Filing at a Glance

Company:	Cigna Health and Life Insurance Company
Product Name:	Medical
State:	VermontGMCB
TOI:	H16G Group Health - Major Medical
Sub-TOI:	H16G.002A Large Group Only - PPO
Filing Type:	GMCB Rate
Date Submitted:	05/01/2015
SERFF Tr Num:	CCGP-129725944
SERFF Status:	Pending State Action
State Tr Num:	
State Status:	
Co Tr Num:	67369
Implementation Date Requested:	On Approval
Author(s):	Maria Mahmood
Reviewer(s):	Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

State: *VermontGMCB* **Filing Company:** *Cigna Health and Life Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *Medical*
Project Name/Number: *CHLIC Rate Filing/*

General Information

Project Name: CHLIC Rate Filing
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer
Filing Status Changed: 05/28/2015
State Status Changed:
Created By: Maria Mahmood
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Large
Overall Rate Impact: 6%

Deemer Date:
Submitted By: Maria Mahmood

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:
CIGNA Health and Life Insurance Company
GROUP HEALTH RATING MANUAL
NAIC# 67369

Enclosed is a rate filing for Cigna Health and Life Insurance Company (CHLIC) medical benefits for large employer groups (51 or more employees). Claim costs and factors are being filed for Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance products. These rates will be applied to new quotes upon the next pricing model implementation date following the filing approval date.

Cigna is in the process of migrating its group medical book of business from CGLIC to CHLIC, with less than 5% of the book projected to be on CGLIC by the end of 2014. Therefore, the projections included in this filing reflect a combination of the two books of business.

The previous filing was approved on 5/7/2014 under Serff Tracking number CCGP-129378424.

The attached Vermont Filing Summary shows historical earned premium, incurred losses, and loss ratios, Vermont and countrywide. Please note that the values in the exhibit have been developed in such a way as to be consistent with the company's Supplemental Health Care Exhibits.

Please contact Matthew Danziger at (860) 226-1672 or at matthew.danziger@cigna.com or Danielle Choate at (860) 226-7773, or via email at danielle.choate@cigna.com with any questions or concerns regarding this filing.

Company and Contact

Filing Contact Information

Maria Mahmood, Compliance Specialist maria.mahmood@cigna.com

900 Cottage Grove Road
C5PRC
Hartford, CT 06152-1233

860-226-5080 [Phone]
860-226-3183 [FAX]

Filing Company Information

Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
(860) 226-3000 ext. [Phone]

CoCode: 67369
Group Code: 901
Group Name:
FEIN Number: 59-1031071

State of Domicile: Connecticut
Company Type: LAH
State ID Number:

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	David Dillon	05/19/2015	05/19/2015

Response Letters

Responded By	Created On	Date Submitted
Maria Mahmood	05/28/2015	05/28/2015

State:	*VermontGMCB*	**Filing Company:**	*Cigna Health and Life Insurance Company*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*		
Product Name:	*Medical*		
Project Name/Number:	*CHLIC Rate Filing/*		

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	05/19/2015
Submitted Date	05/19/2015
Respond By Date	06/02/2015

Dear Maria Mahmood,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
David Dillon

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
Steven D. Bryson, F.S.A.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.C.A.S., F.S.A.
Jacqueline B. Lee, F.S.A.
Xiaoxiao (Lisa) Jiang, F.S.A.
Brian C. Stentz, A.S.A.
J. Finn Knox-Seith, A.S.A.
Jennifer M. Allen, A.S.A.
Josh A. Hammerquist, A.S.A.
Sujaritha Tansen, A.S.A.
Sergei Mordovin, A.S.A.
Johnathan L. O'Dell, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

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Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore
David A. Palmer, C.F.E.

May 19, 2015

Matthew D. Danziger, FSA, MAAA
Actuarial Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2015
SERFF Tracking # CCGP-129725944

Dear Mr. Danziger:

Lewis & Ellis, Inc ("L&E") have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 5/1/2015. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. According to the Rate Information tab, the maximum change is 24.9% and the minimum change is -3.0%. Provide a statement and clear delineation of contributing factors explaining why certain individuals will receive a rate decrease as low as 3.0% while others will face rate increases as high as 24.9%.

2. Comparison to Status Quo section of the Actuarial Memorandum summarizes the proposed changes to the current rating factors/assumptions.
    a. Provide a comparison exhibit which shows the current factors/assumptions and the proposed factors/assumptions for those that are changing.
    b. Provide the detailed quantitative and qualitative development of the new factors/assumptions.

3. Provide the detailed quantitative development of the nationwide and Vermont cost and utilization trend for 2014/2013 and 2015/2014.

4. Has the Company been required to pay rebates for the large group market for any of the previous 3 years and if so, how much was required (actual dollar amount and percent of premium)?

5. How were the Upper Bounds for the Credibility formula determined?

6. Provide a derivation of the federally adjusted PPACA MLR, starting with the anticipated loss ratio of 80.6% and applying all allowable adjustments.

7. Provide a comparison exhibit that summarizes last year's retention assumptions and the current retention assumptions. Explain any significant changes in the retention assumptions.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.
- The response should be completed with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the work.

Provide a response no later than May 26, 2015

Our review of filing will be placed in suspense pending you response. Contact me if you have any questions.

Sincerely,

Sergei Mordovin, ASA, MAAA
Associate Actuary
Lewis & Ellis, Inc.
smordovin@lewisellis.com
(972) 850-0850

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/28/2015
Submitted Date	05/28/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see responses to your objections #4, #6 and #7. The responses to the remaining objections will be provided on 6/2/15.

Thanks,

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Responses #4 #6 and #7
Comments:	
Attachment(s):	Objection Responses #4 6 and 7 - 05192015 - CCGP-129725944.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -4.500%
Effective Date of Last Rate Revision: 01/01/2014
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Increase	6.000%	6.000%	$1,193,426	22	$27,754,082	24.900%	-3.000%

Rate Review Detail

COMPANY:

Company Name: Cigna Health and Life Insurance Company
HHS Issuer Id: 67369

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
PPO, Open Access Plus, Network			5268

Trend Factors: 10.5%

FORMS:

New Policy Forms: n/a
Affected Forms: n/a
Other Affected Forms: HP-POL et al

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 63,214
Benefit Change: None
Percent Change Requested: Min: -3.0 Max: 24.9 Avg: 6.0

PRIOR RATE:

Total Earned Premium: 27,865,544.43
Total Incurred Claims: 22,860,121.49
Annual $: Min: 260.05 Max: 594.33 Avg: 440.82

REQUESTED RATE:

Projected Earned Premium: 28,947,507.79
Projected Incurred Claims: 23,342,002.36
Annual $: Min: 270.15 Max: 617.40 Avg: 457.93

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate manual	HP-POL et al	Revised	Previous State Filing Number: CCGP-129378424 Percent Rate Change Request: 6	2015 CHLIC (NWK_OAP_PPO) Rate Filing 2014_11_03 VT_v2.pdf, Facets vision riders (consolidated).pdf,

Cigna Health and Life Insurance Company
Rate Filing

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Medical Manual Rating Formulas

1 Transform Census

Using experience-based demographic assumptions, transform the employee-level census into a member-level census. Skip to Step 2 if the census is already at the member level.

2 Calculate Base Medical Claim Costs

Run the members from the census in Step 1 through the calculations in Step 2 to determine in-network (IN) base medical claim costs. If a product has out-of-network (OON) features in addition to its IN features, then calculate OON base medical claim costs using the methods in Step 2 but with OON assumptions and benefits. For indemnity plans, calculate all claim costs using only OON assumptions.

Calculate expected claim costs per member per month (PMPM).

2.1 National Base Claims

National base claim costs for experience-rated business are established for all major service categories (MSCs). The MSCs may be further subdivided into sub-cost categories (SCCs). These are:

- MSC
  - Inpatient [Hospital] (IP)
  - Outpatient [Hospital] (OP)
  - Emergency Room (ER)
  - Primary Care Physician (PCP)
  - Specialty Care Physician (SCP)
  - Other
  - Preventive Care
  - Pharmacy (if combined with medical)
- SCC
  - Facility
  - Professional
  - Diagnostic Lab/X-ray (DXL)
  - Advanced Radiology (ARI)

See *Table 1 – Medical Base Claims* for the current base claim costs for each MSC (both IN and OON).

See *Table 2 – MSC Weighting by SCC* for the percentage of each MSC composed of each SCC.

Calculate the base claim cost at the SCC level by pulling the base claim costs for each MSC from the applicable pricing table and applying the appropriate weighting for each SCC.

$$\text{Base Claim Cost by MSC and SCC} = [\text{Base Claim Cost by MSC}] \times [\text{SCC }\%]$$

The base claim cost by MSC and SCC will hereunder be referred to as *base claims*, with the understanding that they have already been divided into categories. Also, the term *service categories* will be used to refer to MSCs divided fully into SCCs (e.g., “Inpatient Facility” or “PCP ARI”), while any specific reference to MSCs alone will be clearly noted.

Pharmacy base claims are calculated in Step 6.9.2 and are used to develop medical manual rates (during Step 2.5) only if the plan features combined medical and pharmacy claims.

If preventive care coverage is elected for children only, then the preventive care base claim cost will depend on the elected child age. See *Table 3 – Preventive Care Child Age Adjustment* to determine what portion of preventive care base claim costs to use.

2.2 National Trend

2.2.1 Calculate Trend Factor

To establish expected base claim costs for the policy period, the base claim costs from Step 2.1 must be trended forward from the midpoint of the base claim period (the year of experience from which base claims are determined) to the midpoint of the policy period.

In this step, calculate a trend factor based on national trend (to be applied in Step 2.2.2). A trend factor based on area-specific trend is calculated and applied in Step 2.7.

National trend values may be found in *Table 4 – National Medical Trend*.

- Determine midpoints and trend days.

    a. The midpoint of the base claim period is 182.5 days after the effective date of the base claim period (183 days in a leap year).
    b. The midpoint of the policy period is the midpoint between the effective date of the policy and the subsequent effective date of the policy.
    c. Trend days are days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.

- Calculate the actual trend factor to be applied for each year.

    a. Each one-year period, starting from the midpoint of the base claim period has an associated trend value.
    b. Each one-year period contains some number of trend days. The percentage of trend days that fall into each year is the trend exposure percentage for that year.
    c. Calculate the actual portion of trend to be applied from each year with:

$$\text{Trend Factor} = [1 + \text{Trend}]^{(\text{Trend Exposure Percentage})}$$

- The total trend factor is the product of all trend factors.

2.2.2 Apply Trend Factor (National)

Apply the total trend factor (for national trend) determined in Step 2.2.1 to the base claims from Step 2.1.

$$\text{Trended Base Claims} = [\text{Base Claims}] \times [\text{Total Trend Factor (National)}]$$

2.3 Copays – Calculate Effective Copay Percentage

Calculating the cost-share due to copays in Step 2.5 requires the effective copay percentage, which is calculated for each service category as follows:

- Determine:

    - Utilization: See *Table 5 – National Utilization Rates by MSC* for the annual expected utilization rate per member for each MSC.
    - SCC Weighting: See *Table 2 – MSC Weighting by SCC*.
    - Copay: Copay dollar amounts (if any) from the plan design.

- Calculate:

$$\text{Dollar Copay Impact} = \frac{[\text{Utilization}] \times [\text{SCC Weighting}] \times [\text{Copay}]}{12}$$

$$\text{Effective Copay Percentage} = \frac{\text{Dollar Copay Impact}}{\text{Trended Base Claims (from Step 2.2.2)}}$$

The impact of copays for Mental Health/Substance Abuse (MHSA) is calculated in Step 4.3.

2.4 Effective Deductible and Out-of-Pocket Maximum

Throughout Step 2.5, calculations that require the deductible or out-of-pocket (OOP) maximum will use the effective deductible or effective OOP maximum. An adjustment factor is applied to the plan deductible and OOP maximum in order to arrive at the effective values. These adjustment factors depend on two things:

- The plan deductible (or OOP maximum).
- The ratio of the family deductible to the individual deductible (or OOP maximum).

For the deductible adjustment factor, see *Table 7 – Medical Effective Deductible Adjustment.*

For the OOP maximum adjustment factor, see *Table 8 – Medical Effective OOP Maximum Adjustment.*

$$\text{Effective Deductible} = [\text{Individual Deductible}] \times [\text{Deductible Adjustment Factor}]$$

$$\text{Effective OOP Maximum} = [\text{Individual OOP Maximum}] \times [\text{OOP Maximum Adjustment Factor}]$$

2.5 Cost-Share

Overview for this step: Calculate the expected offset to claim costs due to member cost-sharing by modifying the claims probability distribution (CPD) to remove member cost-share from total claims.

Steps 2.5.2 through 2.5.9 provide detail on this process. The modified CPD at a given step will be referred to as the CPD from the step in which the modification occurred. The claims that fall into either member cost-share or Cigna cost-share will be noted.

See *Table 9 – Medical Claims Probability Distribution* for the full medical CPD (which will also be referred to as the *base CPD*).

The pharmacy column of the medical CPD is used only if the plan features combined medical and pharmacy claims.

The final member cost-sharing for the preventive care MSC is calculated in Step 2.5.9 and does not use the CPD methodology.

2.5.1 Benefits Dependent on Number of Visits

Benefits for a particular service category may change depending on the number of visits. For example, copays could be selected such that a $25 copay applies to the first three PCP visits while a $35 copay applies to any additional visits. The change in cost-share for each distinct benefit must be accounted for in calculating final cost-share.

For those service categories, multiply the average cost of a visit (found in *Table 10 – Average Visit Cost*) by the number of visits at which benefits change (according to the plan design) to get the claims breakpoint . Between each claims breakpoint on the CPD, apply the appropriate cost-share calculation throughout Step 2.5 for the applicable benefit.

2.5.2 Base Claim Costs

Split the columns of the base CPD by the appropriate SCC weighting for the MSC (as listed in *Table 2 – MSC Weighting by SCC*). Scale the claims for each service category by the respective trended base claims from Step 2.2.2.

If pharmacy and medical claims are combined, use the 'Estimated Annual Cost' (converted to monthly) from the pharmacy Step 6.9.2 to scale the pharmacy service category.

2.5.3 Copays before the Deductible

If copays apply before the deductible, multiply the service categories with copays in the Step 2.5.2 CPD by $[1 - \text{Effective Copay Percentage}]$ (calculated in Step 2.3). Otherwise, the service categories are not adjusted.

To find the member cost-sharing from copays (before the deductible), subtract the claims in the Step 2.5.3 CPD from the claims Step 2.5.2 CPD.

2.5.4 Deductible

For service categories subject to the deductible, claims below the effective deductible (calculated in Step 2.4) are cost-share for the member. Proportionately remove claims below the effective deductible from the 2.5.3 CPD.

If pharmacy and medical claims are combined, use *Table 11 – Combined Pharmacy Deductible* Waiver to determine what percentage of pharmacy claims is subject to the deductible, and only remove that proportion of claims from the pharmacy service category.

2.5.5 Effective Coinsurance

For each service category, calculate the effective coinsurance as a combination of coinsurance and cost-sharing from copays that apply after the deductible (either or both may apply).

$$\text{Effective Coinsurance} = [\text{Plan Coinsurance}] \times [1 - \text{Effective Copay Percentage (from Step 2.3)}]$$

If the service category has no copay after the deductible, the effective copay percentage is zero (leaving only coinsurance). If the service category is subject only to a copay after the deductible, the plan coinsurance is one (i.e., all costs beyond the copay are Cigna cost-share).

Multiply the claims for each service category by the applicable effective coinsurance. For service categories that are not subject to the deductible, use the claims from the Step 2.5.3 CPD, and for service categories subject to the deductible, use the claims from the Step 2.5.4 CPD.

If pharmacy and medical claims are combined, use $[1 - \text{Regular Member Cost Share}]$ from Step 6.9.10 as the effective coinsurance for the pharmacy service category.

2.5.6 Out-of-Pocket Maximum

Add up all the components of member cost-share that apply to the OOP maximum. All claims above the effective OOP maximum (calculated in Step 2.4) become Cigna cost-share.

2.5.7 Annual Maximum

Add up the Cigna cost-share (claims in the Step 2.5.5 CPD and claims above the OOP maximum from Step 2.5.6). All claims above the annual maximum (if applicable) become member cost-share.

2.5.8 Member Cost-Sharing Percentage

Calculate the member cost-sharing percentage for each MSC.

Determine the Cigna cost-share for each MSC. This comprises claims in the Step 2.5.5 CPD and claims above the OOP maximum and below the annual maximum (if applicable) from Steps 2.5.6 and 2.5.7.

$$\text{Member Cost-Sharing Percentage} = 1 - \frac{[\text{Cigna Cost-Share}]}{[\text{Trended Base Claims (Step 2.2.2)}]}$$

If pharmacy and medical claims are combined, the pharmacy offset is calculated using the 'Estimated Annual Cost' (converted to monthly) from Step 6.9.2 in place of the trended base claims. The pharmacy member cost-sharing percentage is used as the effective member cost-share for pharmacy benefits in Step 6.9.11.

2.5.9 Final Member Cost-Sharing Percentage and Collective Deductible

If the plan features a collective deductible, add a collective deductible adjustment to each member cost-sharing percentage (from Step 2.5.8).

Required values for this step may be found in *Table 12 – Collective Deductible Decrements*

In the table:

- The average family size is the ratio of family members to family subscribers.
- The IN deductible multiplier is the ratio of the family deductible to the individual deductible.
- If the plan deductible is not found in the table, linearly interpolate between the appropriate nearest deductibles to find the correct decrement.

Calculate:

$$\text{Single to Total Member Ratio} = \frac{[\text{Count of Subscribers Without Dependents}]}{[\text{Total Members}]}$$

Then

$$\text{Collective Deductible Adjustment} = [1 - \text{Single to Total Member Ratio}] \times [\text{Collective Decrement}]$$

Finally, add the collective deductible adjustment to the Step 2.5.8 member cost-sharing percentage to get the final member cost-sharing percentage. If the plan does not have a collective deductible, the final member cost-sharing percentage is equal to the percentage calculated in Step 2.5.8.

If preventive care is covered with cost-sharing, the final member cost-sharing percentage for the preventive care MSC is calculated as a blend of the PCP and SCP final member cost-sharing percentages. See *Table 13 – Preventive Care Cost-Share Weighting* for the appropriate weights.

The total member cost-sharing percentage is a weighted average of the final member cost-sharing percentages across all MSCs.

2.5.10 Apply Cost-Sharing Offset

Apply the final member cost-sharing percentage from Step 2.5.9 to the trended base claims from Step 2.2.2.

$$\text{Cost-Sharing Adjusted Claims} = [1 - \text{Final Member Cost-Sharing Percentage}] \times [\text{Trended Base Claims}]$$

2.6 Utilization Dampening

2.6.1 Calculate Utilization Dampening

Determine the utilization dampening to apply to each MSC. Values for this calculation are found in *Table 14 – Medical Utilization Dampening*. The preventive care MSC is not subject to utilization dampening.

Calculate utilization dampening for each MSC using the applicable final member cost-sharing percentage calculated in Step 2.5.9 and the appropriate values (A, B and C) from the table.

$$\text{Utilization Dampening} = e^{(\text{A} \times \text{Cost-Sharing} + \text{B})} + \text{C}$$

2.6.2 Apply Utilization Dampening Factor

Apply the Utilization Dampening from Step 2.6.1 to the Cost-Sharing Adjusted Claims from Step 2.5.10.

$$\text{Utilization Dampening Adjusted Claims} = [\text{Utilization Dampening}] \times [\text{Cost-Sharing Adjusted Claims}]$$

2.7 Area-Specific Trend Relativity

2.7.1 Calculate Area-Specific Trend Relativity

Calculate the trend factor based on area-specific trend for the plan rating area using the methodology found in Step 2.2.1.

Area-specific trend is found in *Table 26 – Medical Trend and Capitation* (with additional summary detail provided in *Table 27 – Medical IN Trend Summary*).

Divide the area-specific trend factor by the trend factor based on national trend from Step 2.2.1 to find the area-specific trend relativity.

$$\text{Area-Specific Trend Relativity} = \frac{[\text{Area-Specific Trend Factor}]}{[\text{National Trend Factor}]}$$

2.7.2 Apply Area-Specific Trend Relativity

Apply the area-specific trend relativity from Step 2.7.1 to the utilization dampening adjusted claims from Step 2.6.2.

$$\text{Area Trend Adjusted Claims} = [\text{Area-Specific Trend Relativity}] \times [\text{Utilization Dampening Adjusted Claims}]$$

2.8 Base Medical Community Rate

2.8.1 Calculate Medical Community Rate Load

Multiply together all applicable community rate loads from *Table 15 – Community Rate Loads* and the area factor for the plan rating area found in *Table 24 – Medical Area Factors* (with additional summary detail in *Table 25 – Medical Area Factor Summary*) to get the medical community rate load.

2.8.2 Apply Medical Community Rate Load

Apply the medical community rate load from Step 2.8.1 to the area trend adjusted claims from Step 2.7.2.

$$\text{Base Medical Community Rate} = [\text{Medical Community Rate Load}] \times [\text{Area Trend Adjusted Claims}]$$

3 Base Medical Community Rate by Class

3.1 Blending Medical Rates

3.1.1 Calculate Blended Community Rate

For products with IN and OON components, this step blends the IN and OON base medical claim costs to create one overall rate.

Use a point-of-service (POS) load methodology to apply a load (which is based on area, product, and the IN and OON cost-share differential) to IN claims to calculate blended expected IN and OON claims. If a product is capitated, the POS load will only apply to the non-capitated portion of base medical claims.

The POS load calculation proceeds as follows:

1. Calculate the difference in cost-sharing percentages between OON and IN components. These cost-sharing percentages are the total member cost-sharing percentages (for IN and OON, respectively) from Step 2.5.8. The differential cannot be less than zero or greater than one.

   $$\text{Cost-Share Differential} = [\text{OON Cost-Sharing Percentage}] - [\text{IN Cost-Sharing Percentage}]$$

2. Find the appropriate coefficients (A, B, and C) in *Table 29 – POS Load Coefficients* (with additional summary detail in *Table 30 – POS Load Coefficients Summary*) and calculate the base POS load.

   $$\text{Base POS Load} = A \times [\text{CSDiff}]^2 + B \times [\text{CSDiff}] + C$$

   If the base POS load is less than zero or the plan is an indemnity plan, the base POS load is set to zero.

3. Determine the applicable OON savings program for the plan and apply the appropriate factor from *Table 16 – Medical OON Program Savings Factors* to the base POS load. If necessary, interpolate between table values to find the OON savings program factor.

   $$\text{POS Load} = [\text{Base POS Load}] \times [\text{OON Savings Program Factor}]$$

4. Apply the POS load to the IN base medical community rate from Step 2.8.2.

   $$\text{Blended Community Rate} = [1 + \text{POS Load}] \times [\text{IN Base Medical Community Rate}]$$

3.1.2 Calculate IN and OON Utilization

The expected OON utilization is used in the valuation of certain riders as well as the adjustment for Cigna Care Network tiered benefits. This requires the POS load calculated in Step 3.1.1 and the IN and OON base medical community rates calculated in Step 2.8.2. If the product is capitated, only use the non-capitated portion of the IN base medical community rate.

$$\text{IN Utilization} = \frac{[\text{POS Load}] \times [\text{IN Rate}] - [\text{OON Rate}]}{[\text{IN Rate}] - [\text{OON Rate}]}$$

$$\text{OON Utilization} = 1 - \text{IN Utilization}$$

3.2 Lifetime Maximum Adjustment

If the plan features a lifetime maximum, the appropriate adjustment is found in *Table 17 – Lifetime Maximum Adjustment* and will be applied in Step 3.5.

