • | | | | | | | | |
| pecialty Drugs (i.e. high-cost) | • | • | | | | v | | | | |
| ptions for Additional Benefit Design Limits: | | | | | | | | | | |

| 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: Actuarial Value: Metal Tier:

CSR Level of 94% (100-150% FPL), Calculation Successful. 93.96% Platinum



17. Silver HDHP – Stacked MOOP CSR – 94%, Continued

HDHP Model – Normalization:

| Inputs | | | | | | |
|-----------|---------------------|---------------------|----------------------|---------------------|-------------------|-------------|
| Enter val | ues in the blue cel | ls below, choose d | a setting option fro | om the drop down | box, and press 'C | `alculate'. |
| Press 'C | `alculate' anytime | an input or drop | lown selection is c | hanged. | | |
| Note t | that the model ru | n-time will vary bo | ased on the compu | iters processing sp | peed. | |
| A mes | sage box will app | ear to indicate th | at the calculations | are done. | | |
| | | Medical | Dv | | | |
| الم ما | idual Deductible | 500 | Rx 500 | | | |
| | amily Deductible | 1,000 | 1,000 | | | |
| 1 | • | | | | | |
| | al Out-of-Pocket | 500 | 500 | | | |
| Fami | ly Out-of-Pocket | 1,000 | 1,000 | | | |
| Coinsurar | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumula | | | |
| | | | | OP | Deductible / | |
| | | Deductible | Medical | Rx | OOP Type | |
| | Settings | Medical & Rx | Medical & Rx | Medical & Rx | Stacked | 5 |
| | | Calculat | | | | |
| | | Calculat | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$328.04 | \$51.12 | \$379.17 | | |
| | Plan PMPM | \$310.69 | \$45.85 | \$356.55 | | |
| | Actuarial Value | 94.7% | 89.7% | 94.0% | | |
| | | | | | | |



17. Silver HDHP – Stacked MOOP CSR – 94%, Continued

HDHP Model – Adjusted Actuarial Value:

| Inputs | odel – Adjusted I | | | | | |
|----------|----------------------|---------------------|---------------------|--------------------|--------------------|------------|
| inputs | | | | | | |
| Enter va | lues in the blue cel | lls below, choose d | a setting option fr | om the drop dowr | box, and press 'Co | alculate'. |
| Press '(| Calculate' anytime | an input or dropa | lown selection is a | changed. | | |
| | | | • | uters processing s | peed. | |
| A me | ssage box will app | ear to indicate th | at the calculations | s are done. | | |
| | | | | | | |
| | | Medical | Rx | | | |
| | vidual Deductible | 500 | 500 | | | |
| F | amily Deductible | 1,000 | 1,000 | | | |
| Individu | ual Out-of-Pocket | 500 | 500 | | | |
| Fam | ily Out-of-Pocket | 1,000 | 1,000 | | | |
| Coinsura | nce (50% or Less) | 0% | 0% | | | |
| | | | | | | |
| | | Co | osts that Accumul | ate | | |
| | | | 0 | OP | Deductible / | |
| | | Deductible | Medical | Rx | ООР Туре | |
| | Settings | Medical & Rx | Medical & Rx | Rx Only | Aggregate Plus | 6 |
| | | | | | | |
| | | Coloulat | | | | |
| | | Calculat | .e | | | |
| | | | | | | |
| Results | | | | | | |
| | | Medical | Rx | Total | | |
| | Allowed PMPM | \$328.04 | \$51.12 | \$379.17 | | |
| | Plan PMPM | | \$45.00 | \$356.95 | | |
| | Actuarial Value | 95.1% | 88.0% | 94.1% | | |
| | | 55.1/0 | 00.070 | 51.1/0 | J | |



Introduction

On January 16, 2015, CMS released the final methodology on the Actuarial Value and the final Actuarial Value Calculator (AVC) for 2016. CMS made several changes in the 2016 AVC. Most notably, they trended the underlying claims to calendar year 2016 and added functionality to address copayments applied after the deductible is met.

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 Blue Rewards (Non-Standard) plans are:

- The AVC does not support the Rx OOPM Limit as dictated by Act 171.
- 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 measure all cost sharing elements for that plan. We created a 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 that could be valued by the AVC. See the more detailed description of the adjustment method below.

BCBSVT AV Model Methodology

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). The in-network claims from BCBSVT Insured Groups and Individuals expected to be in the Exchange in 2016 are included in the analysis. Claims have been adjusted to reflect the network used for BCBSVT QHPs. Calendar year 2013 claims, trended to 2016 using 6.5% trend¹, were used in the model. The claims were categorized based on the cost sharing applied for each service, and one record was generated for each member/ service date.

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

A total of 794,822 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.

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 and BAVM for various integrated deductible plans with similar designs after the deductible as the plan tested. 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 out-of-pocket maximum. 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.

The adjustment is calculated as:

{the difference between the actuarial value estimate from the BAVM for the non-standard plan and the actuarial value estimate from the BAVM 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.

¹ BCBSVT used the same trend that CMS used in the 2016 Final AV Calculator (see page 8 of <u>http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Final-2016-AV-Calculator-Methodology.pdf</u>)

Methodology change per Regulatory review

In its SERFF objection dated April 29, 2015, the Vermont Department of Financial Regulation reviweing actuary requested that we modify our calculation to simply apply the direct relationship between the AVC and BCBSVT's Model for all plans exept the Blue Rewards CDHP Gold plan.

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 2016.

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.

and QX

Paul Schultz, F.S.A., M.A.A.A. Chief Actuary Blue Cross and Blue Shield of Vermont

Blue Rewards CDHP Plans

Gold Designs

| Deductible | Coinsurance | OOPM | BCBSVT Model AV | AV Calculator |
|------------|-------------|---------|-----------------|---------------|
| \$2,000 | 0% | \$2,000 | 82.36% | 80.63% |
| \$1,500 | 0% | \$1,500 | 85.54% | 84.47% |
| \$1,750 | 0% | \$1,750 | 83.89% | 82.50% |
| \$2,250 | 0% | \$2,250 | 80.95% | 78.88% |
| \$2,500 | 0% | \$2,500 | 79.62% | 77.22% |
| \$1,300 | 0% | \$1,300 | 86.96% | 86.14% |
| \$1,400 | 0% | \$1,400 | 86.24% | 85.30% |
| \$1,800 | 0% | \$1,800 | 83.58% | 82.11% |
| \$2,100 | 0% | \$2,100 | 81.79% | 79.91% |
| \$2,300 | 0% | \$2,300 | 80.67% | 78.53% |
| \$2,400 | 0% | \$2,400 | 80.14% | 77.87% |

| Linear Regression Output | | | | | |
|--------------------------|----------|----------------|--|--|--|
| m | b | r² | | | |
| 1.21684 | -0.19625 | 99.99 % | | | |

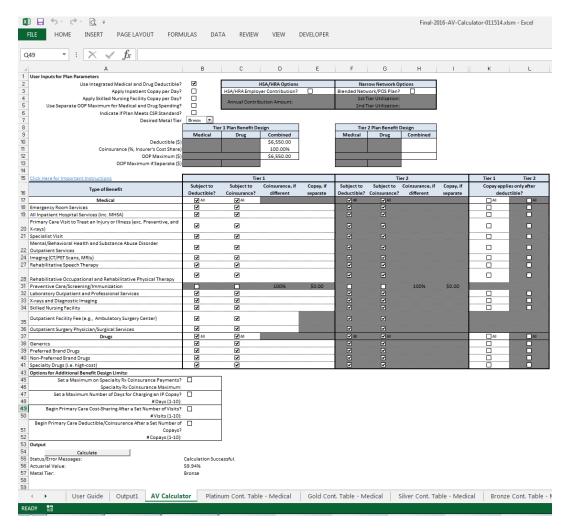
| Plan : Blue Rewards (Non-Standard) CDHP Plan - Bronze | | | | | | |
|---|------------------------|-------------|---------|--|--|--|
| | Deductible | \$2 | 2,500 | | | |
| Items supported by the AV Calculator | Coinsurance | | 0% | | | |
| | ООРМ | \$2,500 | | | | |
| AVC Output for items supp | (a) | 77.22% | | | | |
| BCBSVT Model Output for i | (b) | 79.62% | | | | |
| BCBSVT Model Output for c | omplete benefit design | (C) | 80.28% | | | |
| | Difference | (d)=(c)-(b) | 0.66% | | | |
| | m | (e) | 1.21684 | | | |
| Adjustment to the AVC | adjustment | (f)=(d)*(e) | 0.80% | | | |
| | Estimated AVC value | (g)=(a)+(f) | 78.0% | | | |