3.3 Industry Load

Calculate the applied industry load.

- Select the appropriate industry load from *Table 18 – Industry Load* based on the Standard Industrial Classification code of the group being priced.
- If applicable, determine the capitation percentage from *Table 26 – Medical Trend and Capitation* (with additional summary detail in *Table 28 – NWK Percent Capitated Summary*).

$$\text{Adjusted Industry Load} = [\text{Industry Load} - 1] \times [1 - \text{Capitation Percentage}]$$

$$\text{Applied Industry Load} = 1 + \text{Adjusted Industry Load}$$

3.4 Demographic Factor

Determine the demographic factor from *Table 19 – Medical Demographic Factors* for the member based on sex, age, and status (i.e. employee, spouse, or child).

3.5 Calculate Base Medical Community Rate by Class

Calculate the base medical community rate by class by multiplying together the following:

- Blended community rate from Step 3.1.1
- Lifetime maximum adjustment from Step 3.2
- Applied industry load from Step 3.3
- Demographic factor from Step 3.4

4 Calculate Claim Costs for Other Benefits

4.1 Riders

Determine the total claim cost for riders (calculated on a PMPM basis).

Determine base rider claim costs.

- See *Table 22 – Medical Riders* for the methodology and values required to calculate base medical rider claim costs.
- See *Appendix F – Vision Riders* for base vision rider claim costs and vision-specific trend and *Appendix G – FACETS Vision Riders* for more detail on the rate buildup.

Multiply the base rider claim costs by the trend factor, rider load, industry load, and demographic factor to determine total rider claim costs.

- The trend factor is the area-specific trend factor from Step 2.7. Vision is subject to its own trend factor.
- The rider load is calculated the same way as the community rate load from Step 2.8.1 using only applicable loads.
- The industry load is the applied industry load from Step 3.3.
- The demographic factor is calculated in Step 3.4. The infertility riders have their own demographic factors which do not depend on status or deductible. These factors may be found in *Table 20 – Infertility Rider Demographic Factors*.

4.2 Health Management Program Savings

Using the values in *Table 21 – Health Management Program Savings,* calculate the expected claim cost savings for applicable health management programs.

- To calculate expected savings for Your Health First, multiply the decrement in the table by the sum of the base medical community rate by class from Step 3.5 and the total rider claim costs from Step 4.1.
- To calculate expected savings for Healthy Pregnancies, Healthy Babies and Comprehensive Oncology, trend the dollar amounts in the table using the area-specific trend factor from Step 2.7.

4.3 Mental Health/Substance Abuse

Determine the MHSA claim cost. See *Appendix C – Mental Health/Substance Abuse* for all pertinent rates, trend, and adjustments. Note that the MHSA cost calculation uses an MHSA-specific trend and that the base claim cost varies within the given range based on plan deductible, copays, and coinsurance.

MHSA is ordinarily a capitated product but can be covered as fee-for-service (FFS). If it's covered as FFS, apply the FFS adjustment, otherwise apply only trend to the MHSA base claim cost.

$$\text{MHSA Claim Cost} = [\text{MHSA Base Claim Cost}] \times [1 + \text{Trend}] \times [1 + \text{FFS Adjustment}]$$

4.4 Medicare Coordination of Benefits

Rates for post-65 Medicare-eligible retirees are adjusted to reflect the coordination of benefits (COB) with Medicare.

The Medicare COB adjustment is based on the percentage of Medicare-eligible members in the population being rated, the age, sex, and geographic location of the membership, the coordination of benefits method being applied, the underlying medical product type, and the plan deductible, coinsurance, copay, OOP maximum, and other cost-sharing.

5 Aggregate Medical Claim Costs

Sum the following to calculate the total medical claim cost for the individual:

- The base medical community rate by class from Step 3.5.
- The total rider claim cost from Step 4.1.
- The claim cost savings from health management programs from Step 4.2.
- The MHSA claim cost from Step 4.3.

Combine the individual claim costs for the entire census to determine the aggregate medical claim cost (on a PMPM basis):

$$\text{Aggregate Medical Claim Cost} = \frac{\text{Sum of Individual Claim Costs}}{\text{Total Members}}$$

Pharmacy Manual Rating Formulas

Use this section to calculate expected pharmacy claim costs.

The following formulas detail the pharmacy claim cost calculation process. The specific steps are applied to each pharmacy cost category, except as specifically noted. There are no separate provisions made for OON pharmacy benefits. All benefits are assumed to be IN. Claim costs for each individual life are calculated separately and the results are aggregated. Where noted, a separate set of assumptions or calculations are used for cases run on the FACETS platform.

6 Pharmacy Rating Step-by-Step

6.1 Extract the Average Wholesale Price (AWP) per Script

Extract the AWP per script by cost category for both retail and mail order based on the formulary type (Standard, Value, Performance, Advantage, or Generics Only) and formulary status (open or closed). Separate assumptions exist for the FACETS platform. The AWP per script assumptions are found in the following tables:

- *Table 34 – Retail AWP per Script Assumptions*
- *Table 35 – Mail Order AWP per Script Assumptions*
- *Table 57 – FACETS Retail AWP per Script Assumptions*
- *Table 58 – FACETS Mail Order AWP per Script Assumptions*

6.2 Apply the Discount

Discounts are applied to the AWP per script calculated in Step 6.1 based on retail pharmacy network, funding type/product (HMO, non-HMO, or experience rated) and employer size. Please note that separate assumptions exist for the FACETS platform, which vary only by pricing package. The discount assumptions are found in the following tables:

- *Table 38 – Retail Discounts and Dispensing Fees (National Network)*
- *Table 39 – Retail Discounts and Dispensing Fees (National Network without CVS)*
-
-
-
-
- *Table 40 – Retail Discounts and Dispensing Fees (National Network* without Walgreens)
- *Table 41 – Mail Order Discounts and Dispensing Fees*
- *Table 61 – FACETS Retail Discounts and Dispensing Fees*
- *Table 62 – FACETS Mail Order Discounts and Dispensing Fees*

The discount assumptions vary by drug source (retail or mail order) and drug type (generic, brand, or specialty). Discounts also vary by calendar year, so discount assumptions are averaged for policy years that cross multiple calendar years:

$$\begin{aligned}\text{Average Discount}\\ &= (\text{2013 Calendar Year Discount} \times \text{\% of Policy Year in 2013})\\ &+ (\text{2014 Calendar Year Discount} \times \text{\% of Policy Year in 2014})\\ &+ (\text{2015 Calendar Year Discount} \times \text{\% of Policy Year in 2015})\\ &+ (\text{2016 Calendar Year Discount} \times \text{\% of Policy Year in 2016})\end{aligned}$$

In addition, separate discounts apply for 90-day retail scripts. If the 90-day retail option is selected, retail discounts are further adjusted:

$$\begin{aligned}&\text{Adjusted Retail Average Discount}\\&\quad = \text{30-Day Retail Average Discount} \times (1 - \text{\% of Retail from 90-Day})\\&\quad + \text{90-Day Retail Average Discount} \times \text{\% of Retail from 90-Day}\end{aligned}$$

where

$$\begin{aligned}&\text{\% of Retail from 90-Day}\\&\quad = [(\text{Retail Script Count} \times \text{30-Day Retail Shift to 90-Day Retail})\\&\quad + (\text{Mail Order Script Count} \times \text{Mail Order Shift to 90-Day Retail} \times \text{Mail Order Multiplier})]\\&\quad \div \text{Retail Script Count}\end{aligned}$$

The 90-day retail shift assumptions and mail order multiplier are found in the following tables:

- *Table 42 – Shift Assumptions for Plans with 90-Day Retail*
- *Table 43 – Mail Order Multiplier Assumption*

If a product is selected where multiple drug types are included in a particular tier, a blended discount must be calculated. The following example describes how a blended discount would be calculated if non-preventive generics and preferred brand drugs were in the same tier:

$$\begin{aligned}&\text{Blended Discount for Tier with Non-Preventive Generics and Preferred Brands}\\&\quad = [(\text{Non-Preventive Generic Script Count} \times \text{Non-Preventive Generic AWP per Script}\\&\quad \times \text{Generic Discount})\\&\quad + (\text{Preferred Brand Script Count} \times \text{Preferred Brand AWP per Script} \times \text{Brand Discount})]\\&\quad \div [(\text{Non-Preventive Generic Script Count} \times \text{Non-Preventive Generic AWP per Script})\\&\quad + (\text{Preferred Brand Script Count} \times \text{Preferred Brand AWP per Script})]\end{aligned}$$

Once the discounts are determined, apply them to AWP per script calculated in Step 6.1:

$$\text{Step 6.2 Discounted AWP per Script} = \text{Step 6.1 AWP per Script} \times (1 - \text{Discount})$$

6.3 Calculate Gross Cost per Script

Dispensing fees are added to the discounted AWP per script calculated in Step 6.2 based on retail pharmacy network, funding type/product (HMO, non-HMO, or experience rated) and employer size. Separate assumptions exist for the FACETS platform, which vary only by pricing package. The dispensing fee assumptions are found in the following tables:

- *Table 38 – Retail Discounts and Dispensing Fees (National Network)*
- *Table 39 – Retail Discounts and Dispensing Fees (National Network without CVS)*
-
-
-
-
- *Table 40 – Retail Discounts and Dispensing Fees (National Network* without Walgreens)
- *Table 41 – Mail Order Discounts and Dispensing Fees*
- *Table 61 – FACETS Retail Discounts and Dispensing Fees*
- *Table 62 – FACETS Mail Order Discounts and Dispensing Fees*

The dispensing fee assumptions vary by drug source (retail or mail order) and drug type (generic, brand, or specialty). Dispensing fees also vary by calendar year, so dispensing fee assumptions are averaged for policy years that cross multiple calendar years:

$$\begin{aligned}&\text{Average Dispensing Fee}\\&\quad = (\text{2013 Calendar Year Dispensing Fee} \times \text{\% of Policy Year in 2013})\\&\quad + (\text{2014 Calendar Year Dispensing Fee} \times \text{\% of Policy Year in 2014})\\&\quad + (\text{2015 Calendar Year Dispensing Fee} \times \text{\% of Policy Year in 2015})\\&\quad + (\text{2016 Calendar Year Dispensing Fee} \times \text{\% of Policy Year in 2016})\end{aligned}$$

In addition, separate dispensing fees apply for 90-day retail scripts. If the 90-day retail option is selected, retail dispensing fees are further adjusted:

$$\begin{aligned}&\text{Adjusted Retail Average Discount}\\&\quad = \text{30-Day Retail Average Dispensing Fee} \times (1 - \text{\% of Retail from 90-Day})\\&\quad + \text{90-Day Retail Average Dispensing Fee} \times \text{\% of Retail from 90-Day}\end{aligned}$$

where

$$\begin{aligned}&\text{\% of Retail from 90-Day}\\&\quad = [(\text{Retail Script Count} \times \text{30-Day Retail Shift to 90-Day Retail})\\&\quad + (\text{Mail Order Script Count} \times \text{Mail Order Shift to 90-Day Retail} \times \text{Mail Order Multiplier})]\\&\quad \div \text{Retail Script Count}\end{aligned}$$

The 90-day retail shift assumptions and mail order multiplier are found in the following tables:

- *Table 42 – Shift Assumptions for Plans with 90-Day Retail*
- *Table 43 – Mail Order Multiplier Assumption*

Sales tax is not included in the gross cost per script calculation because of insignificance, so once the dispensing fees are determined, add them to the discounted AWP per script calculated in Step 6.2:

$$\text{Step 6.3 Gross Cost per Script} = \text{Step 6.2 Discounted AWP per Script} + \text{Dispensing Fee per Script}$$

6.4 Calculate and Apply the Cost Trend Factor

The gross cost per script calculated in Step 6.3 was developed using assumptions from the base claim period. To establish expected costs for the policy period, the gross cost per script must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Area-specific trends should be used, if applicable, to determine the unit cost trend factor. Otherwise, the national trend should be used. Unit cost trend assumptions are found in the following table:

- *Table 45 – Cost Trend*

Determine the number of days from the midpoint of the base claim period to the midpoint of the policy period ("trend days"). The base claim period midpoint is estimated as 182.5 days after the base claim effective date. The policy period midpoint is the average of the policy effective date and the policy end date.

Each year following the base claim period midpoint is a trend year and has an associated unit cost trend factor. Determine the number of trend days that fall into each trend year and divide by the total days in the trend year to arrive at the portion of each trend year applicable to the case being rated ("exposure percentage"). Now the adjusted unit cost trend factor can be calculated for each trend year:

$$\text{Adjusted Unit Cost Trend Factor} = (1 + \text{Trend Year Unit Cost Trend Factor})^{\text{Exposure Percentage}}$$

The final unit cost trend factor is the product of the adjusted unit cost trend factors for each trend year. The following example outlines the unit cost trend factor calculation using national trend values:

a = Base claim effective date = 1/1/2013
b = Policy effective date = 4/1/2015
c = Policy end date = 3/31/2016
d = Annual cost trend factor for 2014/2013 = 13.64%
e = Annual cost trend factor for 2015/2016 = 8.60%
f = Annual cost trend factor for 2016/2015 = 8.60%
g = Base claim period midpoint = a + 182.5 days = 7/2/2013
h = Policy period midpoint = (b + c) ÷ 2 = 9/30/2015
i = Total trend days = g – f = 820
j = Trend days from 2013 to 2014 = 363.5
k = Trend days from 2014 to 2015 = 365
l = Trend days from 2015 to 2016 = 91.5

$$\text{Final Unit Cost Trend Factor} = (1+d)^{j/365} \times (1+e)^{k/365} \times (1+f)^{l/366}$$
$$= 1.1364^{0.996} \times 1.0860^{1} \times 1.0860^{0.25} = 1.2592$$

Once the final unit cost trend factor is determined, apply it to the gross cost per script calculated in Step 6.3:

$$\text{Step 6.4 Trended Gross Cost per Script} = \text{Step 6.3 Gross Cost per Script} \times \text{Final Unit Cost Trend Factor}$$

6.5 Extract the Annual Script Counts Per Member

Extract the annual script counts per member (script count per member per year [PMPY]) by cost category for both retail and mail order based on the formulary type (Standard, Value, Performance, Advantage, or Generics Only) and formulary status (open or closed). Pull in script counts for optional cost categories, such as lifestyle drugs, as needed. If an optional cost category has not been selected, set the script count to zero. Please note that separate assumptions exist for the FACETS platform. The script count assumptions are found in the following tables:

- *Table 36 – Retail Script Count PMPY Assumptions*
- *Table 37 – Mail Order Script Count PMPY Assumptions*
- *Table 59 – FACETS Retail Script Count PMPY Assumptions*
- *Table 60 – FACETS Mail Order Script Count PMPY Assumptions*

Script counts are adjusted when the mandatory generic program is selected:

$$\text{Adjusted Generic Script Count}$$
$$= \text{Generic Script Count}$$
$$+ (\text{Non-Preferred Brand Multi-Source Script Count} \times \text{Mandatory Generic Shift Factor})$$

$$\text{Adjusted Non-Preferred Brand Multi-Source Script Count}$$
$$= \text{Non-Preferred Brand Multi-Source Script Count} \times (1 - \text{Mandatory Generic Shift Factor})$$

The mandatory generic shift factor is found in the following table:

- *Table 44 – Mandatory Generic Shift Factor*

Script counts are also adjusted if the 90-day retail option is selected:

$$\text{Adjusted Retail Script Count}$$
$$= \text{Retail Script Count} + (\text{Mail Order Script Count} \times \text{Mail Order Shift to 90-Day Retail}$$
$$\times \text{Mail Order Multiplier})$$

$$\text{Adjusted Mail Order Script Count} = \text{Mail Order Script Count} \times (1 - \text{Mail Order Shift to 90-Day Retail})$$

If both the mandatory generic program and 90-day retail option are selected, script counts are first adjusted for the mandatory generic program and then the 90-day retail option.

6.6 Calculate and Apply Utilization Trend Factor

The script counts calculated in Step 6.5 were developed using assumptions from the base claim period. To establish expected costs for the policy period, the script counts must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Area-specific trends should be used, if applicable, to determine the unit cost trend factor. Otherwise, the national trend should be used. Utilization trend assumptions are found in the following table:

- *Table 46 – Utilization Trend*

Calculate the utilization trend factor by re-running Step 6.4 with the utilization trend factors. Once the final utilization trend factor is determined, apply it to the script counts calculated in Step 6.5:

$$\text{Step 6.6 Trended Script Count PMPY} = \text{Step 6.5 Script Count PMPY} \times \text{Final Utilization Trend Factor}$$

6.7 Calculate Gross Trended PMPM

Calculate the gross trended cost PMPM by multiplying the trended script count by gross trended cost per script and dividing by 12 (since script counts are PMPY):

$$\text{Step 6.7 Gross Trended PMPM} = \frac{\text{Step 6.4 Trended Gross Cost per Script} \times \text{Step 6.6 Trended Script Count PMPY}}{12}$$

6.8 Calculate Gross Area-Adjusted PMPM

The gross trended PMPM is adjusted for cost differences by area. The area factors are found in the following table:

- *Table 47 – Area Factors*

Extract the area factor based on the site and funding type/product (HMO, non-HMO, experience rated NWK, experience rated non-NWK) being rated and apply it to the gross trended cost PMPM calculated in Step 6.7:

$$\text{Step 6.8 Gross Area-Adjusted PMPM} = \text{Step 6.7 Gross Trended PMPM} \times \text{Pharmacy Area Factor}$$

6.9 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

- *Table 48 – Pharmacy CPD (% Preventive)*
- *Table 49 – Pharmacy CPD (Cost per Script)*
- *Table 50 – Pharmacy CPD (Scripts PMPY)*

Unless otherwise specified, weighted averages mentioned in Step 6.9 are calculated using the probabilities in the pharmacy CPD.

Begin the member cost share calculation by extracting the copays, coinsurance, deductible, applicable deductible waivers, OOP maximum, and plan maximum for the plan design being rated.

6.9.1 Adjust CPD to Appropriate Rate Level

Scale the cost per script and script counts PMPY for each row and tier of the pharmacy CPD to reflect the expected cost and utilization derived in Steps 6.1 through 6.6:

$$\text{Step 7.9.1 Scaled Cost per Script} = \text{Original CPD Cost per Script} \times \text{Cost per Script Scalar}$$

$$\text{Step 7.9.1 Scaled Script Count PMPY} = \text{Original CPD Script Count PMPY} \times \text{Script Count PMPY Scalar}$$

where

$$\text{Cost per Script Scalar} = \text{Step 6.4} \div \text{Original CPD Weighted Average Cost per Script}$$

$$\text{Script Count PMPY Scalar} = \text{Step 6.6} \div \text{Original CPD Weighted Average Script Count PMPY}$$

6.9.2 Calculate Annual Cost

Determine the annual cost for each row and tier using the scaled pharmacy CPD from Step 6.9.1. In addition, the tiers should be further split into preventive and non-preventive using *Table 48 – Pharmacy CPD (% Preventive)*:

$$\begin{aligned}&\text{Step 6.9.2 Preventive Gross Trended PMPY}\\&\quad = \text{Step 6.9.1 Scaled Cost per Script} \times \text{Step 6.9.1 Scaled Script Count PMPY} \times \text{\% Preventive}\end{aligned}$$

$$\begin{aligned}&\text{Step 6.9.2 Non-Preventive Gross Trended PMPY}\\&\quad = \text{Step 6.9.1 Scaled Cost per Script} \times \text{Step 6.9.1 Scaled Script Count PMPY} \times (1 - \text{\% Preventive})\end{aligned}$$

In addition, calculate the total annual cost for each row as the sum of the preventive and non-preventive gross trended PMPY values:

$$\begin{aligned}&\text{Step 6.9.2 Total Annual Cost}\\&\quad = \text{Sum}(\text{Step 6.9.2 Preventive Gross Trended PMPY, Step 6.9.2 Non-Preventive Gross Trended PMPY})\end{aligned}$$

Finally, calculate the estimated annual cost across all rows and tiers as the weighted average of the Step 6.9.2 Total Annual Cost:

$$\text{Step 6.9.2 Estimated Annual Cost} = \text{Sum}(\text{Step 6.9.2 Total Annual Cost} \times \text{Probability})$$

6.9.3 Calculate Deductible and Deductible Waiver Impacts

Compare the applicable annual cost for each row to the deductible to see how much of the deductible applies for each row. If the deductible is waived for preventive drugs or certain tiers, do not include those costs in the applicable annual cost for each row:

$$\text{Step 6.9.3 Deductible Applied} = \text{Min}[\text{Applicable Annual Cost, Deductible}]$$

where

$$\text{Applicable Annual Cost} = \text{Step 6.9.2 Total Annual Cost} - \text{Sum}(\text{Waived Step 6.9.2 Gross Trended PMPY})$$

For plans with a combined deductible, no deductible is assumed. Instead the impact of the combined deductible is calculated using the combined medical and pharmacy CPD.

6.9.4 Calculate Percentage of Cost Remaining after Applying Deductible

Calculate the percentage of total annual cost remaining after applying the deductible for each row:

$$\text{Step 6.9.4 Percentage of Cost Remaining} = 1 - \frac{\text{Step 6.9.3 Deductible Applied}}{\text{Step 6.9.2 Total Annual Cost}}$$

6.9.5 Calculate Remaining Cost per Script

Calculate the remaining cost per script for each row and tier using the scaled pharmacy CPD from Step 6.9.1 and the percentage of cost remaining after applying the deductible from Step 6.9.4:

$$\begin{aligned}&\text{Step 6.9.5 Remaining Cost Per Script}\\&\quad = \text{Step 6.9.1 Scaled Cost per Script} \times \text{Step 6.9.4 Percentage of Cost Remaining}\end{aligned}$$

6.9.6 Adjust for Copays and Coinsurance

Determine the member cost per script after the deductible for each row and tier by adjusting the remaining cost per script from Step 6.9.5 to reflect copays and coinsurance, as applicable.

For tiers with copays:

$$\text{Step 6.9.6 Member Cost per Script} = \text{Min}[\text{Copay, Step 6.9.5 Remaining Cost per Script}]$$

For tiers with coinsurance:

$$\text{Step 6.9.6 Member Cost per Script} = \text{Coinsurance} \times \text{Step 6.9.5 Remaining Cost per Script}$$

For tiers with coinsurance and minimum/maximum copays:

$$\begin{aligned}&\text{Step 6.9.6 Member Cost per Script}\\&\quad = \text{Min}\{\text{Max}[\text{Coinsurance} \times \text{Step 6.9.5 Remaining Cost per Script, Min Copay}], \text{Max Copay}\}\end{aligned}$$

6.9.7 Calculate Annual Member Cost Share

Determine the annual member cost share *for each row* due to copays, coinsurance, and deductible:

$$\begin{aligned}&\text{Step 6.9.7 Annual Member Cost Share}\\&\quad = \text{Sum}(\text{Step 6.9.6 Member Cost per Script} \times \text{Step 6.9.1 Scaled Script Count PMPY})\\&\quad + \text{Step 6.9.3 Deductible Applied}\end{aligned}$$

6.9.8 Adjust for Out-of-Pocket (OOP) Maximum

Adjust the annual member cost share calculated in Step 6.9.7 for each row to reflect the impact of an OOP maximum, if applicable:

$$\text{Step 6.9.8 Member Cost Share after OOP Max} = \text{Min}[\text{OOP Max, Step 6.9.7 Annual Member Cost Share}]$$

For plans with a combined OOP maximum, no OOP maximum is assumed. Instead the impact of the combined OOP maximum is calculated using the combined medical and pharmacy CPD.