Items not supported by the AV Calculator for this plan are the Pharmacy MOOP of \$1,300 and Wellness (Safe Harbor) pharmaceuticals not subject to the deductible.

| X |] 日 | /IULAS DATA | REVIEW | VIEW D | EVELOPER | | | Final-2016 | i-AV-Calcu | lator-011514. | dsm - Excel |
|----------|--|---------------------------------|------------------|----------------------|-----------|-----------------------|-----------------------|--------------|-------------|---------------|-----------------|
| v | $(33 \bullet : \times \checkmark f_x$ | | | | | | | | | | |
| | A | в | с | D | E | E | G | н | 1 1 | к | LL |
| 1 | User Inputs for Plan Parameters | _ | | | - | | - | | | | - |
| 2 | Use Integrated Medical and Drug Deductible? | | | HSA/HRA Options | | Narr | ow Network Option | 5 | | | |
| 3 | Apply Inpatient Copay per Day? | | SA/HRA Emplo | yer Contribution? | | | | | | | |
| 4 | Apply Skilled Nursing Facility Copay per Day? | | Annual Contril | bution Amount: | | | ier Utilization: | | | | |
| 5 | Use Separate OOP Maximum for Medical and Drug Spending? | | | | | 2nd Ti | ier Utilization: | | | | |
| 6 | Indicate if Plan Meets CSR Standard Desired Metal Tier | | | | | | | | | | |
| 8 | Desired Wetar ner | | Plan Benefit De | esign | | Tier 2 | 2 Plan Benefit Desig | n | | | |
| 9 | | Medical | Drug | Combined | | Medical | | ombined | | | |
| 10 | Deductible (\$ | | | \$2,500.00 | | | | | | | |
| 11 | Coinsurance (%, Insurer's Cost Share | | | 100.00% | | | | | | | |
| 12 13 | OOP Maximum (\$ OOP Maximum if Separate (\$ | | | \$2,500.00 | | | | | | | |
| 14 | OOP Maximum inseparate (5) | | | | | | | | | | |
| 15 | Click Here for Important Instructions | | Tie | er 1 | | | Tier 2 | | | Tier 1 | Tier 2 |
| | Type of Benefit | Subject to | Subject to | Coinsurance, if | Copay, if | Subject to | Subject to Coir | nsurance, if | Copay, if | Copay app | lies only after |
| 16 | | | Coinsurance? | different | separate | Deductible? | | lifferent | eparate | | uctible? |
| 17 | Medical | All All | | | | Ali | All | | | | All |
| | Emergency Room Services All Inpatient Hospital Services (inc. MHSA) | | 7 7 | | | ✓ | ✓ | | | | |
| 15 | Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and | | | | | | | | | | |
| 20 | X-rays) | | • | | | 7 | • | | | | |
| 21 | Specialist Visit | . | ? | | | . | 2 | | | | |
| | Mental/Behavioral Health and Substance Abuse Disorder | | • | | | | • | | | | |
| | Outpatient Services Imaging (CT/PET Scans, MRIs) | 2 | 2 | | | | | | | | |
| | Rehabilitative Speech Therapy | | | | | | | | | | |
| | | | 2 | | | | | | | | |
| 28 | | Y | | | | _ | — | | | | |
| | Preventive Care/Screening/Immunization | | | 100% | \$0.00 | | | 100% | \$0.00 | _ | |
| | Laboratory Outpatient and Professional Services | | | | | > > | ▼ | | | | |
| | X-rays and Diagnostic Imaging Skilled Nursing Facility | 2 2 | | | | ✓ | 2 | | | | |
| | | | | | | | | | | | |
| 35 | Outpatient Facility Fee (e.g., Ambulatory Surgery Center) | | . | | | _ | . | | | | |
| 36 | Outpatient Surgery Physician/Surgical Services | I All | . | | | III | ✓ All | | | | All |
| 37 | Drugs Generics | | II ∧II | | | V AII | | | | | |
| | Preferred Brand Drugs | | • | | | | | | | | |
| 40 | Non-Preferred Brand Drugs | • | • | | | I | V | | | | |
| 41 | Specialty Drugs (i.e. high-cost) | 7 | • | | | V | ₹ | | | | |
| 43 | | | | | | | | | | | |
| 45 46 | Set a Maximum on Specialty Rx Coinsurance Payments? Specialty Rx Coinsurance Maximum: | | | | | | | | | | |
| 47 | Set a Maximum Number of Days for Charging an IP Copay? | | | | | | | | | | |
| 48 | # Days (1-10): | | | | | | | | | | |
| 49 | Begin Primary Care Cost-Sharing After a Set Number of Visits? | | | | | | | | | | |
| 50 | #Visits (1-10): | | | | | | | | | | |
| 51 | Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? | | | | | | | | | | |
| 52 | # Copays (1-10) | | | | | | | | | | |
| 53 | Output | | | | | | | | | | |
| 54 | Calculate | | | | | | | | | | |
| 55 56 | | Error: Result is outs 77.22% | ide of +/- 2 per | cent de minimis vari | ation. | | | | | | |
| 57 | | //.2270 | | | | | | | | | |
| 58 | · · · · · · · · · · · · · · · · · · · | | | | | | | | | | |
| 59 | 1 | 1 | | | | | | | | | |
| | User Guide Output1 Output2 | AV Calculator | Platinu | ım Cont. Table - | Medical | Gold Con | nt. Table - Medi | cal Silv | er Cont. Ta | able - Medio | al Bronze Co |

| Plan : Blue Rewards (Non-Standard) CDHP Plan - Bronze | | | | | | |
|---|----------------------------------|-----------------|--------|--|--|--|
| Items supported by the AV Calculator | Deductible | \$6,5 | 50 | | | |
| | Coinsurance | 0% | | | | |
| | OOPM | \$6,550 | | | | |
| | Rx Cost Sharing After Deductible | N/A | | | | |
| AVC Output for items support | (a) | 59.94% | | | | |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 64.86% | | | |
| BCBSVT Model Output for c | (c) | 67.08% | | | | |
| Adjustment to the AVC | Estimated AVC value | (d)=(c)/(b)*(a) | 62.0% | | | |

Items not supported by the AV Calculator for this plan are the Pharmacy MOOP of \$1,300 and Wellness (Safe Harbor) pharmaceuticals not subject to the deductible.



Blue Rewards Copayment Plans

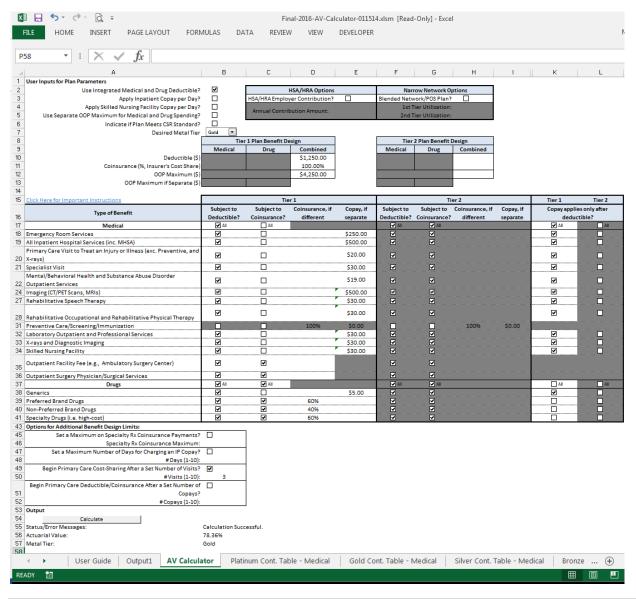
One of the new features of the 2016 AVC accommodates for plans with copayments after the deductible. Items not supported by the AV Calculator for these plans are

- Pharmacy MOOP of \$1,250
- Three Mental Health office visits at no cost share before the deductible
- Class I Pediatric Dental at no cost share
- Copayment on Outpatient Surgery, Urgent Care, Emergency Medical Transportation, DME services and Home Health Care

For Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services, we blended the Office Visit copayment and the Outpatient Facility copayment based on the frequency of services from the continuance tables in the AVC to calculate the input needed in the AVC.

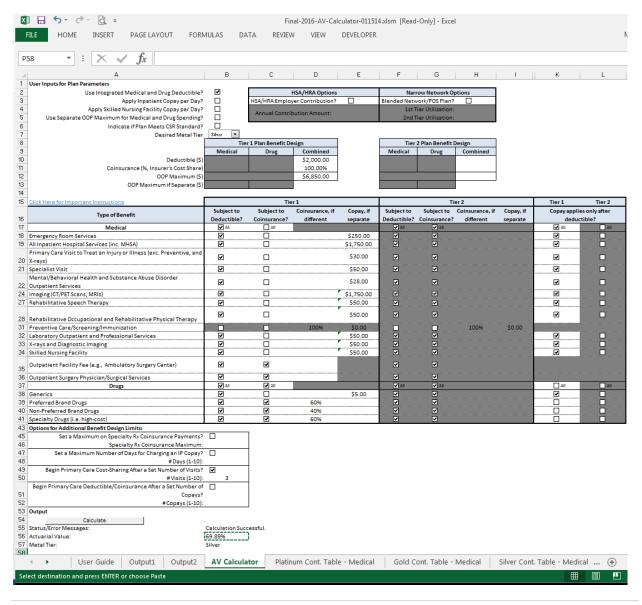
Plan: Blue Rewards (Non-Standard) Copayment Plan - Gold

| Items supported by the AV Calculator | Deductible | \$1,250 | | |
|---|--|-----------------|--------|--|
| | Coinsurance | 0% | | |
| | ООРМ | \$4,250 | | |
| | Copayments after the deductible | See print below | | |
| | Three PCP visits at no cost share before the deductible | | | |
| AVC Output for items suppo | orted by the AVC | (a) | 78.36% | |
| BCBSVT Model Output for it | (b) | 81.52% | | |
| BCBSVT Model Output for c | (C) | 83.43% | | |
| Estimated AVC value | (d)=(c)/(b)*(a) | 80.2% | | |



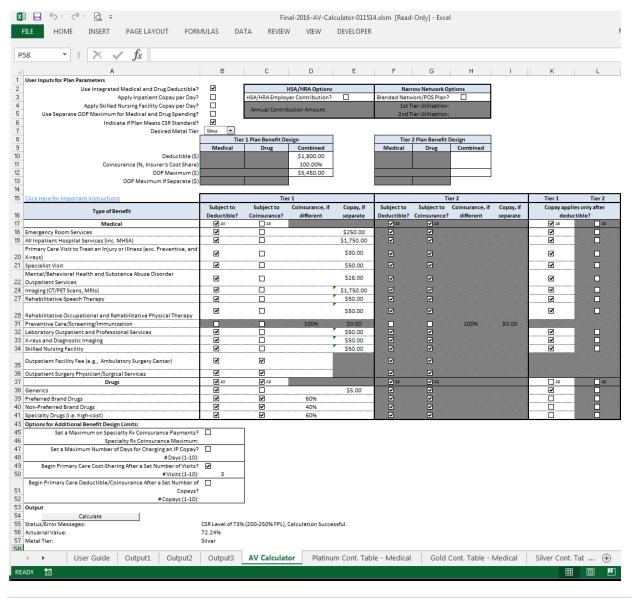
Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver

| Items supported by the AV Calculator | Deductible | \$2,000 | | |
|--------------------------------------|--|-----------------|----------------|--|
| | Coinsurance | 0% | | |
| | OOPM | \$6,850 | | |
| | Copayments after the deductible | See print below | | |
| | Three PCP visits at no cost share before the deductible | | | |
| AVC Output for items suppo | orted by the AVC | (a) | 69.89 % | |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 74.11% | |
| BCBSVT Model Output for c | (C) | 76.12% | | |
| Estimated AVC value | (d)=(c)/(b)*(a) | 71.8% | | |



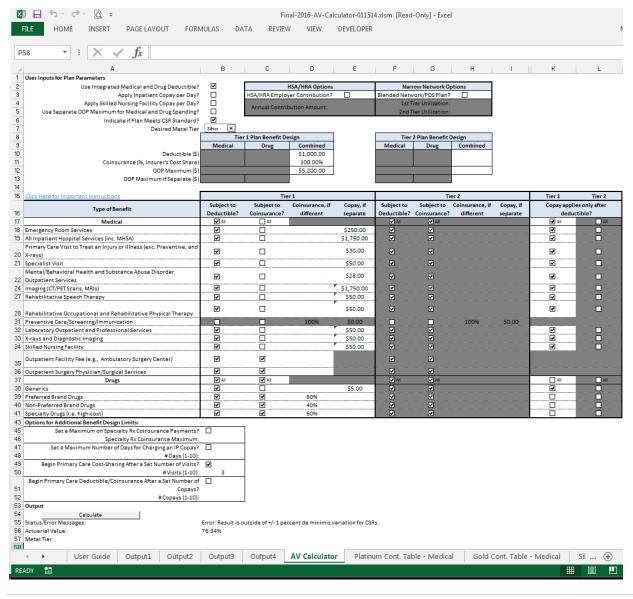
Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 73%

| Items supported by the AV Calculator | Deductible | \$1,800 | | |
|--------------------------------------|--|-----------------|--------|--|
| | Coinsurance | 0% | | |
| | ООРМ | \$5,450 | | |
| | Copayments after the deductible | See print below | | |
| | Three PCP visits at no cost share before the deductible | | | |
| AVC Output for items suppo | orted by the AVC | (a) | 72.24% | |
| BCBSVT Model Output for it | (b) | 75.79% | | |
| BCBSVT Model Output for c | (C) | 77.58% | | |
| Estimated AVC value | (d)=(c)/(b)*(a) | 73.9% | | |



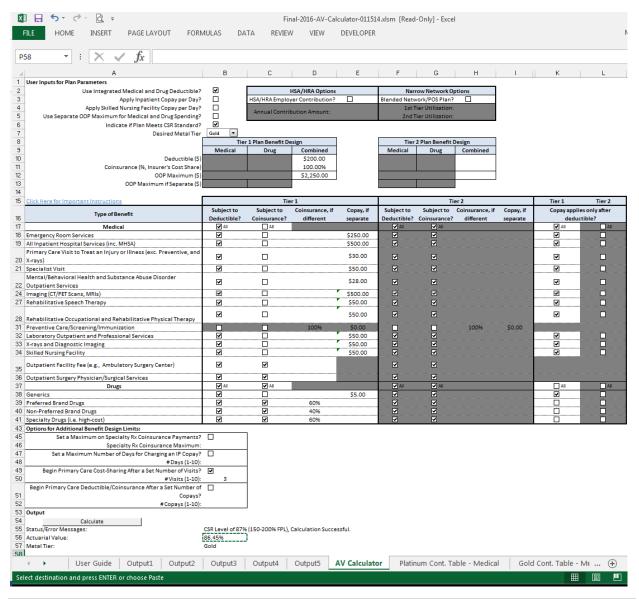
Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 77%

| | Deductible | \$1,00 | 00 |
|----------------------------|--|-----------------|--------|
| Items supported by the | Coinsurance | 0% | |
| AV Calculator | ООРМ | \$5,200 | |
| | Copayments after the deductible | See print | below |
| | Three PCP visits at no cost share before the deductible | | |
| AVC Output for items suppo | orted by the AVC | (a) | 76.34% |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 79.95% |
| BCBSVT Model Output for c | omplete benefit design | (C) | 80.93% |
| Estimated AVC value | | (d)=(c)/(b)*(a) | 77.3% |