6.9.9 Adjust for Plan Maximum

Adjust the member cost share after OOP max calculated in Step 6.9.8 for each row to reflect the impact of a plan maximum, if applicable:

$$\text{Step 6.9.9 Member Cost Share after OOP Max \& Plan Max} = \text{Max}[\text{Step 6.9.8 Member Cost Share after OOP Max, Step 6.9.2 Total Annual Cost} - \text{Plan Max}]$$

6.9.10 Calculate Regular Member Cost Share

Determine the regular member cost share as the ratio of the estimated annual member cost to the estimated total cost:

$$\text{Step 6.9.10 Regular Member Cost Share} = \frac{\text{Weighted Average(Step 6.9.9 Member Cost Share after OOP Max \& Plan Max)}}{\text{Step 6.9.2 Estimated Annual Cost}}$$

6.9.11 Calculate Effective Member Cost Share

For plans with a combined deductible and/or combined OOP maximum, the regular member cost share calculated in Step 6.9.10 is used in Step 2.5 to determine the effective member cost share for the pharmacy benefit.

For all other plans, the effective member cost share is set equal to the regular member cost share calculated in Step 6.9.10.

6.10 Calculate Adjusted Cost Share

Optional cost categories, such as lifestyle drugs, may be moved to the fourth tier. For optional cost categories moved to the fourth tier, increase the effective member cost share calculated in Step 6.9.11 by 5% to estimate the increased cost sharing in the fourth tier. Otherwise, use the effective member cost share.

Moving an optional cost category to the fourth tier should always increase the cost share for that class, but it will have minimal impact to overall rates because of low utilization levels.

$$\text{Step 6.10 Adjusted Member Cost Share} = \text{Step 6.9.11 Effective Member Cost Share} \times 1.05$$

Please note that this step does not apply to the FACETS platform.

6.11 Calculate Net Pharmacy PMPM

Now that member cost share has been calculated, determine the remaining pharmacy plan cost (or net pharmacy PMPM).

For all standard cost categories and any optional cost categories that have not been moved to the fourth tier, apply the effective member cost share from Step 6.9.11:

$$\text{Step 6.11 Net Pharmacy PMPM} = \text{Step 6.8 Gross Area-Adjusted PMPM} \times (1 - \text{Step 6.9.11 Effective Member Cost Share})$$

For optional cost categories that have been moved to the fourth tier, apply the adjusted member cost share from Step 6.10:

$$\text{Step 6.11 Net Pharmacy PMPM} = \text{Step 6.8 Gross Area-Adjusted PMPM} \times (1 - \text{Step 6.10 Adjusted Member Cost Share})$$

6.12 Calculate Aggregate Metrics

Many of the following summary metrics are used for analysis purposes and visibility, but do not impact the final rate. Metrics that do impact the final rate will be referenced in later steps.

6.12.1 Average AWP per Script

Calculate the average AWP per script across all cost categories as a weighted average using the trended script counts from Step 6.6 as the weights:

$$\text{Step 6.12.1 Average AWP per Script} = \frac{\text{Sum(Step 6.1 AWP per Script} \times \text{Step 6.6 Trended Script Count PMPY)}}{\text{Sum(Step 6.6 Trended Script Count PMPY)}}$$

6.12.2 Average Discounted AWP per Script

Calculate the average discounted AWP per script using the method for calculating the average AWP per script in Step 6.12.1.

6.12.3 Average Dispensing Fee per Script

Calculate the average dispensing fee per script using the method for calculating the average AWP per script in Step 6.12.1.

6.12.4 Average Discount

Derive the average discount using the average AWP per script from Step 6.12.1 and the average discounted AWP per script from Step 6.12.2:

$$\text{Step 6.12.4 Average Discount} = 1 - \frac{\text{Step 6.12.2 Average Discounted AWP per Script}}{\text{Step 6.12.1 Average AWP per Script}}$$

6.12.5 Average Cost Trend Factor, Utilization Trend Factor, and Area Factor

The trend factors and area factor are the same for all cost categories, so their average is the same as the individual factors.

6.12.6 Average Gross Cost per Script and Trended Gross Cost per Script

The average gross cost per script and trended gross cost per script are calculated using the method for calculating the individual cost categories:

$$\text{Step 6.12.6 Average Gross Cost per Script} = \text{Step 6.12.2 Average Discounted AWP per Script} + \text{Step 6.12.3 Average Dispensing Fee per Script}$$

$$\text{Step 6.12.6 Average Trended Gross Cost per Script} = \text{Step 6.12.6 Average Gross Cost per Script} \times \text{Step 6.12.5 Average Cost Trend Factor}$$

6.12.7 Total Script Counts, Trended Script Counts, Gross Trended PMPM, Gross Area-Adjusted PMPM, and Net Pharmacy PMPM

Calculate the total for each metric as the sum across all cost categories for the respective metric.

6.12.8 Average Adjusted Cost Share

Derive the average adjusted member cost share using the total net pharmacy rate and total gross area-adjusted PMPM from Step 6.12.7:

$$\text{Step 6.12.8 Average Adjusted Member Cost Share} = 1 - \frac{\text{Step 6.12.7 Total Net Pharmacy PMPM}}{\text{Step 6.12.7 Total Gross Area-Adjusted PMPM}}$$

All calculations going forward are done on an aggregate basis only, so calculations are no longer split into cost categories.

6.13 Apply the Clinical Program Factor

Calculate the clinical program factor as the sum of the individual clinical programs selected. The applicable factors for various clinical programs are found in the following tables:

- *Table 51 – Pharmacy Clinical Management Programs*
- *Table 52 – Global Step Therapy Program*

The global step therapy program varies by formulary type and the level of intervention. If no intervention is desired for a particular drug therapy category, do not include a factor for that category when calculating the clinical program factor.

Apply the clinical program factor to the net pharmacy rate from Step 6.12.7:

$$\begin{aligned}&\text{Step 6.13 Clinical-Adjusted Net Pharmacy PMPM}\\&\quad = \text{Step 6.12.7 Net Pharmacy PMPM} \times (1 - \text{Clinical Program Factor})\end{aligned}$$

6.14 Apply the Pharmacy Demographic Factor

Extract the pharmacy demographic factor from *Table 53 – Pharmacy Demographic Factors* based on the age, gender, and status (employee, spouse, or child) of the individual being rated. Blended and unisex factors exist if the status and/or gender of the individual are unknown or are not permitted rating variables.

Apply the pharmacy demographic factor to the clinical-adjusted net pharmacy Step 6.13:

$$\begin{aligned}&\text{Step 6.14 Clinical/Demo-Adjusted Net Pharmacy PMPM}\\&\quad = \text{Step 6.13 Clinical-Adjusted PMPM} \times \text{Pharmacy Demographic Factor}\end{aligned}$$

6.15 Apply the Industry Factor

Extract the industry factor from *Table 18 – Industry Load* and apply it to the clinical- and demographic-adjusted net pharmacy PMPM calculated in Step 6.14:

$$\begin{aligned}&\text{Step 6.15 Clinical/Demo/Industry-Adjusted Net Pharmacy PMPM}\\&\quad = \text{Step 6.14 Clinical/Demo-Adjusted PMPM} \times \text{Industry Factor}\end{aligned}$$

6.16 Apply the Pharmacy Mandates Adjustment

Extract the mandate factor from *Table 54 – Pharmacy Mandate Factors*, if applicable, based on the state being rated. Apply it to the clinical-, demographic-, and industry-adjusted net pharmacy PMPM calculated in Step 6.15:

Step 6.16 Clinical/Demo/Industry/Mandate-Adjusted Net Pharmacy PMPM
$= \text{Step 6.15 Clinical/Demo/Industry-Adjusted Net Pharmacy PMPM} \times (1 + \text{Mandate Adjustment})$

6.17 Apply Utilization Dampening Factor

Extract the utilization dampening factor from *Table 55 – Pharmacy Utilization Dampening Factors* based on the average adjusted member cost share calculated in Step 6.12.8. Apply it to the clinical-, demographic-, industry-, and mandate-adjusted net pharmacy PMPM calculated in Step 6.16 to determine the total benefit pharmacy community rate by class (CRC):

Step 6.17 Total Benefit Pharmacy CRC
$= \text{Step 6.16 Clinical/Demo/Industry/Mandate-Adjusted Net Pharmacy PMPM}$
$\times \text{Utilization Dampening Factor}$

6.18 Apply Miscellaneous Pharmacy Adjustments

The following multiplicative adjustments are applied to the total benefit pharmacy CRC calculated in Step 6.17 to arrive at the adjusted total benefit pharmacy CRC:

Step 6.18 Adjusted Total Benefit Pharmacy CRC
$= \text{Step 6.17 Total Benefit Pharmacy CRC} \times (1 + \text{Step 6.18.1 Generic Requirement Adjustment})$
$\times (1 + \text{Step 6.18.2 Mail Order Deductible Waiver Adjustment})$
$\times (1 + \text{Step 6.18.3 Women's Preventive Health Adjustment})$

6.18.1 Generic Requirement Adjustment

Plan designs that do not encourage generic use through a mandatory generic or dispense-as-written program receive a 1% load. All other plan designs do not receive a load.

6.18.2 Mail Order Deductible Waiver Adjustment

Plan designs with a deductible that waive that deductible for mail order prescriptions receive a 5% load to estimate the increased cost due to the decreased member cost sharing. All other plan designs do not receive a load.

6.18.3 Women's Preventive Health Adjustment

Providing coverage of certain drugs and devices without cost sharing to address the Patient Protection and Affordable Care Act Women's Preventive Health Services requirement is reflected as a load. Combined deductible/OOP plans receive a 2.8% load, while all other plans receive a 1% load.

6.19 Determine Final Pharmacy CRC and Pharmacy CR

Similar to medical, pharmacy rates receive community rate adjustments, but not all of the community rate adjustments from Step 2.8.1 apply to pharmacy. Only the following factors apply:

- Multiple Offering Load

The multiple offering load applied to the pharmacy rate is the sum of the medical factor from Step 2.8.1 and the additional pharmacy load from *Table 56 – Pharmacy Multiple Offering Load*, if applicable, based on the site being rated and whether there is more than one product offering being considered.

- Deductible Accumulation Adjustment
- Open Access Load
- Consumerism Adjustment

The product of these adjustments becomes the pharmacy community rate load, which is applied to the adjusted total benefit pharmacy CRC calculated in Step 6.18:

$$\text{Step 6.19 Final Pharmacy CRC} = \text{Step 6.18 Adjusted Total Benefit Pharmacy CRC} \times \text{Pharmacy Community Rate Load}$$

The demographic and industry factors are removed to determine the pharmacy community rate (CR):

$$\text{Step 6.19 Final Pharmacy CR} = \frac{\text{Step 6.19 Final Pharmacy CRC}}{\text{6.14 Demographic Factor} \times \text{Step 6.15 Industry Factor}}$$

6.20 Aggregate Individual Claim Costs

Combine the individual PMPM pharmacy claim costs for the entire census to determine the aggregate pharmacy claim cost PMPM:

$$\text{Step 6.20 Aggregate Pharmacy CRC} = \frac{\text{Sum of Step 6.19 Final Pharmacy CRC for all individuals}}{\text{Sum of the number of individuals}}$$

$$\text{Step 6.20 Aggregate Pharmacy CR} = \frac{\text{Sum of Step 6.19 Final Pharmacy CR for all individuals}}{\text{Sum of the number of individuals}}$$

Final Rate

7 Calculate Final Rate

Use the following to combine medical and pharmacy rates and calculate the final PMPM rate. If the pharmacy benefit is carved out, it will not be included in the calculation.

$$\text{Final PMPM Rate} = \frac{[\text{Step 5 Aggregate Medical Claim Cost}] + [\text{Step 6.20 Aggregate Pharmacy CRC}]}{[\text{Applied Loss Ratio}]}$$

Using the demographic assumptions from Step 1, determine the number of members per subscriber and calculate the per employee per month (PEPM) rate:

$$\text{Final PEPM Rate} = [\text{Final PMPM Rate}] \times [\text{Number of Members per Subscriber}]$$

Experience Rating Formula for Medical Products

Blended claims are a weighted average of the group's official experience and the manually rated claims.

The group's official experience is calculated as fee-for-service paid claims, adjusted for large claims and capitation, then multiplied by a trend factor. Large claims up to the pooling limit are added back in. The claims are then adjusted for any changes in liability. This experience could include Cigna experience on the particular group or a portion of the group or prior carrier experience.

The manually rated claims are calculated according to the formulas and tables filed and approved with the state.

The weights used to blend the claims are based on the credibility of the group. The blended claims may be adjusted for underwriting discretion. A retention charge is then added for administrative expenses, taxes, commissions and profit. The premium is then adjusted for the Experience Protection Benefit (pooling charge) and network access fees, where applicable.

Cigna Care Network (CCN) Tiered Benefits

A manual rate will be developed for the underlying plan, consistent with this filing's base methodology and reflecting the tier 1 level of cost-sharing for SCP/PCP office visits.

The rate adjustment will equal $[1 - \text{Savings }\%]$, according to the following formula (and the formula components are defined below):

$$\begin{aligned}\text{Savings }\% &= [1 - \text{OON Percent}] \\ &\times [\text{Benefit Save} \times \text{Percent Non-CCN Dollars} + \text{Benefit Save} \times \text{Percent Non-Tiered Dollars}]\end{aligned}$$

Notes:

- If a client decides to administer the tier 1 benefit to non-tiered physicians, raw benefit save is not multiplied by the percentage of members in the non-tiered group.
- PCP and SCP savings are calculated separately and then combined for a total impact to the manual rate.

Definitions:

- **Benefit Save** - Benefit savings ran through the regular methodology as if the whole group was making the copay or coinsurance change from tier 1 to tier 2 benefits.
- **Percent Non-CCN Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do define CCN vs. non CCN but the doctors did not earn the designation.
- **Percent Non-Tiered Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do not designate CCN vs. non CCN.
- **OON Percent** - Developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 benefit level. Calculated as OON Utilization in Step 3.1.2.

The following tables provide illustrative examples of the expected benefit save under various tiered deductible/coinsurance and copay arrangements:

Primary Care Physician – Deductible/Coinsurance							
Deductible	**Tier 1 Coins.**	**Tier 2 Coins.**	**Savings**	**Deductible**	**Tier 1 Coins.**	**Tier 2 Coins.**	**Savings**
$500	100%	90%	0.21%	$1,500	100%	90%	0.02%
	100%	80%	0.40%		100%	80%	0.08%
	100%	70%	0.56%		100%	70%	0.07%
	100%	60%	0.69%		100%	60%	0.11%
	90%	80%	0.15%		90%	80%	0.00%
	90%	70%	0.27%		90%	70%	0.00%
	90%	60%	0.37%		90%	60%	0.00%
	80%	70%	0.14%		80%	70%	0.00%
	80%	60%	0.25%		80%	60%	0.00%
	70%	60%	0.11%		70%	60%	0.03%

Specialty Care Physician – Deductible/Coinsurance							
Deductible	**Tier 1 Coins.**	**Tier 2 Coins.**	**Savings**	**Deductible**	**Tier 1 Coins.**	**Tier 2 Coins.**	**Savings**
$500	100%	90%	1.14%	$1,500	100%	90%	0.87%
	100%	80%	2.26%		100%	80%	1.59%
	100%	70%	3.22%		100%	70%	2.23%
	100%	60%	4.05%		100%	60%	2.74%
	90%	80%	0.92%		90%	80%	0.52%
	90%	70%	1.73%		90%	70%	0.99%
	90%	60%	2.40%		90%	60%	1.40%
	80%	70%	0.80%		80%	70%	0.40%
	80%	60%	1.49%		80%	60%	0.77%
	70%	60%	0.67%		70%	60%	0.41%

PCP – Copay	
Where Tier 1 Copay is $0	
Copay Differential	**Savings**
$5	0.31%
$10	0.38%
$15	0.39%
$20	0.45%
$25	0.50%
$30	0.61%
$35	0.70%
$40	0.79%
$45	0.92%
$50	1.00%
$55	1.07%
$60	1.19%
$65	1.31%
$70	1.43%
$75	1.53%
$80	1.63%
$85	1.72%
$90	1.81%

SCP – Copay	
Where Tier 1 Copay is $0	
Copay Differential	**Savings**
$5	0.37%
$10	0.73%
$15	1.08%
$20	1.41%
$25	1.73%
$30	2.03%
$35	2.32%
$40	2.59%
$45	2.84%
$50	3.09%
$55	3.33%
$60	3.56%
$65	3.78%
$70	3.99%
$75	4.20%
$80	4.39%
$85	4.57%
$90	4.74%
$95	4.90%
$100	5.06%

Appendix A – General Medical Tables

Table 1 – Medical Base Claims

Network	Major Service Categories (dollars PMPM)						
	Inpatient (IP)	Outpatient (OP)	Primary Care Physician (PCP)	Emergency Room (ER)	Specialty Care Physician (SCP)	Other	Preventive Care
Experience-Rated In-Network	101.16	104.42	19.58	29.37	42.42	13.05	15.00
Experience-Rated Out-of-Network	146.68	151.41	28.39	42.59	61.51	18.92	21.75

Table 2 – MSC Weighting by SCC

Sub-Cost Categories	Major Service Categories					
	Inpatient (Hospital)	Outpatient (Hospital)	ER	PCP	SCP	Other
Facility	80%	62%	100%	0%	0%	100%
Professional*	20%	22%	0%	91%	82%	0%
Diagnostic Lab/X-ray (DXL)**	0%	11%	0%	9%	12%	0%
Advanced Radiology (ARI)	0%	5%	0%	0%	6%	0%

*If separate benefits are elected for surgeon vs. radiologist/pathologist/anesthesiologists (within the 'Professional' SCC), split the SCC by 70% and 30%, respectively.
**If separate benefits are elected for lab vs. radiology (within the 'DXL' SCC), split the SCC by 60% and 40%, respectively.

Table 3 – Preventive Care Child Age Adjustment

Elected Child Age	Portion of Preventive Care Base Claim Cost
≤ 2	0.16
3 to 64	Linearly interpolate between 0.16 at 2 and 1.0 at 65
≥ 65	1.0

Table 4 – National Medical Trend

	2014/2013	2015+/2014
IN Trend	8.5%	8.5%
OON Trend	8.5%	8.5%

Table 5 – National Utilization Rates by MSC

	Major Service Categories						
	IP Per Day	IP Per Admit	OP	ER	PCP	SCP	Other
National Utilization	See Note	0.09	0.12	0.40	1.90	2.10	0.00

Note: To determine utilization for IP Per Day, consult *Table 6* and find the 'Average Days' which correspond to the 'Max Days' per the plan design. Multiply by 0.09 to yield the IP Per Day utilization.

Table 6 – Number of Copays Per Admit Adjustment

Max Days	0	1	2	3	4	5	6	7	8	9
Average Days	0	1	1.802	2.338	2.711	2.962	3.147	3.294	3.415	3.517
Max Days	10	11	12	13	14	15	16	17	18	19
Average Days	3.605	3.681	3.7477	3.8051	3.8545	3.8965	3.9327	3.9646	3.9927	4.0175

Table 7 – Medical Effective Deductible Adjustment

Ratio of Family to Individual Deductible	Plan Deductible																	
	0	50	100	150	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
1.00	1.00	0.67	0.67	0.67	0.68	0.68	0.69	0.70	0.72	0.73	0.77	0.80	0.84	0.88	0.91	0.95	0.99	1.00
2.00	1.00	0.80	0.80	0.80	0.81	0.81	0.82	0.83	0.84	0.85	0.87	0.89	0.91	0.93	0.96	0.98	1.00	1.00
2.25	1.00	0.83	0.83	0.84	0.84	0.85	0.86	0.86	0.88	0.89	0.91	0.93	0.95	0.97	0.99	1.00	1.00	1.00
2.50	1.00	0.87	0.87	0.87	0.88	0.88	0.89	0.90	0.92	0.93	0.95	0.96	0.98	0.99	1.00	1.00	1.00	1.00
2.75	1.00	0.90	0.90	0.90	0.91	0.91	0.92	0.92	0.94	0.95	0.96	0.97	0.98	0.99	1.00	1.00	1.00	1.00
3.00	1.00	0.93	0.94	0.93	0.94	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.98	0.99	1.00	1.00	1.00	1.00
3.25	1.00	0.94	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00
3.50	1.00	0.94	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.75	1.00	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.00	1.00	0.96	0.97	0.97	0.98	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table 8 – Medical Effective OOP Maximum Adjustment

Ratio of Family to Individual OOP Max	Plan OOP Max																	
	0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
1.00	1.00	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
2.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00
2.25	1.00	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00
2.50	1.00	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
2.75	1.00	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.00	1.00	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.25	1.00	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3.50	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3.75	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.00	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table 9 – Medical Claims Probability Distribution