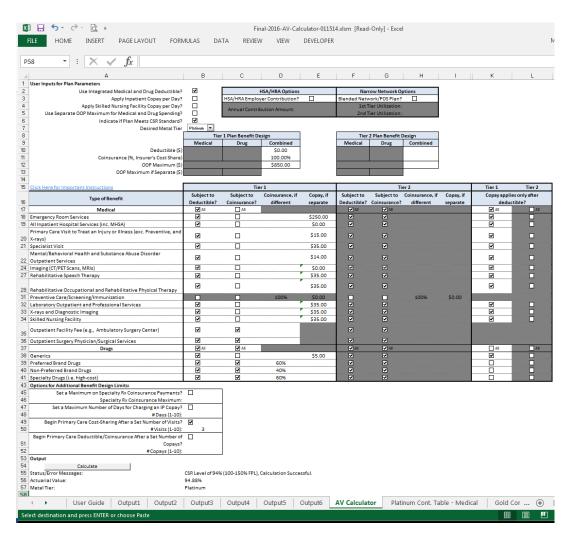
Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 87%

| | Deductible | \$200 |) |
|----------------------------|--|-----------------|--------|
| Items supported by the | Coinsurance | 0% | |
| AV Calculator | OOPM | \$2,250 | |
| | Copayments after the deductible | See print | below |
| | Three PCP visits at no cost share before the deductible | | |
| AVC Output for items suppo | orted by the AVC | (a) | 86.45% |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 89.52% |
| BCBSVT Model Output for c | omplete benefit design | (C) | 89.70% |
| Estimated AVC value | | (d)=(c)/(b)*(a) | 86.6% |



Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 94%

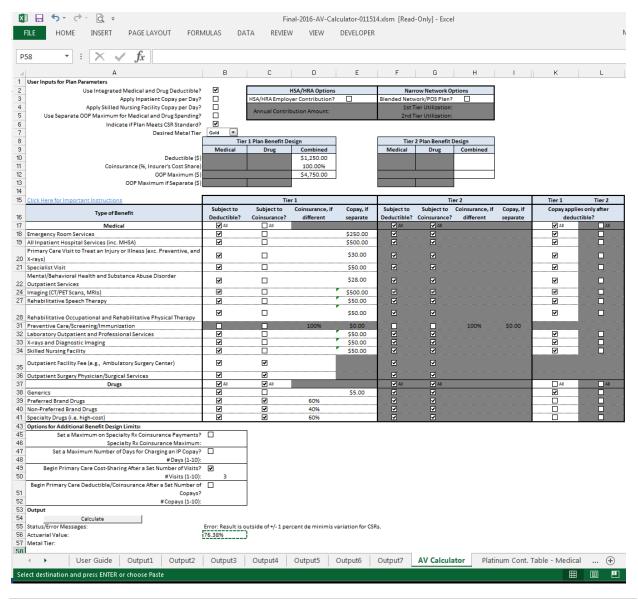
The inclusion of Mental Health office visits in the three PCP or Mental Health Office visits at no cost share before the deductible benefit and copays on Urgent Care, Emergency Medical Transportation, DME services and Home Health Care are not supported by the AVC for this plan. The difference between 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 immaterial³ 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.



³ The AV calculator produces an AV of 94.91% 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.

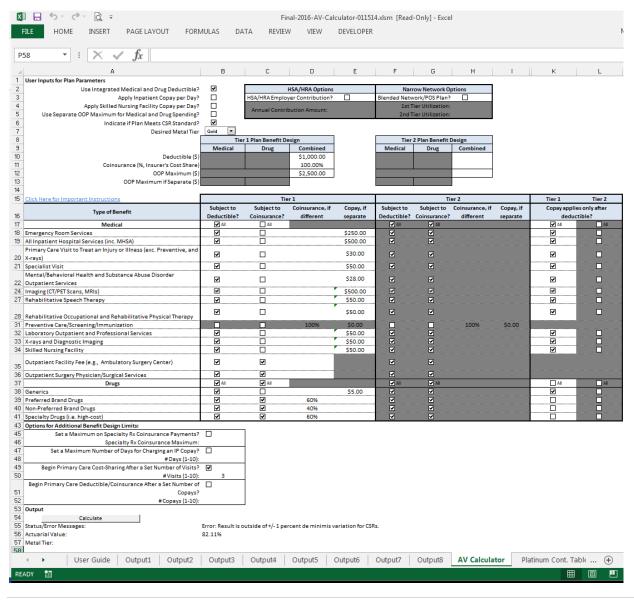
Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 79%

| | Deductible | \$1,2 | 50 |
|----------------------------|--|-----------------|--------|
| Items supported by the | Coinsurance | 0% | |
| AV Calculator | ООРМ | \$4,750 | |
| | Copayments after the deductible | See print | below |
| | Three PCP visits at no cost share before the deductible | | |
| AVC Output for items suppo | orted by the AVC | (a) | 76.38% |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 80.51% |
| BCBSVT Model Output for c | omplete benefit design | (C) | 82.48% |
| Estimated AVC value | | (d)=(c)/(b)*(a) | 78.3% |



Plan: Blue Rewards (Non-Standard) Copayment Plan - Silver CSR 83%

| | Deductible | \$1,0 | 00 |
|----------------------------|--|-----------------|--------|
| Items supported by the | Coinsurance | 0% | |
| AV Calculator | ООРМ | \$2,500 | |
| | Copayments after the deductible | See print | below |
| | Three PCP visits at no cost share before the deductible | | |
| AVC Output for items suppo | orted by the AVC | (a) | 82.11% |
| BCBSVT Model Output for it | tems supported by the AVC | (b) | 83.84% |
| BCBSVT Model Output for c | omplete benefit design | (C) | 85.02% |
| Estimated AVC value | | (d)=(c)/(b)*(a) | 83.3% |





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July 15, 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 I | Dental Cost |
|---------------------------|-------------|-------------|
| | Allowed | Net |
| Standard Platinum | \$45.04 | \$38.77 |
| Standard Gold | \$44.15 | \$33.62 |
| Standard Silver | \$43.04 | \$28.78 |
| Standard Bronze | \$41.67 | \$25.71 |
| Standard Silver CDHP | \$40.28 | \$16.56 |
| Standard Bronze CDHP | \$39.60 | \$13.70 |
| Non-Standard Gold | \$43.49 | \$31.83 |
| Non-Standard Silver | \$42.68 | \$28.54 |
| Non-Standard Bronze CDHP | \$35.68 | \$6.28 |
| Non-Standard Catastrophic | \$33.71 | \$4.94 |

Ms. Ruth Greene July 15, 2014 Page 2 of 6

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

Ms. Ruth Greene July 15, 2014 Page 4 of 6

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, **FS**.A. Principal and Consulting Actuary

GNB/pg/jpj Enclosures

Table 1Blue Cross Blue Shield of VermontSummary of Standard Plan Designs, Revised

| | | | | | Cilver | Drawer |
|-----------------------------|---|---|---|----------------------------------|----------------------|----------------------|
| 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 / Co | oinsurance | | |
| 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 / C | oinsurance | |
| 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 MH/SA 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 |
| 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% |

| 2016 Rates Table Template v5.05 | All fields with an asterisk (*) an | e required. To validate press Validate button o | or Ctrl + Shift + I. To finalize, press Fin | alize button or Ctrl + Shift + F. | | | | | | | |
|---------------------------------|------------------------------------|--|---|---|--|--|--|----------------------------------|---|------------------------------------|--|
| | If you are a community rating st | tate, select Family Option under Age and fill in | all columns. | | | | | | | | |
| | | state, select 0-20 under Age and provide an I | | | | | | | | | |
| | | n-Tobacco User, you must give a rate for Toba | , , | | | | | | | | |
| | | Add Sheet button, or Ctrl + Shift + H. All plans | | t. | | | | | | | |
| HIOS Issuer I | | 3627 | | | | | | | | | |
| | N* 03-0277307 | | | | | | | | | | |
| Rate Effective Dat | | 2016 | | | | | | | | | |
| Rate Expiration Dat | te* 12/31/2 | 2016 | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | 1 | | Family Tier | 1 | | |
| | | | | | | Primary Subscriber and | Primary Subscriber and F | Primary Subscriber and | Couple and One | Couple and Two | Couple and Three or |
| Plan ID* | Rating Area ID* | Tobacco* | Age* | Individual Rate* | Couple * | One Dependent* | Two Dependents* | Three or More | Dependent* | Dependents* | More Dependents* |
| | | | | | Decentry d | | | Dependents* | | | |
| | | Require: | _ | | Required: Enter the rate of a couple based | Required: | Required: | Required: | | Required: | Required: |
| Required: | Required: | Select if Tobacco use of subscriber is used to | Select the age of a subscriber eligible for the | Enter the rate of an Individual Non-Tobacco | on the pairing of a primary | Enter the rate of a family based | Enter the rate of a family based E | Enter the rate of a family based | Required: Enter the rate of a family based | Enter the rate of a family based | Enter the rate of a family base |
| Enter the 14-character Plan ID | Select the Rating Area ID | determine if a person is eligible for a rate from a plan | rate | or No Preference enrollee on a plan | enrollee and a secondary subscriber (e.g. husband and | on a single parent with one dependent | on a single parent with two dependents | | on a couple with one dependent | on a couple with two dependents | on a couple with three or more dependents |
| | | pian | | | spouse) | dependent | dependents | more dependents | | dependents | dependents |
| 13627VT0380001 | Rating Area 1 | No Preference | Family Option | | | | | 1049.23 | 1527.63 | 1527.63 | 1527.6 |
| 13627VT038000 | | No Preference | Family Option | | | | | 919.37 | 1338.57 | 1338.57 | 1338.5 |
| 13627VT039000 | | No Preference | Family Option | | | | | 1000.18 | 1456.23 | 1456.23 | 1456.2 |
| 13627VT039000 | | No Preference | Family Option | | | | | 795.31 | 1157.94 | 1157.94 | 1157.9 |
| 13627VT034000 | | No Preference | Family Option | | | | 1295.11 | 1295.11 | 1885.62 | 1885.62 | 1885.6 |
| 13627VT034000 | ĕ | No Preference | Family Option | | | | | 1131.71 | 1647.73 | 1647.73 | 1647.7 |
| 13627VT034000 | | No Preference | Family Option | | | | | 957.34 | 1393.84 | 1393.84 | 1393.8 |
| 13627VT035000 | ĕ | No Preference | Family Option | | | | | 926.75 | 1349.31 | 1349.31 | 1349.3 |
| 13627VT034000 | ĕ | No Preference | Family Option | | | | | 809.52 | | 1178.63 | 1178.6 |
| 13627VT035000 | | No Preference | Family Option | | | | | 804.96 | 1171.99 | 1171.99 | 1171.9 |
| 13627VT034000 | | No Preference | Family Option | | | | | 461.19 | 671.48 1527.63 | 671.48 | 671.4 1527.6 |
| 13627VT036000 | | No Preference No Preference | Family Option | | 1087.28 952.72 | | 1049.23 919.37 | 1049.23 919.37 | 1338.57 | <u> </u> | 1338.5 |
| 13627VT036000 | 01 Rating Area 2 | No Preference | Family Option Family Option | | | | | 1000.18 | 1338.57 | 1338.57 | 1338.5 |
| 13627VT037000 | | No Preference | Family Option | | | | | 795.31 | 1456.23 | 1456.23 | 1456.2 |
| 13627VT037000 13627VT032000 | | No Preference | Family Option | | | | 1295.11 | 1295.11 | 1157.94 | 1157.94 | 1885.6 |
| 13627VT03200 | | No Preference | Family Option | | | | | 1131.71 | 1647.73 | 1647.73 | 1647.7 |
| 13627VT03200 | | No Preference | Family Option | | | | | 957.34 | 1393.84 | 1393.84 | 1393.8 |
| 13627VT03200 | | No Preference | Family Option | | | | | 926.75 | | 1349.31 | 1349.3 |
| 13627VT033000 | | No Preference | Family Option | 419.44 | | | | 809.52 | 1178.63 | 1178.63 | 1178.6 |
| 13627VT03200 | | No Preference | Family Option | | | | | 804.96 | 1170.03 | 1170.03 | 1170.0 |

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 SERFF Filing Number | 13627 NA | | | |
| Date of Submission Proposed Effective Date | 5/15/2015 1/1/2016 | | | |
| | Before Rate Increase | After Rate Increase | | |
| Average annual premium per policy | \$8,582 | \$9,301 | | |
| Proposed Overall Rate Change Proposed Minimum Rate Change | 8.38% 4.70% | | | |
| Proposed Maximum Rate Change | 14.31% | | | |
| Relationship of Proposed Rate Scale to Current Rate Scale Due to: | The experience period used is composed | ption of current memoers in Blue Cross and ual and Small Group products and The | Relativity | Ĺ |
| Claims Experience | Vermont Health Plan (TVHP) Small Group | products. We also included Large | 0.9761 | |
| Age / Gender | experience membership for continuing me and compared the average factors | mbers and the projected membership | 1.0144 | |
| Tier | The mandated tier factors remained uncha | | 1.0000 | |
| Geography | The mandated tier factors remained uncha | inged | 1.0000 | |
| | N/A | | | |
| Tobacco | N/A | | 1.0000 | |
| Benefit Plan Relativities | As overall costs increase and the amounts | that members pay in cost-sharing | 1.0025 | |
| Mandated Benefit Changes | The Nosce of Benefits and Payments Par- individual MOOP cannot be over \$6,850, (| ameters for 2016 clarined that the even if the member is in a family policy. | 1.0078 | |
| | There were also several minor cost sharin | g changes stemming from the Metal | | |
| Non-Mandated Benefit Changes | N/A | | 1.0000 | |
| Other | This includes trend, Transitional Reinsural pool morbidity, changes in administrative (| tharnes and other items | 1.0834 | |
| | | Relativity of Proposed vs. Current Scale | 1.0838 | |
| Annual Rate Change Distribution Reduction of 15.00% or more | Impacted # of Contracts 0 | Impacted # of Members 0 | Impacted # of Groups | i. |
| Reduction of 10.0% to 14.99% Reduction of 5.01% to 10.00% | 0 | 0 | 0 | |
| Reduction of 0.01% to 5.00% No Change | 0 | 0 | 0 | |
| Increase of 0.01% to 5.00% Increase of 5.01% to 10.00% | 116 | 120 | 0 | |
| Increase of 10.01% to 14.99% | 13,893 | 22,611 | 1,510 | |
| Increase of 15.00% or more Total | 42,467 | 70,014 | 5,245 | |
| History of Rate Changes Pate Effective Month and Year: 2013 2014 2015 | Average Annual Proposed Bate Change N/A N/A 9.81% | Average Annual <u>Approved</u> Rate Change N/A N/A 7.70% | | |
| 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 Blue Shield of Vermont (BCBSVT) Individi Vermont Health Plan (TVHP) Small Group Groups that are expected to join the exchi | of current members in Blue Cross and al and Small Group products and The products. We also included Large ange due to the change in the definition | | |
| Does experience include pools/blocks of business not affected by propoed rate change? | No | (Yes or No) | | |
| Time period used for Experience Data in Rate Development | Incurred From Month/Year 1/1/2014 | Incurred To Month/Year 12/31/2014 | | |
| Total Written Premium in Experience Period Total Earned Premium in Experience Period | \$297,310,928 \$297,310,928 | | | |
| Total Earned Premium in Experience Period Total Incurred Claims in Experience Period Loss Patio | \$255,820,510 86.04% | | | |
| Loss Hano Paid Through Date For Claims | 2/29/2016 | | | |
| IBNR as % of Incurred Claims IBNR as # of Months of Paid Claims | -0.17% | | | |
| Number of Contracts/Policyholders | 467 598 | | | |
| Number of Covered Lives | 773,719 | | | |
| Service Category Instalient Facility | Incurred Claims \$ PMPM | % Incurred | | |
| Outpatient Facility | \$80.14 \$176.72 | 37.8% | | |
| Professional Prescription Drugs | \$112.63 \$75.02 | 24.1% 16.1% | | |
| Capitation and Other Provider Payments Other | \$3.81 \$18.82 | 0.8% 4.0% | | |
| Total | \$467.12 | | | |
| Credibility Analysis Assumed Experience Credibility % | 100.00% | | | |
| Description of Credibility Formula and the Theoretical Basis for Use | | | | |
| Alternative Data Sources | NA | | | |
| Description of Any Alternative Experience Data Used in Rate Development | | | | |
| | NA | | | |
| Description of Any Manual Rate Data Used in Rate Development | NA | | | |
| Retention | | | | |
| | | | Deserved DMDM (| Proposed C |