Annual Frequency	Total Annual Claims	Inpatient Facility and Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	PCP and SCP	Other	Pharmacy
0.213176498	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
0.035420628	$8.26	$0.01	$2.55	$0.09	$4.03	$1.55	$5.58	$0.01	$13.48
0.038151048	$58.69	$0.06	$5.06	$1.71	$39.95	$11.87	$51.82	$0.04	$17.22
0.039686379	$97.14	$0.13	$8.09	$10.25	$58.47	$20.11	$78.58	$0.10	$26.31
0.033359864	$132.81	$0.28	$13.71	$14.89	$74.19	$29.52	$103.71	$0.22	$39.57
0.028588317	$166.69	$0.36	$20.10	$15.98	$89.12	$40.69	$129.81	$0.45	$55.01
0.024970554	$203.79	$0.54	$27.23	$20.48	$103.36	$51.63	$154.99	$0.54	$67.03
0.022075599	$235.95	$0.65	$34.86	$23.52	$114.05	$62.16	$176.21	$0.71	$83.97
0.019781235	$272.30	$0.90	$43.03	$28.08	$125.30	$74.16	$199.47	$0.82	$96.35
0.017994698	$304.71	$1.10	$49.96	$31.96	$134.93	$85.74	$220.67	$1.01	$112.97
0.016393687	$336.99	$1.35	$58.47	$36.87	$141.85	$97.06	$238.90	$1.40	$129.41
0.015217897	$368.71	$1.52	$64.98	$43.75	$149.06	$107.93	$256.99	$1.48	$145.81
0.013960516	$404.01	$1.93	$74.12	$49.34	$156.87	$120.02	$276.88	$1.73	$159.57
0.012965851	$435.46	$1.95	$81.82	$56.96	$161.89	$130.88	$292.77	$1.96	$176.51
0.012197339	$466.86	$2.05	$89.52	$65.49	$165.48	$142.00	$307.48	$2.32	$192.89
0.011387523	$498.56	$2.19	$98.80	$71.76	$170.01	$153.01	$323.01	$2.80	$210.03
0.010624767	$529.52	$2.73	$105.37	$81.29	$174.70	$162.13	$336.83	$3.30	$227.92
0.010042119	$562.79	$2.98	$114.23	$89.55	$176.54	$176.40	$352.94	$3.09	$242.54
0.009716771	$588.93	$3.76	$121.20	$99.59	$181.31	$179.60	$360.91	$3.47	$263.62
0.009251601	$618.65	$4.39	$129.12	$108.37	$183.60	$189.80	$373.40	$3.36	$282.43
0.008848048	$648.99	$5.02	$138.56	$119.55	$183.86	$197.89	$381.74	$4.12	$299.45
0.016497284	$694.86	$6.54	$149.14	$130.44	$188.45	$215.58	$404.03	$4.71	$326.29
0.015120394	$758.18	$8.21	$165.30	$155.65	$195.89	$227.90	$423.79	$5.23	$360.22
0.013981506	$822.66	$10.07	$183.30	$180.84	$200.13	$242.01	$442.14	$6.31	$392.78
0.012971268	$885.29	$14.10	$194.75	$202.09	$207.72	$259.33	$467.06	$7.29	$426.69
0.011990145	$945.33	$17.25	$214.87	$213.04	$211.52	$279.95	$491.48	$8.69	$463.54
0.011152569	$1,014.83	$23.45	$234.30	$237.50	$214.14	$296.75	$510.89	$8.69	$490.59
0.010412156	$1,068.99	$25.64	$257.29	$251.61	$217.57	$306.25	$523.81	$10.63	$530.76
0.009807164	$1,135.04	$33.36	$272.83	$272.09	$224.36	$321.05	$545.41	$11.35	$562.73
0.009116519	$1,205.78	$40.73	$291.83	$291.96	$227.49	$341.21	$568.70	$12.57	$588.82
0.008570774	$1,266.63	$47.36	$319.06	$311.34	$232.07	$342.12	$574.19	$14.68	$623.07
0.036424096	$1,450.44	$60.92	$383.18	$351.60	$243.91	$392.41	$636.32	$18.43	$719.62
0.028144138	$1,786.72	$82.48	$518.97	$435.90	$261.80	$460.85	$722.66	$26.70	$864.10
0.022241151	$2,127.67	$86.91	$676.56	$516.86	$280.59	$532.36	$812.95	$34.39	$1,008.42
0.018108451	$2,474.46	$96.49	$843.18	$607.82	$293.36	$589.15	$882.50	$44.47	$1,143.44
0.015115316	$2,810.13	$109.84	$994.38	$691.46	$305.76	$653.86	$959.63	$54.82	$1,297.99
0.012637118	$3,175.32	$121.50	$1,191.79	$762.28	$318.12	$712.43	$1,030.55	$69.20	$1,415.82
0.010966704	$3,544.15	$136.91	$1,393.87	$833.73	$329.81	$771.11	$1,100.93	$78.71	$1,536.53
0.009446945	$3,931.04	$172.89	$1,593.42	$910.39	$340.25	$820.07	$1,160.32	$94.01	$1,632.30
0.008231884	$4,281.39	$218.77	$1,782.13	$970.00	$341.66	$858.55	$1,200.21	$110.28	$1,773.37
0.007353681	$4,678.85	$270.62	$1,994.14	$1,044.22	$352.06	$891.99	$1,244.05	$125.81	$1,859.36
0.006554022	$5,087.02	$391.63	$2,159.25	$1,106.42	$362.25	$917.87	$1,280.12	$149.61	$1,940.37
0.00585322	$5,482.04	$481.89	$2,383.92	$1,117.81	$368.02	$966.48	$1,334.49	$163.92	$2,035.07
0.005330157	$5,933.17	$607.73	$2,562.48	$1,209.64	$368.26	$998.46	$1,366.72	$186.59	$2,070.32
0.00484332	$6,401.30	$786.73	$2,757.79	$1,262.81	$368.62	$1,020.61	$1,389.23	$204.75	$2,106.33
0.004461434	$6,831.68	$982.36	$2,926.63	$1,296.44	$376.25	$1,020.29	$1,396.54	$229.71	$2,148.92
0.004098168	$7,243.61	$1,136.81	$3,043.73	$1,327.98	$378.70	$1,100.84	$1,479.54	$255.54	$2,230.29
0.003766049	$7,682.50	$1,293.24	$3,272.41	$1,372.81	$374.64	$1,097.49	$1,472.13	$271.92	$2,282.44

Annual Frequency	Total Annual Claims	Inpatient Facility and Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	PCP and SCP	Other	Pharmacy
0.003490468	$8,095.75	$1,522.75	$3,354.65	$1,427.43	$375.37	$1,120.45	$1,495.82	$295.10	$2,331.23
0.003214887	$8,571.97	$1,650.20	$3,562.11	$1,500.30	$378.31	$1,149.65	$1,527.96	$331.42	$2,355.67
0.003018865	$8,985.87	$1,827.13	$3,787.07	$1,432.99	$383.21	$1,202.20	$1,585.41	$353.27	$2,434.29
0.002809302	$9,436.85	$2,067.86	$3,830.64	$1,590.50	$379.71	$1,199.19	$1,578.90	$368.95	$2,441.51
0.002657292	$9,863.03	$2,282.23	$3,996.20	$1,574.42	$391.84	$1,236.68	$1,628.52	$381.66	$2,526.27
0.002478537	$10,133.08	$2,451.00	$4,080.37	$1,568.31	$368.57	$1,232.25	$1,600.82	$432.59	$2,709.88
0.002364783	$10,756.02	$2,619.85	$4,376.64	$1,672.62	$374.22	$1,262.18	$1,636.40	$450.52	$2,605.39
0.002150142	$11,116.85	$2,820.30	$4,449.79	$1,693.27	$394.31	$1,278.06	$1,672.38	$481.11	$2,689.29
0.002019799	$11,718.35	$3,041.89	$4,638.26	$1,814.48	$397.87	$1,350.46	$1,748.33	$475.37	$2,620.54
0.001886748	$12,007.85	$3,217.70	$4,742.64	$1,797.47	$400.23	$1,354.53	$1,754.76	$495.27	$2,787.80
0.001795678	$12,385.28	$3,275.20	$4,862.65	$1,899.65	$411.91	$1,383.89	$1,795.80	$551.97	$2,915.40
0.001679555	$12,819.45	$3,428.57	$5,081.88	$1,906.87	$397.15	$1,424.26	$1,821.40	$580.73	$2,950.82
0.001538379	$13,363.41	$3,604.02	$5,262.00	$2,008.58	$410.20	$1,483.83	$1,894.03	$594.78	$2,916.81
0.001454756	$13,714.03	$3,632.75	$5,471.63	$2,019.65	$416.37	$1,523.69	$1,940.06	$649.95	$3,026.61
0.00139314	$14,108.03	$3,941.74	$5,640.38	$1,932.26	$427.37	$1,520.09	$1,947.45	$646.21	$3,108.95
0.001317982	$14,595.05	$3,930.12	$5,781.25	$2,112.76	$415.72	$1,611.91	$2,027.63	$743.28	$3,097.21
0.001226234	$15,038.88	$4,421.72	$5,780.00	$2,119.06	$416.97	$1,585.96	$2,002.94	$715.16	$3,157.82
0.001165633	$15,197.22	$4,469.95	$5,931.00	$2,031.41	$426.35	$1,604.07	$2,030.43	$734.43	$3,512.55
0.001111465	$15,639.37	$4,466.41	$6,096.96	$2,186.87	$473.07	$1,644.26	$2,117.33	$771.80	$3,558.62
0.002036388	$16,316.24	$4,724.65	$6,361.58	$2,352.75	$433.71	$1,652.60	$2,086.31	$790.94	$3,626.02
0.001861018	$17,000.56	$5,138.89	$6,356.56	$2,424.17	$462.58	$1,764.45	$2,227.03	$853.90	$3,843.39
0.001735754	$17,395.24	$5,258.16	$6,544.17	$2,346.16	$460.49	$1,882.85	$2,343.34	$903.41	$4,418.25
0.001543796	$18,205.38	$5,644.90	$6,902.15	$2,394.34	$468.21	$1,835.83	$2,304.04	$959.94	$4,582.16
0.001372488	$19,065.67	$6,034.02	$7,043.52	$2,546.03	$498.45	$1,956.00	$2,454.45	$987.65	$4,754.42
0.001263136	$19,542.75	$6,278.52	$7,320.41	$2,495.28	$466.81	$1,980.18	$2,446.99	$1,001.54	$5,248.41
0.001250948	$19,745.04	$6,260.38	$7,307.09	$2,593.90	$499.05	$2,068.60	$2,567.65	$1,016.02	$5,973.28
0.001112481	$20,537.41	$6,733.89	$7,507.06	$2,616.06	$513.30	$2,062.22	$2,575.52	$1,104.89	$6,238.70
0.001001097	$21,618.60	$7,559.68	$7,643.85	$2,600.59	$491.19	$2,188.11	$2,679.31	$1,135.17	$6,040.37
0.000917475	$22,777.80	$7,896.94	$8,272.59	$2,641.32	$556.45	$2,212.00	$2,768.45	$1,198.49	$5,803.38
0.006492405	$26,724.30	$10,315.91	$8,890.77	$2,897.14	$602.45	$2,556.40	$3,158.85	$1,461.63	$6,738.56
0.003583569	$35,303.83	$15,529.36	$10,751.90	$3,153.88	$670.07	$3,225.74	$3,895.81	$1,972.88	$7,937.04
0.002383065	$41,961.17	$19,801.70	$12,039.23	$3,117.09	$767.26	$3,953.99	$4,721.25	$2,281.89	$11,059.72
0.001573588	$51,980.30	$25,306.44	$14,495.86	$3,472.97	$969.54	$4,902.58	$5,872.12	$2,832.91	$10,622.23
0.001109434	$60,833.63	$31,111.18	$16,281.37	$4,070.75	$835.43	$5,249.67	$6,085.10	$3,285.22	$11,493.88
0.000856874	$70,788.86	$37,161.85	$18,998.04	$3,799.99	$1,196.74	$6,054.46	$7,251.20	$3,577.77	$11,078.67
6.60176E-05	$76,687.72	$41,779.58	$19,208.17	$3,340.35	$1,214.11	$6,536.54	$7,750.65	$4,608.96	$10,974.08
7.44814E-05	$78,592.36	$42,741.34	$19,549.75	$3,729.71	$1,711.92	$7,770.30	$9,482.21	$3,089.35	$9,786.25
6.73718E-05	$79,923.90	$44,464.36	$19,490.75	$5,501.71	$1,468.05	$4,651.22	$6,119.27	$4,347.80	$10,026.79
7.61741E-05	$80,724.61	$42,029.96	$23,284.10	$4,487.69	$1,317.25	$6,253.70	$7,570.95	$3,351.91	$12,063.53
6.43248E-05	$81,525.31	$41,378.60	$23,712.71	$5,270.73	$631.32	$6,803.60	$7,434.92	$3,728.35	$9,809.10
5.68767E-05	$82,266.35	$41,107.42	$22,357.78	$5,193.78	$761.56	$7,276.72	$8,038.28	$5,569.09	$11,096.40
5.78923E-05	$86,604.95	$47,203.05	$22,593.39	$4,634.39	$1,408.15	$7,725.69	$9,133.84	$3,040.28	$7,203.55
5.78923E-05	$86,872.33	$42,921.58	$26,176.12	$4,062.71	$1,262.37	$7,408.83	$8,671.19	$5,040.73	$8,351.19
5.38297E-05	$87,139.71	$49,062.73	$22,821.58	$4,336.25	$976.95	$6,071.07	$7,048.03	$3,871.13	$9,699.50
4.67201E-05	$87,139.71	$50,345.02	$21,673.31	$3,413.69	$1,001.70	$6,397.80	$7,399.50	$4,308.19	$10,034.16
0.001695128	$105,821.20	$56,073.80	$29,556.24	$4,554.76	$1,510.23	$9,313.73	$10,823.96	$4,812.44	$10,758.18
0.000746506	$154,863.90	$80,778.87	$46,721.92	$5,597.33	$2,303.21	$12,979.48	$15,282.68	$6,483.10	$10,273.33
0.000383918	$200,962.47	$105,831.03	$63,545.10	$5,619.71	$2,942.03	$15,400.22	$18,342.25	$7,624.38	$11,376.80
0.000210241	$247,285.06	$135,798.04	$77,952.68	$6,333.11	$2,572.42	$16,140.91	$18,713.32	$8,487.91	$13,058.05
0.000124248	$292,566.52	$168,010.68	$84,532.78	$6,566.67	$2,117.30	$18,147.82	$20,265.12	$13,191.28	$11,255.64
9.17475E-05	$343,022.80	$193,803.82	$104,734.58	$8,673.39	$2,020.52	$20,884.89	$22,905.41	$12,905.61	$12,005.19

Annual Frequency	Total Annual Claims	Inpatient Facility and Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	PCP and SCP	Other	Pharmacy
5.48454E-05	$389,860.96	$244,402.23	$109,655.66	$7,508.80	$1,547.70	$12,460.14	$14,007.84	$14,286.43	$13,004.00
4.53659E-05	$432,392.57	$261,528.06	$118,361.89	$6,273.61	$2,585.46	$24,087.76	$26,673.22	$19,555.79	$14,967.24
3.41937E-05	$474,181.79	$317,480.45	$114,563.85	$6,569.52	$1,357.58	$13,344.15	$14,701.73	$20,866.24	$12,183.75
2.43757E-05	$534,385.82	$322,287.05	$168,295.28	$8,051.79	$1,033.73	$19,404.54	$20,438.27	$15,313.44	$13,402.29
1.69276E-05	$585,728.55	$433,278.10	$103,912.92	$7,994.42	$8,564.10	$3,840.56	$12,404.66	$28,138.44	$8,053.93
1.86203E-05	$610,546.61	$454,011.26	$95,401.37	$9,587.38	$986.80	$27,882.50	$28,869.30	$22,677.30	$14,983.60
1.08337E-05	$663,623.65	$485,489.89	$136,884.14	$5,793.75	$2,921.07	$26,708.95	$29,630.02	$5,825.84	$14,090.39
7.10958E-06	$742,115.83	$532,943.90	$169,575.55	$24,788.79	$1,616.32	$6,842.30	$8,458.62	$6,348.98	$7,690.20
6.43248E-06	$782,104.43	$590,516.59	$141,349.13	$4,987.79	$963.09	$34,398.22	$35,361.31	$9,889.61	$8,983.28
5.75538E-06	$838,414.47	$660,002.79	$156,440.14	$6,013.62	$2,882.89	$7,268.86	$10,151.75	$5,806.18	$18,778.63
4.73972E-06	$874,962.19	$553,979.56	$226,049.22	$10,859.25	$459.30	$75,650.83	$76,110.13	$7,964.03	$9,181.49
2.70841E-06	$912,279.64	$710,858.93	$137,696.36	$17,032.13	$758.46	$40,150.34	$40,908.80	$5,783.42	$17,122.47
7.78669E-06	$949,597.08	$782,726.98	$150,120.76	$5,354.43	$1,651.21	$5,805.01	$7,456.21	$3,938.70	$7,440.89
3.72407E-06	$1,081,004.92	$832,524.73	$231,681.61	$3,489.05	$1,096.17	$4,322.76	$5,418.94	$7,890.59	$6,651.09
4.06262E-06	$1,109,364.28	$1,033,876.60	$57,517.06	$6,699.01	$429.38	$4,459.87	$4,889.25	$6,382.36	$8,748.87
1.01565E-06	$1,283,516.25	$1,016,830.23	$23,451.35	$235,822.23	$170.22	$3,639.44	$3,809.66	$3,602.79	$935.28
1.01565E-06	$1,384,164.83	$1,349,428.06	$18,233.07	$6,765.18	$1,530.82	$5,554.45	$7,085.27	$2,653.25	$10,650.15
2.70841E-06	$1,640,276.49	$1,315,823.44	$112,283.68	$5,047.80	$547.17	$199,865.09	$200,412.26	$6,709.31	$14,903.33
3.38552E-07	$2,214,345.23	$2,191,937.46	$114.40	$5,042.60	$1,505.84	$15,658.27	$17,164.11	$86.66	$0.00
3.38552E-07	$2,522,728.45	$2,385,726.09	$103,928.56	$6,753.39	$0.00	$6,647.26	$6,647.26	$19,673.15	$71,245.04

Table 10 – Average Visit Cost

	PCP Office Visit	SCP Office Visit	OON Office Visit
Average Cost	110	190	190
Note: Trend applies to these values If PCP and SCP have a combined limit, weight these values 45% PCP and 55% SCP			

Table 11 – Combined Pharmacy Deductible Waiver

Deductible Waiver Applies To	% of Claims *Not* Applicable to Deductible
Preventive Generics	8.5%
Preventive Generics & Preventive Preferred Brands	27.0%
All Preventives	28.0%
All Generics	28.0%
All Generics & All Preferred Brands	81.0%
All Generics & All Preventives	47.5%
All Generics, All Preferred Brands, & All Preventives	85.0%

Table 12 – Collective Deductible Decrements

Average Family Size	IN Deductible Multiplier	Effective Medical Deductible -Individual	Collective Decrement
0	1	500	0.00%
0	1	1000	0.00%
0	1	1500	0.00%
0	1	2000	0.00%
0	1	2500	0.00%
0	1	3000	0.00%
0	1	4000	0.00%
0	1.5	500	0.00%
0	1.5	1000	0.00%
0	1.5	1500	0.00%
0	1.5	2000	0.00%
0	1.5	2500	0.00%
0	1.5	3000	0.00%
0	1.5	4000	0.00%
0	2	500	0.00%
0	2	1000	0.00%
0	2	1500	0.00%
0	2	2000	0.00%
0	2	2500	0.00%
0	2	3000	0.00%
0	2	4000	0.00%
0	2.5	500	0.00%
0	2.5	1000	0.00%
0	2.5	1500	0.00%
0	2.5	2000	0.00%
0	2.5	2500	0.00%
0	2.5	3000	0.00%
0	2.5	4000	0.00%
0	3	500	0.00%
0	3	1000	0.00%
0	3	1500	0.00%
0	3	2000	0.00%
0	3	2500	0.00%
0	3	3000	0.00%
0	3	4000	0.00%
2	1	500	0.00%
2	1	1000	0.00%
2	1	1500	0.00%
2	1	2000	0.00%
2	1	2500	0.00%
2	1	3000	0.00%
2	1	4000	0.00%
2	1.5	500	-0.20%
2	1.5	1000	-0.40%
2	1.5	1500	-0.70%
2	1.5	2000	-0.90%
2	1.5	2500	-1.30%
2	1.5	3000	-1.60%
2	1.5	4000	-2.20%
2	2	500	-0.50%
2	2	1000	-1.20%
3	2	2500	-3.00%
3	2	3000	-3.70%
3	2	4000	-5.30%
3	2.5	500	-0.90%
3	2.5	1000	-2.10%
3	2.5	1500	-3.40%
3	2.5	2000	-4.70%
3	2.5	2500	-6.10%
3	2.5	3000	-7.40%
3	2.5	4000	-10.00%
3	3	500	-1.60%
3	3	1000	-3.50%
3	3	1500	-5.60%
3	3	2000	-7.60%
3	3	2500	-9.60%
3	3	3000	-11.40%
3	3	4000	-14.90%
3.5	1	500	0.00%
3.5	1	1000	0.00%
3.5	1	1500	0.00%
3.5	1	2000	0.00%
3.5	1	2500	0.00%
3.5	1	3000	0.00%
3.5	1	4000	0.00%
3.5	1.5	500	-0.10%
3.5	1.5	1000	-0.20%
3.5	1.5	1500	-0.30%
3.5	1.5	2000	-0.50%
3.5	1.5	2500	-0.70%
3.5	1.5	3000	-0.90%
3.5	1.5	4000	-1.30%
3.5	2	500	-0.20%
3.5	2	1000	-0.60%
3.5	2	1500	-1.10%
3.5	2	2000	-1.70%
3.5	2	2500	-2.30%
3.5	2	3000	-3.00%
3.5	2	4000	-4.40%
3.5	2.5	500	-0.60%
3.5	2.5	1000	-1.60%
3.5	2.5	1500	-2.60%
3.5	2.5	2000	-3.80%
3.5	2.5	2500	-5.10%
3.5	2.5	3000	-6.30%
3.5	2.5	4000	-8.80%
3.5	3	500	-1.20%
3.5	3	1000	-2.80%
3.5	3	1500	-4.60%
3.5	3	2000	-6.50%
3.5	3	2500	-8.40%
3.5	3	3000	-10.20%

Average Family Size	IN Deductible Multiplier	Effective Medical Deductible -Individual	Collective Decrement
2	2	1500	-2.00%
2	2	2000	-2.80%
2	2	2500	-3.70%
2	2	3000	-4.60%
2	2	4000	-6.30%
2	2.5	500	-1.30%
2	2.5	1000	-2.80%
2	2.5	1500	-4.20%
2	2.5	2000	-5.70%
2	2.5	2500	-7.20%
2	2.5	3000	-8.60%
2	2.5	4000	-11.30%
2	3	500	-2.20%
2	3	1000	-4.50%
2	3	1500	-6.70%
2	3	2000	-8.90%
2	3	2500	-10.90%
2	3	3000	-12.80%
2	3	4000	-16.30%
3	1	500	0.00%
3	1	1000	0.00%
3	1	1500	0.00%
3	1	2000	0.00%
3	1	2500	0.00%
3	1	3000	0.00%
3	1	4000	0.00%
3	1.5	500	-0.10%
3	1.5	1000	-0.30%
3	1.5	1500	-0.50%
3	1.5	2000	-0.70%
3	1.5	2500	-0.90%
3	1.5	3000	-1.20%
3	1.5	4000	-1.70%
3	2	500	-0.30%
3	2	1000	-0.90%
3	2	1500	-1.50%
3	2	2000	-2.20%

Average Family Size	IN Deductible Multiplier	Effective Medical Deductible -Individual	Collective Decrement
3.5	3	4000	-13.60%
4	1	500	0.00%
4	1	1000	0.00%
4	1	1500	0.00%
4	1	2000	0.00%
4	1	2500	0.00%
4	1	3000	0.00%
4	1	4000	0.00%
4	1.5	500	0.00%
4	1.5	1000	-0.10%
4	1.5	1500	-0.20%
4	1.5	2000	-0.30%
4	1.5	2500	-0.40%
4	1.5	3000	-0.60%
4	1.5	4000	-0.90%
4	2	500	-0.10%
4	2	1000	-0.40%
4	2	1500	-0.70%
4	2	2000	-1.20%
4	2	2500	-1.70%
4	2	3000	-2.30%
4	2	4000	-3.50%
4	2.5	500	-0.40%
4	2.5	1000	-1.00%
4	2.5	1500	-1.90%
4	2.5	2000	-2.90%
4	2.5	2500	-4.00%
4	2.5	3000	-5.10%
4	2.5	4000	-7.40%
4	3	500	-0.70%
4	3	1000	-2.00%
4	3	1500	-3.50%
4	3	2000	-5.30%
4	3	2500	-7.00%
4	3	3000	-8.80%
4	3	4000	-12.00%

Table 13 – Preventive Care Cost-Share Weighting

Major Service Category	Weighting
PCP	75%
SCP	25%

Table 14 – Medical Utilization Dampening

	IP	OP	PCP Copay	PCP Ded/Coins	ER	SCP Copay	SCP Ded/Coins	Other
A	-2.17	-1.34	-0.68	-0.83	0.00	-0.71	-2.06	-1.78
B	0.12	0.21	0.11	0.37	0.00	0.15	0.57	0.30
Applicable MSC	IP	OP	PCP	PCP	ER	SCP	SCP	Other

C	This factor is equal to $[(\text{Total Cost-Share}) \times (-0.16) + (0.011)]$ and is the same for all MSCs

	Indemnity (NY metro)	Indemnity (NJ)	Indemnity (all other areas)
A	-0.10	-0.10	-0.32
B	0.27	0.36	0.22
Applicable MSC	These indemnity UD factors apply to the aggregate cost-share		

Note: utilization dampening has a floor of 0.20

Table 15 – Community Rate Loads

Category	Load	Detail
Modular Medical Management	1.023	Basic Medical Management
	0.993	Buy-up Medical Management
Multiple Offering Load		**Offerings**
	1.0	1
	1.02	2
	1.025	3
	1.03	4+
Deductible Accumulation Adjustments		**Accumulation Type**
	0.995	No Cross-Accumulation
	1.0	One-Way Accumulation (out-of-network to in-network)
	1.005	Cross- Accumulation
Gatekeeper Credit	0.99	
CarryOver Deductible Adj.		**Deductible**
	1	0
	1.013	250
	1.019	500
	1.023	750
	1.03	1000
Office Surgery	1.001	Waive deductible
	1.002	Waive deductible and coinsurance
Consumerism Adj.	0.985	
Breast Pump Supplies	1.0005	

Table 16 – Medical OON Program Savings Factors

		Factor	
	Percent	All Other Products	LocalPlus Product
Medicare Stacked	100	0.45	0.355
	110	0.5	0.4
	150	0.59	0.49
	200	0.69	0.6
	300	0.86	0.815
Medicare Only	100	0.1	0.077
	110	0.11	0.086
Average Contracted Rate	100	0.6	0.6
Usual & Customary (Percentile)	80th	1	1
	90th	1.1	1.1

Table 17 – Lifetime Maximum Adjustment

Lifetime Max (in dollars)	Factor
0	-2.00%
50000	-2.00%
100000	-1.50%
150000	-1.25%
200000	-1.00%
300000	-0.83%
400000	-0.67%
500000	-0.50%
750000	-0.40%
1000000	-0.25%
2000000	-0.10%
3000000	-0.05%
4000000	-0.02%
5000000	-0.01%
5000001	0.00%

Table 18 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.950	1.100	1.025
Mining	1.000	1.150	1.100
Construction	0.950	1.150	1.050
Manufacturing	0.900	1.100	1.000
Transportation, Communication, & Utilities	0.900	1.100	1.000
Wholesale Trade	0.900	1.000	0.950
Retail Trade	0.950	1.150	1.050
Finance, Insurance and Real Estate	0.900	1.100	1.000
Services	0.900	1.100	1.050
Public Administration	1.000	1.100	1.000

Table 19 – Medical Demographic Factors

	Male			Female			MN and MT Unisex Factors
Age Band	**Employee**	**Spouse**	**Child**	**Employee**	**Spouse**	**Child**	**All**
00 - 19	0.483	0.483	0.483	0.462	0.462	0.462	0.472
20 - 24	0.385	0.387	0.583	0.833	1.336	0.680	0.640
25 - 29	0.461	0.656	0.721	0.975	1.426	1.569	0.807
30 - 34	0.535	0.651	0.716	1.179	1.401	1.541	0.916
35 - 39	0.632	0.871	0.959	1.165	1.261	1.387	0.943
40 - 44	0.803	0.975	1.072	1.212	1.302	1.432	1.045
45 - 49	0.993	1.298	1.427	1.388	1.496	1.646	1.244
50 - 54	1.340	1.737	1.911	1.574	1.807	1.988	1.548
55 - 59	1.700	2.198	2.418	1.742	2.057	2.263	1.837
60 - 64	2.211	2.963	3.260	2.136	2.543	2.797	2.330
65 - 69	3.658	3.658	4.024	2.926	2.926	3.219	3.292
70 +	4.243	4.243	4.668	3.414	3.414	3.756	3.829

Table 20 – Infertility Rider Demographic Factors

Age Band	Male	Female	MN and MT Unisex
00 - 19	0.000	0.000	0.000
20 - 24	0.000	0.600	0.297
25 - 29	0.072	3.432	1.789
30 - 34	0.234	8.046	4.294
35 - 39	0.518	7.278	4.010
40 - 44	0.170	2.635	1.434
45 - 49	0.095	0.530	0.319
50 - 54	0.037	0.043	0.040
55 - 59	0.026	0.018	0.022
60 - 64	0.000	0.009	0.005
65 - 69	0.000	0.000	0.000
70 +	0.000	0.000	0.000

Table 21 – Health Management Program Savings

Health Management Program	Savings
Your Health First	-1.64%
Healthy Pregnancies, Healthy Babies	-$0.36
Comprehensive Oncology	-$0.20

Table 22 – Medical Riders

Rider	Methodology
Bariatric Surgery	0.6623 for a maximum from $1 to $8000 2.0990 for a maximum greater than $8000 2.4069 for unlimited coverage
Durable Medical Equipment (DME)	1.3559 base PMPM
Durable Medical Equipment OON Buy Up	IN PMPM multiplied by the POS Load
External Prosthetic Appliances (EPA)	0.2722 base PMPM
External Prosthetic Appliances OON Buy Up	IN PMPM multiplied by the POS Load
DME and EPA Combined	1.6281 Base PMPM
DME and EPA Combined OON Buy Up	IN PMPM multiplied by the POS Load
Routine Foot Disorders Buy Up	0.9391 for a maximum less than $1000 1.1048 for a maximum $1000 or greater
Routine Foot Disorders OON Buy Up	IN PMPM multiplied by the POS Load
Organ Transplants OON	0.2210 base PMPM
Home Health Care	-1.1490 when annual maximum days are set to zero. Slope of 0.0174 per day. 1.2484 cap on coverage.
Infertility Treatment – Buy Up #1	1.1810 base PMPM
Infertility Treatment – Buy Up #1 OON	IN PMPM multiplied by the POS Load
Infertility Treatment – Buy Up #2	$\text{Base Cost PMPM} = 4.8753 \times \left[\frac{\text{Max}}{18844.37}\right]^{0.6}$ 9.7506 cap on coverage
Infertility Treatment – Buy Up #2 OON	IN PMPM multiplied by the POS Load
Infertility Only	Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1
Infertility Only OON	IN PMPM multiplied by the POS Load
Complex Psych Program Savings	-0.1657 base PMPM
TMJ	0.3425 base PMPM

Rider	Methodology
Narcotics Therapy Program Savings	-0.1657 base PMPM
Alternative Care (Acupuncture, Naturopathy, Massage)	Naturopathy and Acupuncture are available with or without massage at $300 or $600 limits. 1.4418 – Without massage, $300 limit. 2.1046 – Without massage, $600 limit 1.6627 – With massage, $300 limit 3.0990 – With massage, $600 limit
Acupuncture	This doesn't apply if an Alternative Care election is made. 0 – Less than 10 visits 0.4327 – 10 to 11 visits 0.5193 – 12 to 14 visits 0.6166 – 15 to 19 visits 0.7789 – For 20 or more visits.
Preventive Care OON Buy Up	If OON preventive care is elected to be covered at cost-share, multiply the base medical community rate for the OON Preventive Care MSC (as calculated in Step 2) by the OON utilization calculated in Step 3.1.2. If coverage is 100%, divide by $[1 - \text{Member Cost-Sharing Percentage}]$ calculated in Step 2.5 to back out member cost-share.

The following therapies riders use curves based on the number of visits. One slope (PMPM per visit) applies up to some number of visits ("Breakpoint") while another slope applies past that number of visits.

For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:

$$\text{ST PMPM} = [\text{1st Slope}] \times 20 + [\text{2nd Slope}] \times 10 = 0.00502 \times 20 + 0.00126 \times 10 = 0.113$$

At times, Cardiac and Pulmonary Rehab is also included with these benefits, but it's too small to have a pricing impact, so we've collapsed our pricing.

Therapy	1st slope	Breakpoint	2nd slope	Cap
Speech Therapy (ST)	0.00502	20 days	0.00126	0.18832
Outpatient Speech, Hearing, and Occupational Therapy (OSHOT)	0.01004	20 days	0.00251	0.37664
Chiropractic Therapy (Chiro)	0.05022	60 days	0.01339	3.41482
Physical Therapy (PT)	0.09355	20 days	0.02196	3.18860
PT and Occupational Therapy (OT)	0.09857	20 days	0.02322	3.34803
PT and OSHOT	0.10359	20 days	0.02447	3.56524
PT, OT, ST, and Chiro	0.12744	30 days	0.05262	6.98006

Appendix B – Medical Tables by Rating Area

The following tables are organized by the rating area product: Open Access Plus (OAP), Network (NWK), and Preferred Provider Organization (PPO)/Indemnity.

Expected claim cost can vary by area, and each rating area has an associated area factor. However, for other rating values in the appendices that vary by area, one value from a "base" rating area may be shared by a group of rating areas (in which case only the base rating area is listed).

The mapping of rating areas to their respective base rating area is as follows:

Table 23 – Base Rating Area Mapping

OAP Area Description	Rating Area	Base Rating Area
VT, STATEWIDE VT	VT300A	VT300A
PPO/Indemnity Area Description		
VT, STATEWIDE VT	VT701A	VT701A
NWK Area Description		
VT, STATEWIDE VT	VT401A	VT401A

Table 24 – Medical Area Factors

OAP Area Description	Rating Area	Area Factor
VT, STATEWIDE VT	VT300A	0.92
PPO/Indemnity Area Description		
VT, STATEWIDE VT	VT701A	0.97
NWK Area Description		
VT, STATEWIDE VT	VT401A	0.93

Table 25 – Medical Area Factor Summary

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	1.42	1.42	MT	0.91	0.93
AL	0.67	0.98	NC	0.83	1.10
AR	0.70	0.97	ND	0.96	0.98
AZ	0.68	1.20	NE	1.07	1.22
CA*	0.11	1.35	NH	0.95	1.14
CO	0.80	1.15	NJ	0.94	1.11
CT	0.79	1.31	NM	0.75	1.04
DC	0.72	0.79	NV	0.93	0.97
DE	0.93	0.93	NY	0.71	1.33
FL	0.86	1.48	OH	0.85	1.32
GA	0.79	1.24	OK	0.99	1.31
HI	0.92	0.92	OR	0.88	1.01
IA	1.06	1.07	PA	0.80	1.10
ID	1.00	1.01	RI	0.73	0.81
IL	0.74	1.24	SC	0.85	1.23
IN	0.82	1.31	SD	1.22	1.22
KS	0.80	1.20	TN	0.71	1.00
KY	0.87	1.59	UT	0.82	1.48
LA	0.91	1.31	TX	0.84	1.07
MA	0.73	0.97	VA	0.76	1.04
MD	0.69	0.73	VT	0.92	0.97
ME	0.80	0.96	WA	0.87	1.00
MI	0.85	1.46	WI	1.02	1.59
MN	0.88	1.03	WV	0.84	1.31
MO	0.81	1.19	WY	1.18	1.18
MS	0.75	0.97			

*The low area factor for certain CA NWK rating areas applies to the FFS portion of the rate, while the capitated portion is calculated separately and added to the total medical rate.

Table 26 – Medical Trend and Capitation

OAP		In-Network Cost Trend		Out-of-Network Cost Trend	
Base Area Description	**Rating Area**	**2014/2013**	**2015+/2014**	**2014/2013**	**2015+/2014**
VT, STATEWIDE VT	VT300A	10.1%	10.0%	8.5%	8.5%

PPO/Indemnity		Experience-Rated PPO Trend		Experience-Rated Indemnity Trend	
Base Area Description	**Rating Area**	**2014/2013**	**2015+/2014**	**2014/2013**	**2015+/2014**
VT, STATEWIDE VT	VT701A	10.1%	10.0%	8.5%	8.5%

NWK			In-Network Cost Trend		Out-of-Network Cost Trend	
Base Area Description	**Rating Area**	**% Capitated**	**2014/2013**	**2015+/2014**	**2014/2013**	**2015+/2014**
VT, STATEWIDE VT	VT401A	3.82%	10.1%	10.0%	8.5%	8.5%

Table 27 – Medical IN Trend Summary

	2014/2013		2015+/2014	
State	Minimum	Maximum	Minimum	Maximum
AK	9.46%	10.13%	9.29%	9.90%
AL	6.79%	8.50%	7.10%	8.50%
AR	5.93%	7.03%	7.02%	7.70%
AZ	7.38%	8.62%	7.11%	8.79%
CA	6.70%	8.57%	6.18%	8.28%
CO	8.00%	9.00%	8.00%	9.00%
CT	8.30%	10.27%	8.06%	9.31%
DC	7.28%	8.54%	7.45%	8.43%
DE	8.09%	8.61%	7.46%	8.03%
FL	7.98%	10.02%	7.83%	9.05%
GA	7.67%	9.45%	8.12%	8.68%
HI	9.94%	10.45%	9.49%	9.94%
ID	8.50%	10.10%	8.50%	9.78%
IL	7.65%	10.51%	7.94%	10.12%
IN	7.05%	10.17%	6.94%	9.80%
KS	8.63%	9.37%	7.62%	8.50%
KY	8.83%	10.67%	8.02%	10.33%
LA	7.61%	8.71%	7.67%	8.73%
MA	6.69%	7.61%	7.46%	8.44%
MD	6.72%	7.83%	6.72%	7.45%
ME	8.23%	8.67%	7.78%	8.41%
MI	8.43%	9.90%	8.15%	9.65%
MN	9.25%	9.59%	8.98%	9.25%
MO	7.96%	9.37%	7.46%	8.65%
MS	7.59%	8.99%	7.11%	8.35%

	2014/2013		2015+/2014	
State	Minimum	Maximum	Minimum	Maximum
MT	8.50%	10.36%	8.50%	9.97%
NC	7.79%	9.34%	7.46%	8.86%
NE	8.50%	10.44%	8.50%	10.07%
NH	8.46%	8.75%	8.66%	8.86%
NJ	7.62%	10.52%	7.43%	8.49%
NM	5.18%	8.79%	4.52%	8.51%
NV	8.02%	9.37%	7.45%	8.72%
NY	8.67%	9.95%	8.35%	9.67%
OH	7.90%	9.36%	8.62%	9.66%
OK	7.75%	8.79%	7.70%	8.80%
OR	8.11%	8.67%	8.05%	8.50%
PA	7.18%	10.80%	6.67%	10.31%
RI	7.51%	7.95%	8.25%	8.60%
SC	8.15%	8.37%	8.34%	8.46%
TN	3.88%	10.93%	7.25%	10.81%
TX	4.84%	8.67%	6.20%	8.93%
UN	8.50%	8.50%	8.50%	8.50%
UT	8.13%	9.20%	7.88%	8.64%
VA	6.77%	8.88%	7.63%	9.08%
VT	10.10%	10.10%	10.00%	10.00%
WA	7.64%	8.34%	7.31%	7.93%
WI	8.80%	9.30%	8.57%	9.11%
WV	8.68%	9.60%	8.70%	9.48%
WY	8.41%	9.29%	8.06%	9.06%

Table 28 – NWK Percent Capitated Summary

State	Minimum	Maximum
AL	5.27%	5.27%
AR	4.27%	4.27%
AZ	7.45%	7.45%
CA	30.00%	45.00%
CO	4.70%	4.70%
CT	18.84%	18.84%
DC	8.72%	8.72%
DE	6.18%	6.18%
FL	5.97%	5.97%
GA	10.31%	10.31%
IL	5.80%	5.80%
IN	4.65%	4.65%
KS	6.69%	6.69%
KY	4.21%	4.21%
LA	5.19%	5.19%
MA	4.42%	4.42%
MD	8.72%	8.72%
ME	5.58%	5.58%
MI	5.02%	5.02%
MO	6.72%	6.72%
MS	5.25%	5.25%
NC	1.96%	1.96%
NH	1.96%	1.96%
NJ	15.08%	15.08%
NM	4.25%	4.25%
NV	0.90%	0.90%
NY	14.03%	14.03%
OH	5.03%	5.03%
OK	7.04%	7.04%
OR	2.43%	2.43%
PA	6.18%	6.68%
RI	4.39%	4.39%
SC	5.91%	5.91%
TN	5.25%	5.25%
TX	8.15%	11.98%
UT	6.69%	6.69%
VA	8.72%	8.72%
VT	3.82%	3.82%
WA	4.12%	4.12%
WI	2.40%	2.40%
WV	2.90%	2.90%

Table 29 – POS Load Coefficients

OAP		Equation Coefficients		
Base Area Description	**Rating Area**	**A**	**B**	**C**
VT, STATEWIDE VT	VT300A	0.250	-0.240	0.053

PPO/Indemnity		Equation Coefficients		
Base Area Description	**Rating Area**	**A**	**B**	**C**
VT, STATEWIDE VT	VT701A	0.550	-0.430	0.076

NWK		Equation Coefficients		
Base Area Description	**Rating Area**	**A**	**B**	**C**
VT, STATEWIDE VT	VT401A	0.550	-0.430	0.080

Table 30 – POS Load Coefficients Summary

Area	Product	A	B	C
Northeast	OAP	0.250	-0.240	0.053
Southeast	OAP	0.550	-0.430	0.082
West	OAP	0.450	-0.400	0.085
Florida	OAP	0.550	-0.430	0.092
Houston	OAP/PPO/NWK	0.850	-0.670	0.126
Maryland	OAP	0.250	-0.240	0.083
New York/New Jersey	OAP/PPO/NWK	1.200	-1.010	0.210
Southern California	OAP/PPO/NWK	0.780	-0.700	0.154
US Virgin Islands	OAP/PPO	0.550	-0.430	0.076
All other	PPO/Indemnity	0.550	-0.430	0.076
All other	NWK	0.550	-0.430	0.080
CT/MA/RI	LocalPlus	1.158	-0.762	0.126
GA	LocalPlus	1.889	-1.190	0.187
TN/TX	LocalPlus	2.021	-1.268	0.195
CA/CO	LocalPlus	2.047	-1.317	0.210
AZ	LocalPlus	2.113	-1.322	0.210
FL	LocalPlus	2.254	-1.413	0.227
TX	LocalPlus	3.124	-1.964	0.301
CA	LocalPlus	3.703	-2.384	0.385
IL	LocalPlus	4.398	-2.680	0.499

Appendix C – Mental Health/Substance Abuse

Table 31 – MHSA Trend and Adjustments

MHSA Trend	6.0%
FFS Adjustment (if applicable)	1%
Residential Buy-up (if applicable)	$0.12

Table 32 – MHSA OAP/PPO Rates

	Proclaim Cap. Rate		Facets Rate			Proclaim Cap. Rate		Facets Rate	
State	**Minimum**	**Maximum**	**Minimum**	**Maximum**	**State**	**Minimum**	**Maximum**	**Minimum**	**Maximum**
AK	$9.24	$16.44	$2.11	$3.46	MT	$9.06	$16.11	$2.11	$3.46
AL	$8.56	$15.22	$1.98	$3.23	NC	$8.54	$15.18	$2.05	$3.35
AR	$8.13	$14.46	$1.92	$3.14	ND	$8.88	$15.79	$2.02	$3.30
AZ	$8.95	$15.91	$2.09	$3.42	NE	$8.87	$15.78	$2.02	$3.30
CA	$8.95	$15.91	$2.09	$3.42	NH	$10.49	$18.65	$2.43	$3.98
CO	$8.82	$15.69	$2.02	$3.30	NJ	$9.86	$17.55	$2.39	$3.91
CT	$10.51	$18.70	$2.39	$3.91	NM	$8.40	$14.94	$1.98	$3.23
DC	$9.61	$17.09	$2.37	$3.87	NV	$8.69	$15.46	$2.04	$3.33
DE	$9.89	$17.59	$2.39	$3.91	NY	$10.05	$17.87	$2.39	$3.91
FL	$8.40	$14.94	$1.95	$3.19	OH	$8.67	$15.42	$1.98	$3.23
GA	$8.46	$15.06	$2.05	$3.35	OK	$8.60	$15.29	$2.02	$3.30
GU	$8.81	$15.66	$2.11	$3.46	OR	$8.97	$15.95	$2.09	$3.42
HI	$8.81	$15.66	$2.11	$3.46	PA	$9.79	$17.41	$2.39	$3.91
IA	$8.79	$15.63	$2.02	$3.30	PR	$8.90	$15.82	$2.05	$3.35
ID	$8.98	$15.97	$2.11	$3.46	RI	$10.07	$17.91	$2.43	$3.98
IL	$8.87	$15.77	$2.02	$3.30	SC	$8.54	$15.18	$2.05	$3.35
IN	$8.55	$15.21	$1.98	$3.23	SD	$8.80	$15.65	$2.02	$3.30
KS	$8.64	$15.37	$1.98	$3.23	TN	$8.75	$15.56	$2.09	$3.41
KY	$8.44	$15.02	$1.98	$3.23	TX	$8.19	$14.57	$1.96	$3.21
LA	$8.64	$15.36	$1.98	$3.23	UT	$8.66	$15.41	$2.04	$3.33
MA	$10.32	$18.36	$2.43	$3.98	VA	$8.76	$15.58	$2.09	$3.41
MD	$9.81	$17.45	$2.37	$3.87	VI	$8.75	$15.56	$2.05	$3.35
ME	$10.39	$18.47	$2.43	$3.98	VT	$10.37	$18.44	$2.43	$3.98
MI	$9.72	$17.29	$2.39	$3.91	WA	$8.89	$15.81	$2.15	$3.52
MN	$8.87	$15.78	$2.02	$3.30	WI	$8.87	$15.78	$2.02	$3.30
MO	$8.45	$15.02	$1.98	$3.23	WV	$8.63	$15.35	$2.05	$3.35
MS	$8.63	$15.34	$2.05	$3.35	WY	$9.20	$16.37	$2.11	$3.46

Note: The rates are identical across all rating areas within the state and range from minimum to maximum depending on deductible, coinsurance, and copays.