| | | | | Proposed Change in | Proposed Change in |
|---|---------------------------------------|----------------------------------|-----------------------|-------------------------|--------------------------|
| | PMPM in effect during the experience | PMPM from Most Recent Approved | Proposed PMPM for | | PMPM Compared to Most |
| | period | Rate Filing | Effective Date | Prior 12 months | Recently Approved Filing |
| Payroll and Benefits | \$13.78 | \$12.79 | \$14,41 | 4.54% | 12.61% |
| Outsourced Services (EDP, claims, etc.) | \$7.54 | \$6.92 | \$6.96 | -7.61% | 0.62% |
| Auditing and consulting | \$2.30 | \$1.81 | \$2.40 | 4.54% | 32.98% |
| Marketing & Advertising | \$0.87 | \$0.33 | \$0.91 | 4.54% | 177.60% |
| Legal Expenses | \$0.22 | \$0.11 | \$0.23 | 4.54% | 110.98% |
| Other General Admin Expense | \$4.50 | \$4.82 | \$4.70 | 4.54% | -2.35% |
| Commissions & Brokers Fees | \$0.00 | \$0.00 | \$0.00 | | |
| Taxes, Licenses & Fees | \$0.52 | \$0.45 | \$0.55 | 4.54% | 21.96% |
| Reinsurance | \$0.00 | \$0.00 | \$0.00 | | |
| Profit/Risk Margin | -\$1.83 | \$4.35 | \$9.48 | -617.85% | 117.96% |
| | | | | | |
| | | | | | Proposed Change in % of |
| | | | Proposed As % of | Proposed Change in % of | |
| | As % of Premium during the experience | As % of Premium from Most Recent | Premium for Effective | Premium Compared to | Most Recently Approved |
| | period | Approved Rate Filing | Date | Prior 12 months | Filing |
| Payroll and Benefits | 3.41% | 2.94% | 3.04% | -10.87% | 3.43% |
| Outsourced Services (EDP, claims, etc.) | 1.87% | 1.59% | 1.47% | -21.23% | -7.58% |
| | | | | | |

| Outsourced Services (EDP, claims, etc.) | | 1.59% | 1.47% | -21.23% | -7.58% |
|---|--------|-------|-------|----------|---------|
| Auditing and consulting | 0.57% | 0.41% | 0.51% | -10.87% | 22.15% |
| Marketing & Advertising | | 0.08% | 0.19% | -10.87% | 154.98% |
| Legal Expenses | | 0.03% | 0.05% | -10.87% | 93.79% |
| Other General Admin Expense | | 1.11% | 0.99% | -10.87% | -10.31% |
| Commissions & Brokers Fees | | 0.00% | 0.00% | | |
| Taxes, Licenses & Fees | 0.13% | 0.10% | 0.11% | -10.87% | 12.02% |
| Reinsurance | | 0.00% | 0.00% | | |
| Profit/Risk Margin | -0.45% | 1.00% | 2.00% | -541.51% | 100.20% |
| | | | | | |
| | | | | | |

| rojection Assumptions | | | Adhersterner | ata farm Esperimento Davia | d to Current Calendar Year | | | | |
|---|--|---|--|---|--|--|---|--|---|
| | | | Adjustmen | Start Period | End Period | | | | |
| | | | | 1/1/2015 | 12/31/2015 | т | | | |
| | | | | 1/1/2015 | 12/31/2015 | 1 | | | |
| - | | Util. Adjustment: | to Current Rate | | | | Unit Cost Adi to Current | Bate | 1 |
| | Util/1000 | Benefit Plan | Population | Other | Total Util | Provider Payment | Other | Total Unit Cost | |
| Service Category | Trend | Change | Change | Factor | Factor | Change | Factor | Factor | Tren |
| Inpatient Facility | 1.0201 | 1.0000 | 1.0000 | 1.0000 | 1.02006 | 1.0508 | 1.0000 | 1.05084 | 1.0719 |
| Outpatient Fapility | 1.0201 | 1.0000 | 1.0000 | 1.0000 | 1.02006 | 1.0508 | 1.0000 | 1.05084 | 1.071 |
| Professional | 1.0201 | 1.0000 | 1.0000 | 1.0000 | 1.02006 | 1.0508 | 1.0000 | 1.05084 | 1.071 |
| Prescription Drugs | 1.0052 | 1.0000 | 1.0000 | 1.0000 | 1.00523 | 1.0595 | 1.0000 | 1.05953 | 1.065 |
| Capitation and Other Provider Payments | 1.0201 | 1.0000 | 1.0000 | 1.0000 | 1.02006 | 1.0508 | 1.0000 | 1.05084 | 1.071 |
| Other | 1.0201 | 1.0000 | 1.0000 | 1.0000 | 1.02006 | 1.0508 | 1.0000 | 1.05084 | 1.071 |
| | | • | | | | | | | |
| | | | Adjustme | ents from Current Calenda | | | | | |
| | | | | Start Period | End Period | | | | |
| | | | | | | | | | |
| | | | | 1/1/2016 | 12/31/2016 | T | | | |
| | | | I | | | I | | | |
| _ | | Util. Adjustments | to Current Rate | 1/1/2016 | 12/31/2016 | | Unit Cost Adj to Current | | |
| F | Usi/1000 | Util. Adjustment: Benefit Plan | to Current Rate Population | | | Provider Payment | Unit Cost Adj to Current Other | Rate Total Unit Cost | - |
| Service Category | Usil/1000 Trend | | | 1/1/2016 | Total Util Factor | | | Total Unit Cost Factor | |
| Service Category Instaint Facility | Trend 1.0201 | Benefit Plan Change 1.0000 | Population Change 1.0000 | 1/1/2016 Other Factor 1.0000 | 12/31/2016 Total Util | Provider Payment Change 1.0556 | Other | Total Unit Cost | |
| Inpatient Facility Outpatient Facility | Trend | Benefit Plan Change | Population Change | 1/1/2016 Other Factor | Total Util Factor | Provider Payment Change 1.0556 1.0556 | Other Factor | Total Unit Cost Factor | 1.076 |
| Inpatient Facility Outpatient Facility Professional | Trend 1.0201 1.0201 1.0201 | Benefit Plan Change 1.0000 1.0000 1.0000 | Population Change 1.0000 1.0000 1.0000 | 0ther Factor 1.0000 1.0000 | 12/31/2016 Total Util Factor 1.02006 1.02006 | Provider Payment Change 1.0556 1.0556 1.0556 | Other Factor 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 | 1.076 1.076 1.076 |
| Inpatient Facility Outpatient Facility Professional Prescription Drugs | Trend 1.0201 1.0201 1.0201 1.0201 1.0052 | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 | Population Change 1.0000 1.0000 | 0ther Factor 1.0000 1.0000 | 12/31/2016 Total Util Factor 1.02006 1.02006 1.02006 1.02006 | Provider Payment Change 1.0556 1.0556 1.0556 1.0595 | Other Factor 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 | 1.076 1.076 1.076 |
| Inpatient Facility Outpatient Facility Professional Prescription Drugs Capitation and Other Provider Psyments | Trend 1.0201 1.0201 1.0201 1.0201 1.0052 1.0201 | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatient Facility Outpatient Facility Professional Prescription Drugs | Trend 1.0201 1.0201 1.0201 1.0201 1.0052 | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 | Population Change 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 | 12/31/2016 Total Util Factor 1.02006 1.02006 1.02006 1.02006 | Provider Payment Change 1.0556 1.0556 1.0556 1.0595 | Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatient Facility Outpatient Facility Protessional Prescription Drugs Capitation and Other Provider Payments Other | Trend 1.0201 1.0201 1.0201 1.0201 1.0201 1.0201 1.0201 | Benetit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Ingation Facility Outpation Facility Professional Prescription Drugs Capitation and Other Provider Payments Other Service Category | Trend 1.0201 1.0201 1.0201 1.0052 1.0201 1.0201 1.0201 Incurred Claims \$ PMPM | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 Medical Trend | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatient Facility Outpatient Facility Professional Preactignice Drugs Capitation and Other Provider Payments Other Service Category Inpatient Facility | Trend 1.0201 1.0201 1.0201 1.0201 1.0201 1.0201 Incurred Claims \$ PMPM \$0.14 | Benefit Plan Change 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 Medical Trend 1,15422 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatient Facility Outpatient Facility Proteasant Capitation and Other Provide Payment Capitation and Other Provide Payment Other Service Catagory Updatent Facility Outpatient Facility | Trend 1.0201 1.0201 1.0201 1.0202 1.0201 1.0201 Incurred Claims \$ PMPM \$90.14 \$76.72 | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 Medical Trend 1.15422 1.15422 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatter Facility Organizer Facility Protection Presentation Presentation Capitation and Other Provider Payments Other Other Organizer Facility Organizer Facility Organizer Facility Professione | Trend 1.0201 1.0201 1.0201 1.0052 1.0201 1.0201 Incurred Claims \$ PMPM § 176.72 § 176.72 § 12.63 | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.15622 1.15422 1.15422 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpattor Facility Oxpattor Facility Productor Capitation and Other Provide Pro- Service Category Inpattor Facility Control Capitation and Other Provide Pro- Service Category Posterior Category Pro- Productors Pro- Provide Category Pro- Pro- Pro- Pro- Pro- Pro- Pro- Pro- | Trend 1.0201 1.0201 1.0201 1.0202 1.0201 | Benefit Plan Change 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 Mcdcal Trend 1,15422 1,15422 1,15422 1,15422 1,15422 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpatter Facility Organizer Facility Organizer Facility Prescription Durp Capitation and Other Provider Payment Networks Payment Service Category Inpatter Facility Optimient Facility Optimient Facility Optimient Facility Capitation and Other Provider Payment | Trend 1.001 1.001 1.001 1.002 1.001 1. | Benefit Plan Change 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.0000 1.15452 1.15452 1.15452 1.15452 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | 1.076 1.076 1.076 1.065 1.076 |
| Inpattor Facility Oxpattor Facility Productor Capitation and Other Provide Pro- Service Category Inpattor Facility Control Capitation and Other Provide Pro- Service Category Posterior Category Pro- Productors Pro- Provide Category Pro- Pro- Pro- Pro- Pro- Pro- Pro- Pro- | Trend 1.0201 1.0201 1.0201 1.0202 1.0201 | Benefit Plan Change 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 1,0000 Mcdcal Trend 1,15422 1,15422 1,15422 1,15422 1,15422 | Population Change 1.0000 1.0000 1.0000 1.0000 1.0000 | 1/1/2016 Other Factor 1.0000 1.0000 1.0000 1.0000 | Total Util Factor 1.02006 1.02006 1.02006 1.00523 1.00523 | Provider Payment Change 1.0556 1.0556 1.0556 1.0555 1.0555 1.0556 | Other Factor 1.0000 1.0000 1.0000 1.0000 1.0000 | Total Unit Cost Factor 1.05561 1.05561 1.05561 1.05953 1.05953 | Tren 1.076 1.076 1.076 1.076 1.076 |

Monthly Trend Analysis Based on Experience Data Time Period Month Member Months SPMPM Rolling 12 Mo Trend Trend Trend Trend