Table 33 – MHSA NWK Rates

Rider: Mental Health		Outpatient Copay										
NWK Base Area Description	**Rating Area**	**0**	**5**	**10**	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
VT, STATEWIDE VT	VT401A	$19.41	$18.52	$17.67	$16.85	$16.00	$15.15	$14.30	$13.42	$12.61	$11.76	$10.91

Rider: Substance Abuse		Outpatient Copay										
NWK Base Area Description	**Rating Area**	**0**	**5**	**10**	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
VT, STATEWIDE VT	VT401A	$3.68	$3.61	$3.55	$3.49	$3.43	$3.36	$3.30	$3.24	$3.17	$3.11	$3.04

Rider: Mental Health/Substance Abuse		Outpatient Copay										
NWK Base Area Description	**Rating Area**	**0**	**5**	**10**	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
VT, STATEWIDE VT	VT401A	$21.88	$20.91	$19.98	$19.09	$18.17	$17.24	$16.31	$15.35	$14.46	$13.53	$12.61

Rider: Non-Standard

NWK Base Area Description	Rating Area	Base Cost
VT, STATEWIDE VT	VT401A	$19.09

Appendix D – General Pharmacy Tables

Table 34 – Retail AWP per Script Assumptions

		Cost Categories						
Formulary Type	Formulary Status	Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)	Standard Injectables	Optional Injectables	Contraceptives
Standard	Open	$97.55	$261.34	$414.29	$143.83	$3,726.47	$2,726.64	$63.04
	Closed	$97.55	$261.34	$0.00	$0.00	$3,726.47	$2,726.64	$63.04
Value	Open	$94.68	$275.32	$327.93	$206.39	$3,726.47	$2,726.64	$63.04
	Closed	$94.68	$275.32	$0.00	$0.00	$3,726.47	$2,726.64	$63.04
		Cost Categories, continued						
Formulary Type	Formulary Status	Anti-Histamines	Cold & Cough	Lifestyle	Fertility	Diet Drugs	Smoking Cessation	Vitamins
Standard	Open	$92.91	$35.53	$209.73	$303.09	$56.03	$223.61	$20.91
	Closed	$89.85	$34.72	$209.73	$303.09	$44.76	$223.61	$13.90
Value	Open	$109.86	$0.00	$209.73	$303.09	$56.03	$223.61	$20.91
	Closed	$85.90	$0.00	$209.73	$303.09	$44.76	$223.61	$13.83

Table 35 – Mail Order AWP per Script Assumptions

		Cost Categories						
Formulary Type	Formulary Status	Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)	Standard Injectables	Optional Injectables	Contraceptives
Standard	Open	$309.62	$857.32	$1,626.51	$281.52	$8,189.09	$3,750.03	$182.47
	Closed	$309.62	$857.32	$0.00	$0.00	$8,189.09	$3,750.03	$182.47
Value	Open	$297.30	$1,010.67	$1,175.38	$529.57	$8,189.09	$3,750.03	$182.47
	Closed	$297.30	$1,010.67	$0.00	$0.00	$8,189.09	$3,750.03	$182.47
		Cost Categories, continued						
Formulary Type	Formulary Status	Anti-Histamines	Cold & Cough	Lifestyle	Fertility	Diet Drugs	Smoking Cessation	Vitamins
Standard	Open	$321.25	$205.23	$577.54	$1,635.42	$226.36	$512.82	$82.82
	Closed	$313.39	$202.60	$577.54	$1,635.42	$96.04	$512.82	$44.23
Value	Open	$333.44	$0.00	$577.54	$1,635.42	$226.36	$512.82	$82.82
	Closed	$258.39	$0.00	$577.54	$1,635.42	$96.04	$512.82	$43.82

Table 36 – Retail Script Count PMPY Assumptions

		Cost Categories						
Formulary Type	Formulary Status	Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)	Standard Injectables	Optional Injectables	Contraceptives
Standard	Open	6.1436	1.1287	0.2708	0.1001	0.0076	0.0012	0.4368
	Closed	6.4589	1.1153	0.0000	0.0000	0.0076	0.0012	0.4368
Value	Open	5.9238	0.7338	0.4487	0.2569	0.0076	0.0012	0.4368
	Closed	6.9234	0.3534	0.0000	0.0000	0.0076	0.0012	0.4368
		Cost Categories, continued						
Formulary Type	Formulary Status	Anti-Histamines	Cold & Cough	Lifestyle	Fertility	Diet Drugs	Smoking Cessation	Vitamins
Standard	Open	0.2328	0.0860	0.0343	0.0075	0.0295	0.0106	0.0653
	Closed	0.2235	0.0849	0.0274	0.0075	0.0282	0.0106	0.0602
Value	Open	0.1705	0.0000	0.0343	0.0075	0.0295	0.0106	0.0653
	Closed	0.1165	0.0000	0.0172	0.0075	0.0282	0.0106	0.0599

Table 37 – Mail Order Script Count PMPY Assumptions

		Cost Categories						
Formulary Type	Formulary Status	Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)	Standard Injectables	Optional Injectables	Contraceptives
Standard	Open	0.6141	0.1660	0.0332	0.0154	0.0135	0.0010	0.0318
	Closed	0.6555	0.1605	0.0000	0.0000	0.0135	0.0010	0.0318
Value	Open	0.5783	0.1089	0.0587	0.0380	0.0135	0.0010	0.0318
	Closed	0.7153	0.0534	0.0000	0.0000	0.0135	0.0010	0.0318
		Cost Categories, continued						
Formulary Type	Formulary Status	Anti-Histamines	Cold & Cough	Lifestyle	Fertility	Diet Drugs	Smoking Cessation	Vitamins
Standard	Open	0.0173	0.0001	0.0060	0.0013	0.0005	0.0003	0.0029
	Closed	0.0167	0.0001	0.0047	0.0013	0.0005	0.0003	0.0027
Value	Open	0.0141	0.0000	0.0060	0.0013	0.0005	0.0003	0.0029
	Closed	0.0092	0.0000	0.0030	0.0013	0.0005	0.0003	0.0026

Table 38 – Retail Discounts and Dispensing Fees (National Network)

Retail Pharmacy Network	Funding Type/Product	Employer Size	Calendar Year	Generic Discount	Brand Discount (30 Day)	Brand Discount (90 Day)	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
National	Non-HMO	All	2013	65.00%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2014	65.00%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2015	65.50%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
			2016	67.00%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
	Experience Rated	0 - 1,500 employees	2013	65.56%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2014	66.31%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2015	67.31%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2016	68.81%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
		1,501+ employees	2013	66.63%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2014	67.38%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2015	68.38%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2016	69.88%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59

Table 39 – Retail Discounts and Dispensing Fees (National Network without CVS)

Retail Pharmacy Network	Funding Type/Product	Employer Size	Calendar Year	Generic Discount	Brand Discount (30 Day)	Brand Discount (90 Day)	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
National without CVS	Non-HMO	All	2013	66.25%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2014	66.25%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2015	66.75%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
			2016	68.25%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
	Experience Rated	0 - 1,500 employees	2013	66.81%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2014	67.56%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2015	68.56%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2016	70.06%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
		1,501+ employees	2013	67.88%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2014	68.63%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2015	69.63%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2016	71.13%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59

Table 40 – Retail Discounts and Dispensing Fees (National Network without Walgreens)

Retail Pharmacy Network	Funding Type/Product	Employer Size	Calendar Year	Generic Discount	Brand Discount (30 Day)	Brand Discount (90 Day)	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
National without WAG	Non-HMO	All	2013	66.25%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2014	66.25%	14.97%	14.97%	15.60%	$1.39	$1.34	$1.34
			2015	66.75%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
			2016	68.25%	15.50%	15.50%	13.50%	$1.40	$1.40	$1.40
	Experience Rated	0 - 1,500 employees	2013	66.81%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2014	67.56%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2015	68.56%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
			2016	70.06%	15.62%	15.62%	11.46%	$1.37	$1.32	$1.32
		1,501+ employees	2013	67.88%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2014	68.63%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2015	69.63%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59
			2016	71.13%	14.32%	14.32%	11.34%	$1.77	$1.59	$1.59

Table 41 – Mail Order Discounts and Dispensing Fees

Funding Type/Product	Employer Size	Calendar Year	Generic Discount	Brand Discount	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
Non-HMO	All	2013	66.00%	12.73%	11.80%	$2.25	$2.25	$2.25
		2014	66.00%	12.73%	11.80%	$2.25	$2.25	$2.25
		2015	67.50%	16.00%	11.80%	$2.25	$2.25	$2.25
		2016	69.00%	16.00%	11.80%	$2.25	$2.25	$2.25
Experience Rated	0 - 1,500 employees	2013	68.69%	17.44%	11.97%	$0.58	$0.60	$0.60
		2014	69.44%	17.44%	11.97%	$0.58	$0.60	$0.60
		2015	70.44%	17.44%	11.97%	$0.58	$0.60	$0.60
		2016	71.94%	17.44%	11.97%	$0.58	$0.60	$0.60
	1,501+ employees	2013	71.76%	19.45%	11.95%	$0.11	$0.14	$0.14
		2014	72.51%	19.45%	11.95%	$0.11	$0.14	$0.14
		2015	73.51%	19.45%	11.95%	$0.11	$0.14	$0.14
		2016	75.01%	19.45%	11.95%	$0.11	$0.14	$0.14

Table 42 – Shift Assumptions for Plans with 90-Day Retail

Copay Multiplier	30-Day Retail Shift to 90-Day Retail	Mail Order Shift to 90-Day Retail
-1	0%	0%
2	20%	0%
2.5	20%	0%
3	10%	0%

Table 43 – Mail Order Multiplier Assumption

3

Table 44 – Mandatory Generic Shift Factor

50%

Table 45 – Cost Trend

	2012/2011	2013/2012	2014/2013	2015/2014
National	3.2%	5.4%	13.6%	8.6%
VT	3.2%	5.4%	12.2%	11.0%

Table 46 – Utilization Trend

	2012/2011	2013/2012	2014/2013	2015/2014
National/VT	0.5%	1.0%	0.5%	1.0%

Table 47 – Area Factors

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
AK	AK351	X	0.9145	X	0.9145
	AK702	X	0.9145	X	0.9145
AL	AL201	X	1.0114	X	1.0114
	AL350A	X	1.0114	X	1.0114
	AL352	X	1.0114	X	1.0114
	AL401A	X	1.0114	1.0114	X
	AL701A	X	1.0114	X	1.0114
AR	AR201	X	0.8361	X	0.8361
	AR300A	X	0.8361	X	0.8361
	AR401A	X	0.8361	0.8361	X
AZ	AZ011B	X	0.9326	X	0.9326
	AZ300B	X	0.9326	X	0.9326
	AZ302B	X	0.9326	X	0.9326
	AZ801B	0.8787	0.9326	0.9326	X
	AZ812	0.8787	0.9326	0.9326	X
CA	CA300J	X	0.9281	X	0.9281
	CA301A	X	0.9119	X	0.9119
	CA350A	X	0.9119	X	0.9119
	CA350J	X	0.9281	X	0.9281
	CA702A	X	0.9119	X	0.9119
	CA702J	X	0.9281	X	0.9281
	CA804J	0.6947	0.9281	0.6967	X
	CA807A	0.7226	0.9119	0.9119	X
	CA813J	0.6947	0.9281	0.6967	X
	CA815A	0.7226	0.9119	0.9119	X
	CA817J	0.6947	0.9281	0.6967	X
	CA818J	0.6947	0.9281	0.6967	X
CO	CO031A	X	1.0239	X	1.0239
	CO201	X	1.0239	X	1.0239
	CO300A	X	1.0239	X	1.0239
	CO301A	X	1.0239	X	1.0239
	CO350	X	1.0239	X	1.0239
	CO807A	0.9886	1.0239	1.0239	X
CT	CT300A	X	1.0888	X	1.0888
	CT300B	X	1.0888	X	1.0888
	CT301A	X	1.0888	X	1.0888
	CT301B	X	1.0888	X	1.0888
	CT704A	X	1.0888	X	1.0888
	CT704B	X	1.0888	X	1.0888
	CT801A	1.08	1.0888	1.0888	X
	CT801B	1.08	1.0888	1.0888	X
DC	MD300F	X	1.0783	X	1.0783
	MD701F	X	1.0783	X	1.0783
	MD802F	0.9238	1.0783	1.0783	X
DE	DE350	X	1.058	X	1.058
	DE702	X	1.058	X	1.058
	DE801	1.2375	1.058	1.058	X
FL	FL305A	X	0.9806	X	0.9806
	FL305D	X	1.03	X	1.03
	FL305G	X	0.9806	X	0.9806
	FL305H	X	1.03	X	1.03
	FL305I	X	1.03	X	1.03
	FL305J	X	1.03	X	1.03
	FL305K	X	1.03	X	1.03
	FL307I	X	1.03	X	1.03
	FL307J	X	1.03	X	1.03
	FL307K	X	1.03	X	1.03
	FL308A	X	0.9806	X	0.9806
	FL309G	X	0.9806	X	0.9806
	FL309H	X	1.03	X	1.03
	FL411	0.9867	1.03	1.03	X
	FL710A	X	0.9806	X	0.9806
	FL710C	X	1.03	X	1.03

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
FL, cont'd	FL710D	X	1.03	X	1.03
	FL710E	X	1.03	X	1.03
	FL710G	X	1.03	X	1.03
	FL710H	X	0.9806	X	0.9806
	FL710I	X	1.03	X	1.03
	FL802B	1.0114	0.9806	0.9806	X
	FL802P	0.943	1.03	1.03	X
	FL815A	0.9942	0.9806	0.9806	X
	FL816A	0.9122	1.03	1.03	X
	FL816B	0.9122	1.03	1.03	X
	FL816C	0.9122	1.03	1.03	X
GA	GA300A	X	1.0718	X	1.0718
	GA304A	X	1.0718	X	1.0718
	GA701A	X	1.0718	X	1.0718
	GA8021	1.1179	1.0718	1.0718	X
HI	HI350	X	0.7222	X	0.7222
	HI901	X	0.7222	X	0.7222
ID	ID352A	X	0.8129	X	0.8129
	ID703A	X	0.8129	X	0.8129
IL	IL011A	X	1.0557	X	1.0557
	IL011G	X	1.0557	X	1.0557
	IL053A	X	1.0557	1.0557	X
	IL300A	X	1.0557	X	1.0557
	IL300G	X	1.0557	X	1.0557
	IL303A	X	1.0557	X	1.0557
	IL352	X	1.0557	X	1.0557
	IL705	X	1.0557	X	1.0557
IN	IL801A	0.9795	X	X	X
	IN041B	X	1.0581	X	1.0581
	IN300B	X	1.0581	X	1.0581
	IN351	X	1.0581	X	1.0581
	IN351C	X	1.0581	X	1.0581
	IN401B	1.0796	1.0581	1.0581	X
	IN703	X	1.0581	X	1.0581
	IN703C	X	1.0581	X	1.0581
KS	MO021A	X	1.0387	X	1.0387
	MO053A	1.0315	1.0387	1.0387	X
	MO301A	X	1.0387	X	1.0387
KY	KY300A	X	1.1089	X	1.1089
	KY300B	X	1.1089	X	1.1089
	KY351	X	1.1089	X	1.1089
	KY401A	X	1.1089	1.1089	X
	KY401B	X	1.1089	1.1089	X
	KY404	X	1.1089	1.1089	X
	KY702A	X	1.1089	X	1.1089
	KY702B	X	1.1089	X	1.1089
	KY704	X	1.1089	X	1.1089
LA	LA300N	X	1.1682	X	1.1682
	LA701N	X	1.1682	X	1.1682
	LA802	X	1.1682	1.1682	X
MA	MA3002	X	0.8544	X	0.8544
	MA3003	X	0.8544	X	0.8544
	MA3012	X	0.8544	X	0.8544
	MA3013	X	0.8544	X	0.8544
	MA7012	X	0.8544	X	0.8544
	MA7013	X	0.8544	X	0.8544
	MA8022	0.961	0.8544	0.8544	X
	MA8023	0.961	0.8544	0.8544	X
MD	MD300A	X	1.0783	X	1.0783
	MD701A	X	1.0783	X	1.0783
	MD802A	0.9238	1.0783	1.0783	X
ME	ME300E	X	0.8634	X	0.8634
	ME401E	1.0732	0.8634	0.8634	X
	ME701E	X	0.8634	X	0.8634

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
MI	MI011B	X	0.9202	X	0.9202
	MI350B	X	0.9202	X	0.9202
	MI356A	X	0.9202	X	0.9202
	MI356B	X	0.9202	X	0.9202
	MI358	X	0.9202	X	0.9202
	MI403B	X	0.9202	0.9202	X
	MI404A	X	0.9202	0.9202	X
	MI404B	X	0.9202	0.9202	X
	MI704A	X	0.9202	X	0.9202
	MI704B	X	0.9202	X	0.9202
	MI706	X	0.9202	X	0.9202
MN	MN351A	X	0.8459	X	0.8459
	MN703A	X	0.8459	X	0.8459
MO	MO011A	X	1.0387	X	1.0387
	MO300A	X	1.0387	X	1.0387
	MO300F	X	1.0387	X	1.0387
	MO355	X	1.0387	X	1.0387
	MO705	X	1.0387	X	1.0387
	MO801A	1.0315	1.0387	1.0387	X
MS	MS350D	X	0.898	X	0.898
	MS703A	X	0.898	X	0.898
	MS902	X	0.898	0.898	X
MT	MT351	X	0.7921	X	0.7921
	MT702	X	0.7921	X	0.7921
	MT703	X	0.7921	X	0.7921
	MT704	X	0.7921	X	0.7921
NC	NC011A	X	1.0311	X	1.0311
	NC011B	X	1.0311	X	1.0311
	NC011C	X	1.0311	X	1.0311
	NC011F	X	1.0311	X	1.0311
	NC043A	0.9489	1.0311	1.0311	X
	NC043B	0.9489	1.0311	1.0311	X
	NC043C	0.9489	1.0311	1.0311	X
	NC043F	0.9489	1.0311	1.0311	X
	NC300A	X	1.0311	X	1.0311
	NC300B	X	1.0311	X	1.0311
	NC300C	X	1.0311	X	1.0311
	NC300F	X	1.0311	X	1.0311
NE	NE350A	X	0.8525	X	0.8525
	NE350O	X	0.8525	X	0.8525
	NE704A	X	0.8525	X	0.8525
	NE704O	X	0.8525	X	0.8525
NH	NH401K	1.0723	0.9544	0.9544	X
	VT300K	X	0.9544	X	0.9544
	VT701K	X	0.9544	X	0.9544
NJ	NJ301N	X	1.1034	X	1.1034
	NJ301S	X	1.1034	X	1.1034
	NJ701N	X	1.1034	X	1.1034
	NJ701S	X	1.1034	X	1.1034
	NJ801A	1.0508	1.1034	1.1034	X
	NJ802	1.0508	1.1034	1.1034	X
NM	NM011A	X	0.7513	X	0.7513
	NM300A	X	0.7513	X	0.7513
	NM301A	X	0.7513	X	0.7513
	NM700A	X	0.7513	X	0.7513
	NM802A	X	0.7513	0.7513	X
NV	NV021A	X	0.8535	X	0.8535
	NV300A	X	0.8535	X	0.8535
	NV350A	X	0.8535	X	0.8535
	NV402A	X	0.8535	0.8535	X
	NV700A	X	0.8535	X	0.8535

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
NY	NY013	1.0172	1.2135	1.2135	X
	NY232	X	1.2135	X	1.2135
	NY234	X	1.2135	X	1.2135
	NY300M	X	1.2135	X	1.2135
	NY350	X	1.2135	X	1.2135
	NY352	X	1.2135	X	1.2135
	NY353A	X	1.2135	X	1.2135
	NY353S	X	1.2135	X	1.2135
	NY403S	X	1.2135	1.2135	X
	NY703M	X	1.2135	X	1.2135
	NY704A	X	1.2135	X	1.2135
	NY704S	X	1.2135	X	1.2135
OH	OH021A	X	1.0413	X	1.0413
	OH021D	X	1.0413	X	1.0413
	OH021F	X	1.0413	X	1.0413
	OH301A	X	1.0413	X	1.0413
	OH301D	X	1.0413	X	1.0413
	OH301F	X	1.0413	X	1.0413
	OH802A	X	1.0413	1.0413	X
	OH803A	X	1.0413	1.0413	X
	OH805A	X	1.0413	1.0413	X
OK	OK011A	X	0.9881	X	0.9881
	OK023	X	0.9881	0.9881	X
	OK300A	X	0.9881	X	0.9881
OR	OR352A	X	0.8528	X	0.8528
	OR353A	X	0.8528	X	0.8528
	OR402A	X	0.8528	0.8528	X
	OR701A	X	0.8528	X	0.8528
	OR702A	X	0.8528	X	0.8528
PA	PA061A	X	1.0062	X	1.0062
	PA061B	X	1.0062	X	1.0062
	PA061D	X	1.0062	X	1.0062
	PA061E	X	1.0062	X	1.0062
	PA061L	X	1.0062	X	1.0062
	PA061S	X	1.0062	X	1.0062
	PA061Y	X	1.0062	X	1.0062
	PA201	X	1.0062	X	1.0062
	PA202A	X	1.0062	X	1.0062
	PA202B	X	1.0062	X	1.0062
	PA300A	X	1.0062	X	1.0062
	PA300B	X	1.0062	X	1.0062
	PA300D	X	1.0062	X	1.0062
	PA300E	X	1.0062	X	1.0062
	PA300L	X	1.0062	X	1.0062
	PA300S	X	1.0062	X	1.0062
	PA300Y	X	1.0062	X	1.0062
	PA350	X	1.0062	X	1.0062
	PA351A	X	1.0062	X	1.0062
	PA351B	X	1.0062	X	1.0062
	PA402L	X	1.0062	1.0062	X
	PA402S	X	1.0062	1.0062	X
	PA402Y	X	1.0062	1.0062	X
	PA403A	X	1.0062	1.0062	X
	PA403B	X	1.0062	1.0062	X
	PA802	0.8825	X	X	X
	PA802A	X	1.0062	1.0062	X
	PA802B	X	1.0062	1.0062	X
PR	PR701	X	0.9167	X	0.9167
RI	RI300	X	0.8561	X	0.8561
	RI301	X	0.8561	X	0.8561
	RI402	X	0.8561	0.8561	X
	RI701	X	0.8561	X	0.8561

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
SC	SC300B	X	1.0139	X	1.0139
	SC300H	X	1.0139	X	1.0139
	SC300I	X	1.0139	X	1.0139
	SC401B	0.9687	1.0139	1.0139	X
	SC401H	0.9687	1.0139	1.0139	X
	SC401I	0.9687	1.0139	1.0139	X
	SC703B	X	1.0139	X	1.0139
	SC703H	X	1.0139	X	1.0139
	SC703I	X	1.0139	X	1.0139
TN	TN051B	X	1.0709	X	1.0709
	TN051E	X	1.0709	X	1.0709
	TN051I	X	1.0709	X	1.0709
	TN051J	X	1.0709	X	1.0709
	TN051K	X	1.0709	X	1.0709
	TN073	X	1.0709	1.0709	X
	TN083E	0.9822	X	X	X
	TN093B	X	1.0709	1.0709	X
	TN303B	X	1.0709	X	1.0709
	TN303E	X	1.0709	X	1.0709
	TN303I	X	1.0709	X	1.0709
	TN303J	X	1.0709	X	1.0709
	TN303K	X	1.0709	X	1.0709
	TN305B	X	1.0709	X	1.0709
	TN305E	X	1.0709	X	1.0709
	TN305I	X	1.0709	X	1.0709
	TN305J	X	1.0709	X	1.0709
	TN305K	X	1.0709	X	1.0709
	TN403A	0.9822	1.0709	1.0709	X
	TN404A	0.9822	1.0709	1.0709	X
	TN404B	0.9822	1.0709	1.0709	X
	TN409B	X	1.0709	1.0709	X
	TN409E	X	1.0709	1.0709	X
	TN409I	X	1.0709	1.0709	X
	TN409J	X	1.0709	1.0709	X
	TN409K	X	1.0709	1.0709	X
	TN8012	0.9822	X	X	X
TX	TX302A	X	1.061	X	1.061
	TX302D	X	1.099	X	1.099
	TX302H	X	1.0575	X	1.0575
	TX302S	X	0.9032	X	0.9032
	TX310H	X	1.0575	X	1.0575
	TX312D	X	1.099	X	1.099
	TX313A	X	1.061	X	1.061
	TX702A	X	1.061	X	1.061
	TX702D	X	1.099	X	1.099
	TX702H	X	1.0575	X	1.0575
	TX702S	X	0.9032	X	0.9032
	TX801	1.0655	1.099	1.099	X
	TX803	X	1.0575	1.0575	X
	TX810A	X	1.061	1.061	X
	TX811	X	0.9032	0.9032	X
	TX822	0.9331	X	X	X
	TX826A	1.043	X	X	X
	TX827	1.0214	X	X	X
UT	TU023A	0.9423	0.9132	0.9132	X
	TU041A	X	0.9132	X	0.9132
	TU300A	X	0.9132	X	0.9132
VA	MD300B	X	1.056	X	1.056
	MD701B	X	1.056	X	1.056
	MD802B	0.9761	1.0029	1.0029	X
	MD802H	0.9761	1.0029	1.0029	X
	MD802J	0.9761	1.0029	1.0029	X
	MD802N	0.9761	1.0029	1.0029	X
	VA021B	X	1.0029	X	1.0029
	VA021D	X	1.0029	X	1.0029

State	Base Rating Area	HMO	Non-HMO	Experience Rated NWK	Experience Rated Non-NWK
VA, cont'd	VA021H	X	1.0029	X	1.0029
	VA300B	X	1.0029	X	1.0029
	VA300D	X	1.0029	X	1.0029
	VA300H	X	1.0029	X	1.0029
VI	VI350	X	0.9089	X	0.9089
	VI702	X	0.9089	X	0.9089
VT	VT300A	X	0.8304	X	0.8304
	VT401A	X	0.8304	0.8304	X
	VT701A	X	0.8304	X	0.8304
WA	WA351A	X	0.8683	X	0.8683
	WA700A	X	0.8683	X	0.8683
	WA803A	X	0.8683	0.8683	X
WI	WI350A	X	0.963	X	0.963
	WI403	X	0.963	0.963	X
	WI704A	X	0.963	X	0.963
WV	WV300	X	1.0062	X	1.0062
	WV401	X	1.0062	1.0062	X
	WV701	X	1.0062	X	1.0062
WY	WY351	X	0.8769	X	0.8769
	WY352	X	0.8769	X	0.8769
	WY701	X	0.8769	X	0.8769
	WY702	X	0.8769	X	0.8769