| used for Rate Development | Jan-2012 | 63,462 | \$438.71 | | | | 1 | | | |
|---------------------------|--------------------------------|---------------------|---------------|-----------------|---------|---------|---|-----------------|--------------|----|
| | Feb-2012 | 63,490 | \$449.18 | | | | 1 | | | |
| | Mar-2012 | 63,770 | \$473.58 | | | | 1 | | | |
| | Apr-2012 | 63,954 | \$446.35 | | | | 1 | | | |
| | May-2012 | 63,884 | \$489.49 | | | | 1 | | | |
| | Jun-2012 | 63.877 | \$431,41 | | | 3.81% | | | | |
| | Jul-2012 | 63,934 | \$424.61 | | | -5.78% | 1 | | | |
| | Aug-2012 | 63,905 | \$448.25 | | | -26.49% | | | | |
| | Sep-2012 | 64.197 | \$390.34 | | | -26.68% | 1 | | | |
| | Oct-2012 | 64,079 | \$485.91 | | | -4.89% | | | | |
| | Nov-2012 | 64.212 | \$467.75 | | | 14.90% | 1 | | | |
| | Dec-2012 | 64.343 | \$476.47 | | -1.36% | 66.88% | | | | |
| | Jan-2013 | 64.089 | \$476.21 | | 3.35% | 33.19% | 1 | | | |
| | Feb-2013 | 63.843 | \$433.55 | | 2.07% | 12.41% | | | | |
| | Mar-2013 | 63.907 | \$472.01 | | 14.82% | -14.51% | 1 | | | |
| | Apr-2013 | 63.819 | \$488.08 | | 11.21% | -9.39% | | | | |
| | May-2013 | 63.695 | \$502.79 | | 15.34% | 21.76% | | | | |
| | Jun-2013 | 63.979 | \$459.74 | | 9.73% | 20.54% | 1 | | | |
| | Jul-2013 | 64,444 | \$475.15 | | 5.68% | 14.51% | 1 | | | |
| | Aug-2013 | 64,593 | \$471.52 | | 10.16% | -11.66% | | | | |
| | Sep-2013 | 64.393 | \$483.25 | | 5.09% | -1.68% | 1 | | | |
| | Oct-2013 | 64.098 | \$562.01 | | 10.77% | 26.33% | | | | |
| | Nov-2013 | 64.088 | \$516.60 | | 9.60% | 50.62% | | | | |
| | Dec-2013 | 63.512 | \$542.95 | 8.68% | 17.10% | 59.53% | 1 | | | |
| | Jan-2014 | 62.376 | \$470.83 | 7.51% | 15.48% | -2.59% | | | | |
| | Feb-2014 | 62,137 | \$447.39 | 7.81% | 8.97% | -2.59% | 1 | | | |
| | Mar-2014 | 62,159 | \$465.10 | 7.46% | 5.38% | -52.37% | | | | |
| | Apr-2014 | 62,186 | \$456.14 | 5.87% | -7.88% | -52.37% | | | | |
| | May-2014 | 64.475 | \$454.27 | 4.87% | -12.70% | -20.42% | | | | |
| | Jun-2014 | 64,839 | \$463.65 | 4.50% | -12.70% | 7.83% | 1 | | | |
| | Jul-2014 | 65.640 | \$454.36 | 3.26% | -19.79% | 20.72% | | | | |
| | Aug-2014 | 66.092 | \$454.30 | 2.52% | -15.77% | 14.55% | | | | |
| | Aug-2014 Sep-2014 | 65,979 | \$481.11 | 2.52% | -15.77% | 14.55% | 1 | | | |
| | Oct-2014 | 65,951 | \$519.43 | -0.81% | -11.00% | 32,46% | | | | |
| | Nov-2014 | 66,022 | \$477.14 | -0.81% | 3.11% | 32.46% | - | | | |
| | Dec-2014 | 65,863 | \$530.56 | -2.93% | | | | | | |
| | Dec-2014 | 60,063 | \$030.56 | -2.95% | 21.97% | 48.42% | 1 | | | |
| | | | | | | | | | | |
| | Most Recent Quaterly Financial | Most Recent Annual | | | | | | | | |
| | Statement | Financial Statement | - | | | | | | | |
| Total Adjusted Capital | | | | | | | | | | |
| Authorized Control Level | | | | | | | | | | |
| RBC Ratio | | | | | | | | | | |
| | | | - | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | Earned | Loss | | Expected | A-to-E | Im |
| Time Period | Period Beginning Date | Period Ending Date | Member Months | Incurred Claims | Premium | Ratio | | Incurred Claims | Claims Ratio | E |
| Historical Year -4 | 1/1/2010 | 12/31/2010 | | | | | | 1 | | |
| Historical Year -3 | 1/1/2011 | 12/31/2011 | | | | | 1 | | | |
| Historical Year -2 | 1/1/2012 | 12/31/2012 | | | | | 1 | | | |
| | | | | | | | | | | |

| Time Period | Period Beginning Date | Period Ending Date | Member Months | Incurred Claims | Earned Premium | Loss Ratio | | Expected Incurred Claims | A-to-E Claims Ratio | Quality Improvement Expenses | Adjustments to Earned Premium | Adj Medical Loss Ratio |
|---------------------|-----------------------|--------------------|---------------|-----------------|-------------------|---------------|---|-----------------------------|------------------------|------------------------------------|-------------------------------------|---------------------------|
| Historical Year -4 | 1/1/2010 | 12/31/2010 | | | | | | | | | | #DIV/0! |
| Historical Year -3 | 1/1/2011 | 12/31/2011 | | | | | | | | | | #DIV/0! |
| Historical Year -2 | 1/1/2012 | 12/31/2012 | | | | | | | | | | #DIV/0! |
| Historical Year -1 | 1/1/2013 | 12/31/2013 | | | | | | | | | | #DIV/0! |
| Historical Year 0 | 1/1/2014 | 12/31/2014 | 638,492 | 231,441,129 | 249,496,313 | 92.8% | | 228,210,878 | 101.4% | 1,942,476 | 10,813,729 | 97.8% |
| Historical Totals | | | 638,492 | 231,441,129 | 249,496,313 | 92.8% | | 228,210,878 | 101.4% | 1,942,476 | 10,813,729 | 97.8% |
| Interim Time Period | 1/1/2015 | 12/31/2015 | 698,280 | 273,590,826 | 310,011,258 | 88.3% |] | 273,590,826 | 100.0% | 5,005,866 | 14,309,079 | 94.2% |
| Future Year 1 | 1/1/2016 | 12/31/2016 | 840,168 | 348,329,670 | 398,287,375 | 87.5% | 1 | 348,329,670 | 100.0% | 2,304,569 | 16,648,591 | 91.9% |
| | | | | | | | | | | , | | |

Antioptated Federal loss rato standard in market 805. Autification for indeformition of Federal MLR standard and the projected fusion is not including distinguistication for indeformition of adjustments. Our projected Loss Failo is much higher than the anticipated BDF. Federal MLR Standard. Plazase see the Anticipation difference differe

Mate The historical time periods about 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. The historical time particular date of the date of the second of the plan type through the used. The future year should represent the 12 months immediately following the rate effective date.

Consumer Adjusted Promium Pate Development

Solvency

Loss Ratio

| Consumer Adjusted Premium Rate Development | | | | | | | | | |
|---|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|---------------|
| Index Bate for Projected Period PMPM | \$547.33 | | | | | | | | |
| Risk Adjustment PMPM | \$0.15 | | | | | | | | |
| Net Reinsurance Contributions PMPM | (\$10.52) | | | | | | | | |
| Exchange User Fees PMPM | \$0.00 | | | | | | | | |
| Market Adjusted Index Rate PMPM | \$536.95 | | | | | | | | |
| | | | | | | | | | |
| Product | BCBSVT Platinum Plan | | BCBSVT Gold Plan | | SVT Blue Rewards Silver | CBSVT Silver CDHP Pla | Blue Rewards Bronze C | | |
| Product ID | 13627VT034 | | 13627VT034 | 13627VT037 | 13627VT038 | 13627VT035 | 13627VT037 | 13627VT035 | 13627VT034 |
| Plan ID | 13627VT0340002 | | 13627VT0340003 | 13627VT0370001 | 13627VT0380002 | 13627VT0350001 | 13627VT0370003 | 13627VT0350002 | 3627VT0340001 |
| | Platinum | Platinum | Gold | Gold | Silver | Silver | Bronze | Bronze | |
| Metal Tier | (with highest Metal AV) | (with lowest Metal AV) | (with highest Metal AV) | (with lowest Metal AV) | (with highest Metal AV) | (with lowest Metal AV) | (with highest Metal AV) | (with lowest Metal AV) | Catastrophic |
| Aetal AV Value | 0.890 | | 0.810 | 0.780 | 0.718 | 0.701 | 0.620 | 0.610 | 0.612 |
| Pricing AV Value | 1.121 | | 0.980 | 0.866 | 0.796 | 0.802 | 0.688 | 0.697 | 0.399 |
| Projected Member Months | 50184 | | 34440 | 26844 | 52188 | 52968 | 22692 | 17580 | 1440 |
| Market Adjusted Index Rate PMPM | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 | \$536.95 |
| Plan Adjustments (in multiplicative format) | | | | | | | | | |
| Actuarial value and cost-sharing design of the plan | 1.001 | | 0.868 | 0.760 | 0.694 | 0.700 | 0.593 | 0.601 | 0.624 |
| 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 | 0.514 |
| Plan Adjustments (in % format) | | | | | | | | | |
| Distribution and administration costs | 10.7% | | 11.4% | 12.2% | 12.7% | 12.7% | 13.8% | 13.8% | 19.7% |
| Plan Adjusted Index Rate | \$601.77 | \$536.95 | \$525.84 | \$464.73 | \$427.18 | \$430.60 | \$369.54 | \$374.02 | \$214.32 |
| Age Calibration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Seography 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 | \$601.77 | \$536.95 | \$525.84 | \$464.73 | \$427.18 | \$430.60 | \$369.54 | \$374.02 | \$214.32 |