Table 48 – Pharmacy CPD (% Preventive)

	Retail			Mail Order		
Probability	Generic	Preferred Brand	Non-Preferred Brand	Generic	Preferred Brand	Non-Preferred Brand
23.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18.3%	7.5%	75.6%	23.3%	55.6%	27.0%	36.9%
8.3%	11.7%	49.3%	21.3%	47.8%	14.6%	31.9%
5.4%	16.1%	21.4%	19.0%	47.6%	36.6%	39.7%
4.1%	17.3%	27.0%	21.6%	45.0%	20.1%	26.0%
3.3%	18.4%	24.4%	15.9%	41.9%	12.4%	34.6%
2.6%	19.9%	27.1%	15.8%	39.8%	20.6%	42.4%
2.2%	19.7%	28.7%	19.7%	38.9%	26.4%	49.7%
1.9%	20.7%	29.1%	18.5%	40.6%	28.3%	54.1%
1.6%	22.1%	27.2%	18.5%	42.8%	31.6%	62.8%
1.5%	23.8%	27.6%	20.2%	44.8%	34.4%	61.9%
1.3%	24.7%	29.3%	17.6%	44.4%	36.5%	45.1%
1.2%	25.1%	30.0%	18.3%	45.8%	36.7%	42.1%
1.1%	24.5%	29.2%	19.4%	46.4%	36.0%	44.5%
1.0%	25.0%	29.0%	20.8%	45.1%	35.9%	47.8%
0.9%	25.4%	30.3%	20.3%	44.4%	37.7%	45.4%
0.8%	25.3%	30.6%	21.6%	46.2%	37.6%	48.1%
0.8%	25.4%	29.5%	21.7%	47.8%	37.1%	57.2%
0.7%	25.9%	28.5%	23.3%	48.3%	38.5%	54.3%
0.7%	26.3%	29.7%	25.3%	49.4%	37.2%	54.5%
0.7%	27.0%	29.0%	24.5%	50.8%	39.2%	55.5%
1.2%	28.2%	29.1%	25.9%	50.6%	39.3%	50.0%
1.1%	28.4%	31.8%	27.1%	50.8%	44.4%	53.6%
1.0%	28.5%	33.6%	28.7%	53.7%	49.9%	60.0%
0.9%	29.7%	36.5%	30.8%	53.5%	52.4%	64.0%
0.8%	29.9%	37.7%	32.2%	54.6%	54.2%	62.6%
0.7%	29.5%	40.1%	33.1%	53.8%	54.5%	58.6%
0.6%	29.6%	38.5%	34.1%	54.4%	55.5%	59.5%
0.6%	29.6%	39.8%	34.0%	55.2%	56.7%	63.3%
0.6%	28.8%	40.3%	34.7%	54.0%	57.2%	59.8%
0.5%	29.2%	40.0%	33.6%	54.6%	55.9%	60.8%
2.1%	29.6%	40.4%	30.8%	54.1%	55.7%	53.2%
1.5%	30.4%	42.1%	28.4%	54.6%	57.5%	49.8%
1.1%	30.4%	44.6%	27.7%	56.0%	58.7%	49.3%
0.8%	30.3%	45.4%	27.0%	54.2%	58.5%	47.2%
0.7%	30.1%	43.9%	25.6%	53.4%	57.8%	44.9%
0.5%	30.3%	44.1%	24.1%	54.8%	56.8%	42.7%
0.4%	29.9%	43.9%	24.0%	53.9%	57.3%	40.6%
0.4%	29.0%	44.5%	21.1%	53.4%	56.3%	38.1%
0.3%	29.8%	44.5%	20.9%	52.5%	54.4%	37.7%
0.2%	28.3%	44.2%	20.0%	51.3%	51.4%	32.7%
0.2%	27.2%	43.9%	19.2%	51.3%	53.7%	31.6%
0.2%	27.2%	42.9%	18.5%	49.3%	53.3%	31.0%
0.1%	26.6%	40.8%	17.3%	48.8%	52.8%	31.3%
0.1%	25.2%	39.9%	18.0%	45.4%	50.6%	29.7%
0.1%	24.9%	38.6%	15.3%	46.8%	49.5%	27.4%
0.1%	23.8%	39.2%	15.5%	47.4%	47.9%	27.7%
0.1%	24.0%	36.4%	15.5%	42.1%	48.9%	25.0%
0.1%	21.9%	34.7%	14.1%	44.0%	47.4%	21.6%
0.1%	22.1%	34.4%	13.9%	41.4%	44.0%	18.8%
0.1%	21.6%	34.7%	14.0%	42.3%	45.5%	18.1%
0.1%	22.2%	35.2%	13.9%	40.0%	37.6%	19.7%
0.0%	21.2%	31.6%	13.4%	37.2%	29.0%	17.2%
0.0%	19.5%	30.9%	11.0%	37.1%	27.2%	15.3%

	Retail			Mail Order		
Probability	Generic	Preferred Brand	Non-Preferred Brand	Generic	Preferred Brand	Non-Preferred Brand
0.0%	20.5%	32.6%	13.0%	33.6%	31.5%	12.9%
0.0%	17.4%	29.3%	13.9%	37.0%	35.3%	15.0%
0.0%	16.5%	28.2%	8.2%	30.1%	32.0%	15.3%
0.0%	17.2%	27.7%	9.5%	33.9%	32.2%	14.8%
0.0%	16.5%	26.8%	8.7%	30.0%	34.2%	13.1%
0.0%	15.0%	21.7%	7.5%	30.0%	34.5%	6.6%
0.0%	15.1%	22.5%	7.1%	28.1%	28.7%	10.8%
0.0%	14.8%	23.0%	7.4%	30.5%	26.6%	12.0%
0.0%	15.3%	19.4%	5.9%	23.6%	26.9%	12.6%
0.0%	16.3%	21.8%	7.0%	26.2%	30.1%	7.6%
0.0%	15.7%	19.7%	6.1%	22.2%	16.0%	9.6%
0.0%	10.9%	16.9%	6.2%	19.3%	10.9%	7.9%
0.0%	13.4%	18.1%	6.2%	22.2%	12.1%	6.5%
0.0%	12.3%	16.3%	4.7%	20.5%	17.4%	6.3%
0.0%	11.9%	12.0%	3.5%	21.4%	14.5%	3.6%
0.0%	13.7%	10.8%	2.9%	18.1%	12.0%	2.5%
0.0%	12.2%	9.0%	2.8%	25.8%	13.3%	3.3%
0.0%	10.8%	8.8%	3.0%	21.3%	9.3%	2.6%
0.0%	13.4%	7.2%	2.9%	20.2%	2.3%	2.8%
0.0%	12.2%	7.0%	3.1%	23.0%	5.5%	2.5%
0.0%	12.4%	6.8%	3.4%	19.9%	6.9%	2.2%
0.0%	13.4%	6.5%	5.3%	21.7%	9.5%	1.7%
0.0%	12.6%	6.8%	5.3%	21.9%	6.8%	2.4%
0.1%	10.9%	6.3%	3.3%	15.9%	6.1%	2.1%
0.0%	9.9%	4.8%	2.9%	12.3%	6.6%	1.1%
0.0%	9.2%	4.1%	2.1%	11.9%	3.9%	0.6%
0.0%	8.1%	4.1%	1.4%	12.3%	3.0%	0.6%
0.0%	7.0%	2.4%	1.3%	11.5%	3.2%	0.6%
0.0%	8.1%	1.9%	1.0%	16.5%	1.7%	0.5%
0.0%	4.0%	3.2%	0.9%	2.9%	2.6%	0.0%
0.0%	9.5%	2.2%	1.2%	9.7%	1.7%	0.2%
0.0%	8.1%	1.6%	2.0%	4.4%	0.2%	1.7%
0.0%	3.1%	0.4%	0.2%	3.7%	0.4%	0.4%
0.0%	1.6%	1.4%	0.1%	14.9%	0.5%	0.0%
0.0%	6.7%	0.9%	0.3%	21.0%	0.7%	0.0%
0.0%	1.8%	2.4%	0.4%	13.7%	0.0%	0.2%
0.0%	4.2%	2.1%	0.4%	24.1%	16.1%	0.3%
0.0%	12.9%	2.3%	0.0%	29.3%	11.7%	0.1%
0.0%	6.1%	2.0%	5.3%	31.2%	0.6%	0.9%
0.0%	8.5%	1.7%	0.3%	9.3%	1.6%	0.3%

Table 49 – Pharmacy CPD (Cost per Script)

	Retail				Mail Order			
Probability	Generic	Preferred Brand	Non-Preferred Brand	Injectable	Generic	Preferred Brand	Non-Preferred Brand	Injectable
23.7%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
18.3%	$11.51	$29.12	$22.56	$26.55	$16.90	$22.88	$21.89	$0.00
8.3%	$15.90	$47.97	$48.70	$0.00	$25.67	$41.33	$33.48	$0.00
5.4%	$17.15	$74.84	$66.52	$112.45	$29.83	$60.30	$43.37	$112.00
4.1%	$18.35	$87.22	$85.56	$106.84	$34.29	$70.46	$68.30	$0.00
3.3%	$19.23	$97.31	$100.43	$82.84	$37.73	$92.32	$81.77	$112.00
2.6%	$19.87	$96.43	$112.72	$79.01	$41.34	$97.41	$114.96	$112.00
2.2%	$21.13	$101.14	$117.49	$141.16	$44.65	$120.85	$141.93	$0.00
1.9%	$21.75	$103.77	$117.84	$161.53	$47.36	$144.27	$178.80	$112.00
1.6%	$22.59	$109.23	$126.91	$220.02	$49.12	$169.72	$211.24	$112.00
1.5%	$23.50	$114.94	$137.78	$199.84	$51.29	$197.60	$223.71	$112.00
1.3%	$24.01	$115.22	$142.12	$97.64	$54.04	$199.90	$236.20	$112.00
1.2%	$24.63	$115.65	$149.94	$519.46	$55.37	$207.46	$243.78	$0.00
1.1%	$26.05	$117.47	$151.70	$123.22	$59.53	$215.31	$235.63	$0.00
1.0%	$26.49	$121.20	$151.40	$238.75	$63.33	$226.04	$252.70	$161.81
0.9%	$26.67	$120.20	$150.38	$236.32	$65.22	$236.65	$260.63	$471.55
0.8%	$27.71	$120.17	$155.69	$114.10	$65.83	$247.83	$266.86	$616.86
0.8%	$28.63	$123.69	$159.00	$306.30	$68.25	$245.14	$274.28	$747.53
0.7%	$28.91	$122.15	$153.48	$453.75	$70.86	$252.86	$285.10	$675.52
0.7%	$29.24	$122.69	$154.22	$551.67	$71.82	$262.26	$276.87	$507.17
0.7%	$29.40	$124.91	$155.46	$418.05	$75.21	$268.16	$282.98	$570.29
1.2%	$29.82	$123.25	$156.37	$345.04	$76.96	$275.16	$305.35	$543.76
1.1%	$30.76	$130.35	$161.95	$309.99	$78.90	$292.14	$314.22	$255.01
1.0%	$31.20	$133.88	$162.96	$423.95	$80.43	$303.88	$323.29	$414.75
0.9%	$31.81	$139.36	$165.85	$684.99	$84.11	$314.20	$333.41	$358.58
0.8%	$31.82	$144.25	$165.17	$438.72	$83.69	$332.34	$336.28	$662.99
0.7%	$32.41	$147.33	$168.52	$606.47	$86.59	$340.74	$349.56	$743.07
0.6%	$32.18	$152.16	$169.49	$475.16	$83.57	$346.62	$356.95	$709.20
0.6%	$32.51	$154.42	$173.67	$674.04	$84.02	$356.81	$362.19	$734.95
0.6%	$32.96	$157.17	$175.84	$649.31	$84.91	$362.44	$366.83	$809.27
0.5%	$33.23	$160.34	$178.83	$1,048.42	$87.62	$376.63	$369.54	$962.35
2.1%	$33.76	$166.91	$181.64	$1,582.17	$87.37	$388.89	$382.96	$1,545.05
1.5%	$34.39	$176.41	$190.23	$1,452.66	$90.67	$415.80	$393.92	$1,548.97
1.1%	$35.71	$186.42	$196.42	$1,248.11	$92.34	$441.53	$402.87	$1,546.29
0.8%	$36.97	$194.44	$203.45	$1,308.02	$96.89	$463.93	$410.07	$1,686.82
0.7%	$37.23	$203.03	$209.22	$1,987.69	$98.70	$488.68	$415.70	$1,982.85
0.5%	$37.77	$210.96	$216.10	$1,803.63	$98.78	$509.50	$432.53	$2,090.58
0.4%	$37.67	$219.91	$218.86	$1,617.86	$101.79	$520.32	$454.55	$2,040.45
0.4%	$38.38	$225.04	$231.33	$1,692.74	$103.08	$546.95	$446.99	$2,918.84
0.3%	$38.68	$230.88	$235.21	$2,094.67	$104.67	$556.24	$450.90	$4,207.20
0.2%	$39.42	$236.41	$238.52	$2,190.40	$108.46	$574.32	$470.75	$4,101.93
0.2%	$39.93	$241.29	$248.40	$2,342.59	$106.24	$588.74	$485.52	$3,616.91
0.2%	$41.02	$249.87	$259.35	$2,350.93	$109.02	$596.52	$482.79	$3,173.76
0.1%	$41.89	$256.25	$264.16	$2,032.44	$112.68	$627.48	$491.15	$3,308.54
0.1%	$42.31	$262.77	$274.10	$2,178.90	$115.90	$625.00	$494.17	$3,215.35
0.1%	$43.74	$268.93	$283.23	$2,355.32	$118.18	$647.93	$554.32	$3,023.86
0.1%	$43.60	$274.52	$277.68	$2,085.06	$118.02	$699.57	$536.91	$3,269.77
0.1%	$44.95	$285.70	$285.64	$2,253.23	$128.17	$664.49	$576.16	$3,671.18
0.1%	$46.61	$291.29	$304.13	$2,164.81	$121.85	$698.77	$644.37	$3,380.81

	Retail				Mail Order			
Probability	Generic	Preferred Brand	Non-Preferred Brand	Injectable	Generic	Preferred Brand	Non-Preferred Brand	Injectable
0.1%	$44.78	$296.23	$319.27	$2,299.14	$127.78	$729.32	$630.36	$3,655.65
0.1%	$45.90	$297.44	$307.65	$2,546.88	$129.33	$744.16	$636.88	$3,781.52
0.1%	$48.13	$302.27	$317.58	$2,281.59	$132.60	$751.10	$623.79	$4,630.12
0.0%	$49.60	$317.32	$320.46	$2,528.31	$137.99	$759.32	$718.41	$5,666.41
0.0%	$47.63	$320.36	$360.10	$2,468.50	$131.17	$752.39	$640.48	$5,730.62
0.0%	$47.19	$311.68	$315.29	$2,503.34	$147.05	$782.15	$705.81	$5,235.75
0.0%	$53.85	$333.87	$351.79	$2,409.10	$139.97	$820.69	$818.22	$4,639.69
0.0%	$53.89	$342.47	$369.53	$2,241.97	$150.32	$864.54	$748.61	$4,333.33
0.0%	$52.96	$346.59	$387.41	$2,488.88	$152.32	$885.72	$753.91	$4,325.98
0.0%	$55.71	$366.77	$385.46	$2,543.20	$150.52	$886.18	$869.38	$4,019.87
0.0%	$52.26	$370.73	$440.95	$2,585.42	$162.84	$891.35	$1,366.05	$4,506.23
0.0%	$52.25	$379.13	$481.31	$2,756.69	$165.12	$982.67	$1,050.57	$4,127.73
0.0%	$53.93	$366.97	$438.53	$2,432.01	$151.34	$951.37	$1,002.94	$3,606.93
0.0%	$54.89	$393.26	$495.37	$2,578.72	$208.83	$1,042.76	$996.97	$4,121.92
0.0%	$54.62	$395.63	$476.81	$2,501.65	$167.66	$1,136.83	$1,209.72	$4,524.78
0.0%	$59.77	$420.73	$570.79	$2,659.64	$180.87	$1,101.09	$1,153.22	$4,934.02
0.0%	$65.25	$400.12	$468.04	$2,554.74	$171.16	$1,108.43	$1,122.97	$5,277.23
0.0%	$57.99	$433.15	$551.78	$2,684.52	$168.60	$1,036.89	$1,045.34	$5,286.69
0.0%	$59.64	$447.28	$671.87	$2,416.42	$185.26	$1,073.62	$1,283.16	$4,944.57
0.0%	$57.65	$496.29	$738.09	$2,462.95	$185.92	$1,280.09	$2,499.33	$4,690.05
0.0%	$52.26	$505.29	$900.42	$2,375.19	$172.66	$1,279.17	$2,201.17	$5,125.75
0.0%	$57.83	$581.02	$829.06	$2,436.67	$178.78	$1,243.64	$2,198.74	$4,696.93
0.0%	$62.17	$530.66	$865.83	$2,599.81	$178.10	$1,401.81	$1,809.69	$4,858.00
0.0%	$50.25	$525.86	$699.31	$2,599.86	$152.95	$1,555.78	$2,195.38	$5,830.16
0.0%	$50.34	$526.08	$647.07	$2,437.33	$141.53	$1,396.69	$2,334.63	$6,041.54
0.0%	$49.57	$561.58	$605.82	$2,484.40	$172.77	$1,521.04	$3,025.35	$5,256.17
0.0%	$52.61	$591.06	$523.18	$2,380.29	$152.72	$1,384.87	$2,429.30	$5,423.21
0.0%	$56.79	$578.37	$617.50	$2,605.47	$181.74	$1,612.85	$2,409.02	$5,176.16
0.1%	$60.51	$619.85	$692.33	$2,967.09	$196.62	$1,746.30	$2,087.98	$6,553.05
0.0%	$62.13	$739.05	$968.12	$3,729.86	$240.79	$2,105.82	$2,751.10	$8,108.96
0.0%	$62.68	$757.19	$1,131.14	$4,415.39	$217.62	$2,860.92	$5,172.33	$9,683.96
0.0%	$73.46	$1,139.30	$1,786.56	$4,345.44	$191.01	$4,301.20	$5,828.04	$9,590.85
0.0%	$82.58	$2,040.92	$1,890.14	$3,476.92	$245.98	$6,853.54	$5,571.79	$7,328.26
0.0%	$76.40	$2,407.19	$2,259.97	$3,723.13	$179.43	$6,858.20	$5,314.92	$7,548.41
0.0%	$185.18	$1,587.97	$2,250.72	$2,738.13	$305.44	$5,810.63	$7,621.96	$11,200.50
0.0%	$71.44	$1,682.48	$3,309.61	$2,662.70	$241.57	$4,111.79	$4,654.31	$15,901.18
0.0%	$67.85	$1,916.38	$1,811.69	$3,074.63	$877.79	$9,601.43	$4,665.42	$11,873.16
0.0%	$110.22	$2,037.27	$2,974.43	$2,666.69	$306.77	$10,114.10	$7,104.64	$5,928.91
0.0%	$253.96	$1,990.40	$2,739.15	$4,315.35	$102.61	$8,934.48	$8,897.89	$11,255.88
0.0%	$77.19	$1,734.56	$3,154.81	$4,258.68	$103.81	$6,306.94	$7,691.20	$4,723.48
0.0%	$159.74	$2,395.83	$3,449.83	$3,279.39	$348.67	$12,279.73	$11,330.04	$11,550.94
0.0%	$92.66	$3,343.61	$2,699.53	$2,757.34	$117.94	$1,800.89	$7,483.50	$10,003.56
0.0%	$69.21	$2,517.04	$5,815.75	$5,470.36	$109.68	$5,827.34	$5,747.11	$5,945.97
0.0%	$115.37	$2,432.74	$306.77	$2,685.49	$44.02	$7,969.20	$5,746.35	$0.00
0.0%	$82.89	$2,648.22	$4,825.41	$6,783.32	$349.34	$8,062.75	$10,190.73	$15,677.60

Table 50 – Pharmacy CPD (Scripts PMPY)

	Retail				Mail Order			
Probability	Generic	Preferred Brand	Non-Preferred Brand	Injectable	Generic	Preferred Brand	Non-Preferred Brand	Injectable
23.7%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18.3%	1.8937	0.0222	0.0064	0.0000	0.0130	0.0002	0.0001	0.0000
8.3%	3.7465	0.1598	0.0606	0.0000	0.0863	0.0016	0.0003	0.0000
5.4%	4.9648	0.3404	0.1018	0.0000	0.1988	0.0050	0.0008	0.0000
4.1%	5.8828	0.4961	0.1398	0.0000	0.2774	0.0117	0.0019	0.0000
3.3%	6.5416	0.6576	0.1804	0.0000	0.3616	0.0267	0.0030	0.0000
2.6%	7.6163	0.7682	0.2280	0.0000	0.4713	0.0312	0.0039	0.0000
2.2%	8.2221	0.9020	0.2560	0.0000	0.5413	0.0350	0.0060	0.0000
1.9%	9.0384	1.0125	0.3010	0.0001	0.6091	0.0462	0.0094	0.0000
1.6%	9.3777	1.1344	0.3407	0.0001	0.6663	0.0576	0.0143	0.0000
1.5%	9.4466	1.2803	0.3887	0.0001	0.7033	0.0642	0.0145	0.0000
1.3%	10.0045	1.3991	0.4309	0.0002	0.7595	0.0801	0.0201	0.0000
1.2%	10.3648	1.5329	0.4768	0.0000	0.8299	0.0902	0.0238	0.0000
1.1%	10.3933	1.6688	0.5165	0.0001	0.8460	0.1090	0.0241	0.0000
1.0%	10.7113	1.8116	0.5255	0.0001	0.8902	0.1226	0.0300	0.0001
0.9%	11.0919	1.9742	0.5779	0.0002	0.9486	0.1424	0.0346	0.0001
0.8%	11.1194	2.0739	0.6528	0.0004	1.0005	0.1590	0.0389	0.0001
0.8%	11.2460	2.2178	0.6344	0.0003	1.0043	0.1847	0.0491	0.0002
0.7%	11.3861	2.4463	0.6822	0.0001	1.0210	0.2171	0.0517	0.0001
0.7%	11.6885	2.5703	0.7331	0.0001	1.0833	0.2346	0.0544	0.0002
0.7%	11.5745	2.7741	0.7808	0.0002	1.1051	0.2450	0.0623	0.0001
1.2%	11.9867	3.0751	0.8141	0.0008	1.1580	0.2718	0.0673	0.0001
1.1%	12.3997	3.1320	0.8801	0.0003	1.2576	0.3167	0.0799	0.0002
1.0%	12.7780	3.3311	0.9880	0.0003	1.3241	0.3479	0.0968	0.0002
0.9%	13.2365	3.3764	1.0778	0.0002	1.4418	0.3778	0.1153	0.0001
0.8%	13.8192	3.5614	1.1304	0.0002	1.5587	0.4087	0.1265	0.0002
0.7%	14.0631	3.6456	1.2513	0.0004	1.6101	0.4646	0.1360	0.0006
0.6%	14.3522	3.9102	1.3321	0.0011	1.6824	0.4885	0.1569	0.0002
0.6%	14.7261	4.1298	1.3711	0.0004	1.7516	0.5209	0.1695	0.0002
0.6%	15.0458	4.2115	1.4982	0.0009	1.8268	0.5642	0.1848	0.0003
0.5%	15.3774	4.4837	1.4720	0.0012	1.8754	0.5855	0.1878	0.0004
2.1%	16.4575	4.9302	1.6646	0.0086	2.1234	0.7057	0.2293	0.0042
1.5%	18.0275	5.7329	1.9875	0.0020	2.4862	0.9096	0.2962	0.0043
1.1%	19.3260	6.3866	2.2639	0.0023	2.8347	1.1238	0.3646	0.0045
0.8%	20.4489	7.0580	2.5680	0.0029	3.0820	1.3119	0.4207	0.0046
0.7%	21.4842	7.8016	2.7794	0.0067	3.2642	1.4813	0.4757	0.0085
0.5%	22.1456	8.3731	2.9757	0.0096	3.5623	1.7000	0.5506	0.0082
0.4%	23.0920	9.0964	3.2751	0.0096	3.7350	1.8631	0.5946	0.0017
0.4%	23.7480	9.6433	3.4037	0.0091	3.9415	2.0629	0.6494	0.0024
0.3%	24.6093	9.9734	3.5818	0.0141	4.1430	2.2179	0.7226	0.0076
0.2%	25.2817	10.3033	3.8097	0.0239	4.2068	2.3794	0.7454	0.0116
0.2%	26.4571	11.0049	4.1777	0.0211	4.4861	2.4576	0.8094	0.0102
0.2%	26.8357	11.4224	4.2611	0.0203	4.6534	2.6938	0.8238	0.0120
0.1%	27.7028	11.7508	4.4288	0.0400	4.6470	2.7372	0.8793	0.0136
0.1%	28.0555	11.8987	4.4247	0.0644	4.7571	2.8823	0.9409	0.0253
0.1%	27.7379	12.3443	4.8077	0.0501	4.8846	2.9690	0.9604	0.0212
0.1%	29.4579	12.7700	4.8842	0.0581	5.0354	3.0402	1.0124	0.0224
0.1%	29.9601	13.2004	4.9294	0.0688	5.0529	3.0319	1.0519	0.0292
0.1%	29.5437	12.8892	4.8533	0.0895	5.2844	3.1708	1.1649	0.0380

	Retail				Mail Order			
Probability	Generic	Preferred Brand	Non-Preferred Brand	Injectable	Generic	Preferred Brand	Non-Preferred Brand	Injectable
0.1%	30.0033	12.7513	4.9341	0.1179	5.0863	3.2379	1.1684	0.0594
0.1%	30.7376	13.5976	5.4290	0.1184	5.2613	3.1320	1.1490	0.0623
0.1%	30.8447	13.1850	5.0406	0.1182	5.1853	3.3517	1.0972	0.1010
0.0%	27.2866	12.2186	4.5083	0.1572	4.7725	2.9857	1.0688	0.1855
0.0%	27.9485	11.6550	4.7482	0.1981	4.7368	3.0354	1.0354	0.2316
0.0%	31.4437	13.8111	4.9663	0.1603	5.2283	3.3503	1.1546	0.1652
0.0%	31.5121	13.7996	5.3190	0.2060	4.8862	3.0654	1.0611	0.1519
0.0%	30.8982	13.0000	4.9090	0.2930	5.0325	3.4220	1.1878	0.1912
0.0%	29.4877	12.9979	5.0881	0.2864	5.5032	3.3643	1.1339	0.2180
0.0%	30.4166	13.3857	5.2513	0.2995	5.0408	3.3034	1.1034	0.2105
0.0%	29.8181	12.2749	4.9195	0.2740	5.3688	3.3613	1.3772	0.1598
0.0%	28.9556	12.7206	5.3612	0.3378	5.0531	3.1123	1.1810	0.2501
0.0%	30.5388	12.8352	5.3608	0.5144	5.0237	3.0871	1.2481	0.3947
0.0%	29.2944	12.4284	5.2228	0.4773	4.6532	3.0433	1.0524	0.3316
0.0%	31.0953	13.8430	5.3363	0.4315	4.8049	2.8049	1.0919	0.2798
0.0%	26.5716	10.6269	4.7234	0.5123	3.9718	2.3731	0.9067	0.6068
0.0%	26.0895	10.2586	4.1868	0.6475	3.3353	2.1750	0.7040	1.0034
0.0%	26.7503	11.2561	4.3543	0.4572	4.1633	2.0971	0.8986	0.8903
0.0%	26.8190	11.0759	4.9909	1.1366	4.0358	2.4903	0.8809	1.4100
0.0%	23.7488	9.0876	3.9094	0.7491	3.8665	2.3318	1.1641	1.5917
0.0%	22.9350	9.1407	5.0177	0.7312	3.6044	1.9760	0.9344	1.7646
0.0%	22.9488	8.6699	4.1070	0.8517	3.8124	2.1605	0.9405	1.7809
0.0%	25.6226	10.0682	4.6916	0.9887	3.2208	1.8726	0.7062	1.5605
0.0%	18.6100	6.3807	2.4494	1.2005	2.7194	1.3609	0.5052	4.2935
0.0%	23.2168	8.1577	3.0473	0.9057	3.2940	1.4816	0.6046	1.8013
0.0%	22.1949	8.2949	2.7915	0.9819	3.5441	2.0085	0.9085	1.4047
0.0%	24.6868	10.3819	3.2289	1.3627	3.9209	2.0666	0.8470	1.1028
0.0%	23.6779	10.4117	3.4247	0.9823	3.6130	2.3143	0.7377	1.1952
0.1%	24.4306	10.0208	3.3332	6.8636	4.1590	2.5590	0.8327	9.1932
0.0%	22.0375	8.0270	2.9815	0.5149	3.8396	2.4119	0.8988	4.1257
0.0%	19.8664	5.7637	2.5426	0.7519	3.3286	1.9058	1.0076	4.5900
0.0%	25.0644	8.0961	3.6370	0.3657	4.1299	2.4294	1.4294	2.0932
0.0%	23.1787	8.3026	3.4553	0.8916	3.6888	3.3372	1.4380	1.2664
0.0%	26.1745	8.6947	4.2336	0.7939	4.6231	3.1059	1.9564	0.7234
0.0%	29.0938	11.5313	3.4688	0.1402	3.0313	3.9375	1.6250	0.0104
0.0%	23.9259	8.8519	5.2222	0.6563	6.6296	6.6296	2.4444	0.0100
0.0%	31.5313	8.5000	5.1563	2.3704	1.7500	3.5625	0.5938	0.0257
0.0%	21.3333	7.4583	4.3750	0.9063	5.0417	3.6250	2.0833	0.0276
0.0%	25.2000	9.7000	4.4500	2.1250	5.4500	3.3000	0.5500	0.0274
0.0%	27.6667	8.5238	3.7143	3.1000	4.5238	3.5714	2.5238	0.1651
0.0%	27.2593	5.4074	3.6296	1.4286	2.1111	1.7407	2.2222	1.1563
0.0%	25.1111	7.1111	4.0000	1.0370	4.5000	2.7222	2.5000	2.1481
0.0%	23.4500	8.3000	3.8500	1.4444	6.4500	4.3500	2.9000	0.4063
0.0%	30.0000	8.0000	8.4545	0.9000	7.2727	5.8182	4.0000	0.0000
0.0%	24.5033	8.8366	4.8214	39.6364	3.7473	4.0109	2.4031	21.2083

Table 51 – Pharmacy Clinical Management Programs

Clinical Module A	0.0%
Clinical Module B	0.5%
Clinical Module C	1.5%

Table 52 – Global Step Therapy Program

Formulary Type	Drug Therapy Category	Generic 1st / 2-Step	Stacked	Generic or Preferred Brand 1st	Non-Preferred Brand Lockout
Standard or Performance	Allergy	0.07%	0.07%	0.07%	0.15%
	Antidepressants	0.08%	0.08%	0.08%	0.56%
	Asthma	0.01%	0.01%	0.01%	0.03%
	Bone Loss	0.04%	0.04%	0.04%	0.04%
	High Blood Pressure	0.14%	0.14%	0.14%	0.27%
	High Cholesterol	0.15%	0.15%	0.15%	0.28%
	Hyperactivity Disorder	0.08%	0.10%	0.10%	0.25%
	Mental Health	0.04%	0.04%	0.04%	0.26%
	Narcotic Pain Relievers	0.05%	0.05%	0.05%	0.10%
	Non-Narcotic Pain Relievers	0.11%	0.11%	0.11%	0.22%
	Overactive Bladder	0.03%	0.03%	0.03%	0.06%
	Skin Treatments	0.22%	0.22%	0.22%	0.43%
	Sleep Disorders	0.08%	0.08%	0.08%	0.15%
	Stomach Acid	0.13%	0.13%	0.13%	0.26%
Value or Advantage	Allergy	0.34%	0.00%	0.00%	0.00%
	Antidepressants	0.08%	0.00%	0.00%	0.00%
	Asthma	0.01%	0.00%	0.00%	0.00%
	Bone Loss	0.04%	0.00%	0.00%	0.00%
	High Blood Pressure	-0.05%	0.00%	0.00%	0.00%
	High Cholesterol	0.15%	0.00%	0.00%	0.00%
	Hyperactivity Disorder	0.08%	0.00%	0.00%	0.00%
	Mental Health	0.04%	0.00%	0.00%	0.00%
	Narcotic Pain Relievers	0.05%	0.00%	0.00%	0.00%
	Non-Narcotic Pain Relievers	0.18%	0.00%	0.00%	0.00%
	Overactive Bladder	0.04%	0.00%	0.00%	0.00%
	Skin Treatments	0.21%	0.00%	0.00%	0.00%
	Sleep Disorders	0.08%	0.00%	0.00%	0.00%
	Stomach Acid	0.00%	0.00%	0.00%	0.00%

Table 53 – Pharmacy Demographic Factors

	Employee		Spouse		Child		Blended		Unisex
	Male	Female	Male	Female	Male	Female	Male	Female	
< 20	0.2084	0.3751	0.3297	0.2634	0.3942	0.3230	0.3938	0.3240	0.3589
20-24	0.2440	0.5903	0.2446	0.4839	0.4476	0.7799	0.3260	0.6501	0.4881
25-29	0.3795	0.8006	0.4117	0.6721	0.4529	0.8807	0.3943	0.7703	0.5823
30-34	0.5260	0.9246	0.5830	0.8380	0.6413	1.0170	0.5396	0.8926	0.7161
35-39	0.7388	1.0664	0.7979	1.0479	0.8777	1.1730	0.7524	1.0616	0.9070
40-44	1.0068	1.2234	1.0790	1.2657	1.1869	1.3923	1.0232	1.2463	1.1347
45-49	1.2890	1.4629	1.4365	1.6509	1.5801	1.8160	1.3217	1.5503	1.4360
50-54	1.6628	1.8403	1.8757	2.1538	2.0633	2.3692	1.7116	1.9762	1.8439
55-59	2.0812	2.2293	2.3249	2.6425	2.5574	2.9068	2.1410	2.3972	2.2691
60-64	2.5926	2.6871	2.8450	3.1016	3.1295	3.4117	2.6605	2.8397	2.7501
65-69	2.9262	2.8160	3.4921	3.4396	3.8413	3.7836	3.1114	3.0579	3.0846
70+	3.4832	3.1700	3.7438	3.8747	4.1182	4.2621	3.5781	3.4248	3.5014

Table 54 – Pharmacy Mandate Factors

State	Adjustment
CO	0.001
CT	0.001
DC	0.001
DE	0.001
HI	0.001
IA	0.001
IL	0.001
IN	0.001
KS	0.001
LA	0.001
MA	0.001
MD	0.001
MN	0.001
NE	0.001
NJ	0.001
NM	0.001
NY	0.001
OR	0.001
TX	0.001
VA	0.001
VT	0.001
WA	0.001

Table 55 – Pharmacy Utilization Dampening Factors

Cost Share	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%
Factor	1.150	1.150	1.150	1.150	1.150	1.134	1.125	1.121	1.116	1.112	1.108	1.103	1.099	1.094	1.090	1.086	1.081	1.077
Cost Share	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%	14.5%	15.0%	15.5%	16.0%	16.5%	17.0%	17.5%
Factor	1.073	1.068	1.064	1.059	1.055	1.051	1.046	1.042	1.038	1.033	1.029	1.024	1.020	1.016	1.011	1.007	1.003	0.998
Cost Share	18.0%	18.5%	19.0%	19.5%	20.0%	20.5%	21.0%	21.5%	22.0%	22.5%	23.0%	23.5%	24.0%	24.5%	25.0%	25.5%	26.0%	26.5%
Factor	0.994	0.989	0.985	0.981	0.977	0.973	0.969	0.966	0.962	0.958	0.954	0.951	0.947	0.943	0.939	0.936	0.932	0.928
Cost Share	27.0%	27.5%	28.0%	28.5%	29.0%	29.5%	30.0%	30.5%	31.0%	31.5%	32.0%	32.5%	33.0%	33.5%	34.0%	34.5%	35.0%	35.5%
Factor	0.924	0.921	0.917	0.913	0.909	0.906	0.902	0.898	0.894	0.891	0.887	0.883	0.879	0.876	0.872	0.868	0.864	0.861
Cost Share	36.0%	36.5%	37.0%	37.5%	38.0%	38.5%	39.0%	39.5%	40.0%	40.5%	41.0%	41.5%	42.0%	42.5%	43.0%	43.5%	44.0%	44.5%
Factor	0.857	0.853	0.849	0.846	0.842	0.838	0.834	0.831	0.827	0.823	0.819	0.816	0.812	0.808	0.804	0.801	0.800	0.800
Cost Share	45.0%	45.5%	46.0%	46.5%	47.0%	47.5%	48.0%	48.5%	49.0%	49.5%	50.0%	50.5%	51.0%	51.5%	52.0%	52.5%	53.0%	53.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	54.0%	54.5%	55.0%	55.5%	56.0%	56.5%	57.0%	57.5%	58.0%	58.5%	59.0%	59.5%	60.0%	60.5%	61.0%	61.5%	62.0%	62.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	63.0%	63.5%	64.0%	64.5%	65.0%	65.5%	66.0%	66.5%	67.0%	67.5%	68.0%	68.5%	69.0%	69.5%	70.0%	70.5%	71.0%	71.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	72.0%	72.5%	73.0%	73.5%	74.0%	74.5%	75.0%	75.5%	76.0%	76.5%	77.0%	77.5%	78.0%	78.5%	79.0%	79.5%	80.0%	80.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	81.0%	81.5%	82.0%	82.5%	83.0%	83.5%	84.0%	84.5%	85.0%	85.5%	86.0%	86.5%	87.0%	87.5%	88.0%	88.5%	89.0%	89.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	90.0%	90.5%	91.0%	91.5%	92.0%	92.5%	93.0%	93.5%	94.0%	94.5%	95.0%							
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800							

Table 56 – Pharmacy Multiple Offering Load

California					
Rating Area	Load	Rating Area	Load	Rating Area	Load
CA300I	2.00%	CA702M	2.00%	CA813P	2.00%
CA300J	2.00%	CA702N	2.00%	CA813Q	2.00%
CA300K	2.00%	CA702O	2.00%	CA813R	2.00%
CA300L	2.00%	CA702P	2.00%	CA817I	2.00%
CA300M	2.00%	CA702Q	2.00%	CA817J	2.00%
CA300N	2.00%	CA702R	2.00%	CA817K	2.00%
CA300O	2.00%	CA804I	2.00%	CA817L	2.00%
CA300Q	2.00%	CA804J	2.00%	CA817M	2.00%
CA300R	2.00%	CA804K	2.00%	CA817N	2.00%
CA350I	2.00%	CA804L	2.00%	CA817O	2.00%
CA350J	2.00%	CA804M	2.00%	CA817P	2.00%
CA350K	2.00%	CA804N	2.00%	CA817Q	2.00%
CA350L	2.00%	CA804O	2.00%	CA817R	2.00%
CA350M	2.00%	CA804P	2.00%	CA818I	2.00%
CA350N	2.00%	CA804Q	2.00%	CA818J	2.00%
CA350O	2.00%	CA804R	2.00%	CA818K	2.00%
CA350P	2.00%	CA813I	2.00%	CA818L	2.00%
CA350Q	2.00%	CA813J	2.00%	CA818M	2.00%
CA350R	2.00%	CA813K	2.00%	CA818N	2.00%
CA702I	2.00%	CA813L	2.00%	CA818O	2.00%
CA702J	2.00%	CA813M	2.00%	CA818P	2.00%
CA702K	2.00%	CA813N	2.00%	CA818Q	2.00%
CA702L	2.00%	CA813O	2.00%	CA818R	2.00%

Texas			
Rating Area	Load	Rating Area	Load
TX302B	5.00%	TX702B	5.00%
TX302C	5.00%	TX702C	5.00%
TX302H	5.00%	TX702H	5.00%
TX302L	5.00%	TX702L	5.00%
TX302R	5.00%	TX803	5.00%
TX302Y	5.00%	TX809	5.00%
TX302Z	5.00%	TX817	5.00%
TX310A	5.00%	TX822	5.00%
TX310H	5.00%	TX823	5.00%
TX310R	5.00%	TX825	5.00%
TX310T	5.00%	TX830B	5.00%
TX310W	5.00%	TX830C	5.00%
TX310Y	5.00%	TX830H	5.00%
TX310Z	5.00%	TX833	5.00%
TX401	5.00%	TX834	5.00%
TX403	5.00%		

Appendix E – FACETS Pharmacy Tables

Table 57 – FACETS Retail AWP per Script Assumptions

Formulary Type	Formulary Status	Cost Categories	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)
Performance	Open	Smoking Cessation	$0.00	$131.91	$230.35	$229.70	$223.85
		Fertility	$0.00	$108.52	$928.22	$1,684.97	$222.89
		Contraceptives	$0.00	$59.50	$129.19	$106.00	$88.84
		Lifestyle	$6.96	$20.78	$136.39	$126.07	$106.95
		Specialty	$0.00	$578.92	$2,680.99	$3,659.70	$2,063.26
		All else	$116.50	$104.38	$259.57	$310.93	$269.25
	Closed	Smoking Cessation	$0.00	$131.91	$230.35	$0.00	$0.00
		Fertility	$0.00	$108.52	$928.22	$0.00	$0.00
		Contraceptives	$0.00	$59.50	$129.19	$0.00	$0.00
		Lifestyle	$6.96	$22.58	$169.08	$0.00	$0.00
		Specialty	$0.00	$578.92	$2,680.99	$0.00	$0.00
		All else	$116.50	$104.38	$259.57	$0.00	$0.00
Advantage	Open	Smoking Cessation	$0.00	$131.91	$0.00	$230.35	$223.85
		Fertility	$0.00	$108.52	$0.00	$1,116.43	$222.89
		Contraceptives	$0.00	$59.50	$0.00	$126.13	$113.82
		Lifestyle	$6.96	$21.72	$202.76	$170.77	$84.73
		Specialty	$0.00	$578.92	$3,385.00	$3,086.97	$2,343.72
		All else	$116.50	$102.43	$268.51	$286.35	$227.20
	Closed	Smoking Cessation	$0.00	$131.91	$230.35	$0.00	$0.00
		Fertility	$0.00	$108.52	$1,116.43	$0.00	$0.00
		Contraceptives	$0.00	$59.50	$126.13	$0.00	$0.00
		Lifestyle	$6.96	$22.54	$131.24	$0.00	$0.00
		Specialty	$0.00	$578.92	$3,385.00	$0.00	$0.00
		All else	$116.50	$102.43	$268.51	$0.00	$0.00
Generics Only	Open	Smoking Cessation	$0.00	$131.91			
		Fertility	$0.00	$108.52			
		Contraceptives	$0.00	$59.50			
		Lifestyle	$6.96	$21.70			
		Specialty	$0.00	$578.92			
		All else	$116.50	$102.45			

Table 58 – FACETS Mail Order AWP per Script Assumptions

Formulary Type	Formulary Status	Cost Categories	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)
Performance	Open	Smoking Cessation	$0.00	$298.72	$542.10	$0.00	$0.00
		Fertility	$0.00	$468.67	$2,779.47	$2,772.45	$207.52
		Contraceptives	$0.00	$128.80	$316.62	$284.73	$218.52
		Lifestyle	$14.57	$27.89	$385.60	$496.95	$382.33
		Specialty	$0.00	$601.92	$6,338.40	$6,522.58	$5,390.10
		All else	$275.00	$367.35	$760.80	$1,130.09	$819.05
	Closed	Smoking Cessation	$0.00	$298.72	$542.10	$0.00	$0.00
		Fertility	$0.00	$468.67	$2,779.47	$0.00	$0.00
		Contraceptives	$0.00	$128.80	$316.62	$0.00	$0.00
		Lifestyle	$14.57	$52.05	$472.57	$0.00	$0.00
		Specialty	$0.00	$601.92	$6,338.40	$0.00	$0.00
		All else	$275.00	$367.35	$760.80	$0.00	$0.00
Advantage	Open	Smoking Cessation	$0.00	$298.72	$0.00	$542.10	$0.00
		Fertility	$0.00	$468.67	$0.00	$2,776.79	$207.52
		Contraceptives	$0.00	$128.80	$0.00	$314.96	$255.49
		Lifestyle	$14.57	$20.25	$648.94	$500.08	$211.66
		Specialty	$0.00	$601.92	$7,034.93	$6,195.42	$2,714.95
		All else	$275.00	$352.71	$910.90	$895.15	$560.70
	Closed	Smoking Cessation	$0.00	$298.72	$542.10	$0.00	$0.00
		Fertility	$0.00	$468.67	$2,776.79	$0.00	$0.00
		Contraceptives	$0.00	$128.80	$314.96	$0.00	$0.00
		Lifestyle	$14.57	$36.52	$492.75	$0.00	$0.00
		Specialty	$0.00	$601.92	$7,034.93	$0.00	$0.00
		All else	$275.00	$352.71	$910.90	$0.00	$0.00
Generics Only	Open	Smoking Cessation	$0.00	$298.72			
		Fertility	$0.00	$468.67			
		Contraceptives	$0.00	$128.80			
		Lifestyle	$14.57	$20.23			
		Specialty	$0.00	$601.92			
		All else	$275.00	$352.72			

Table 59 – FACETS Retail Script Count PMPY Assumptions

Formulary Type	Formulary Status	Cost Categories	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)
Performance	Open	Smoking Cessation	0.0000	0.0005	0.0099	0.0001	0.0000
		Fertility	0.0000	0.0173	0.0041	0.0013	0.0013
		Contraceptives	0.0000	0.3277	0.0991	0.0099	0.0069
		Lifestyle	0.0010	0.1136	0.1182	0.0259	0.0333
		Specialty	0.0000	0.0080	0.0051	0.0041	0.0004
		All else	1.6791	4.7416	1.0741	0.3006	0.1089
	Closed	Smoking Cessation	0.0000	0.0005	0.0099	0.0000	0.0000
		Fertility	0.0000	0.0195	0.0043	0.0000	0.0000
		Contraceptives	0.0000	0.3419	0.1007	0.0000	0.0000
		Lifestyle	0.0010	0.1639	0.0510	0.0000	0.0000
		Specialty	0.0000	0.0118	0.0055	0.0000	0.0000
		All else	1.7836	4.9853	1.1105	0.0000	0.0000
Advantage	Open	Smoking Cessation	0.0000	0.0005	0.0000	0.0100	0.0000
		Fertility	0.0000	0.0173	0.0000	0.0054	0.0013
		Contraceptives	0.0000	0.3277	0.0000	0.1035	0.0123
		Lifestyle	0.0010	0.0563	0.0278	0.0601	0.0803
		Specialty	0.0000	0.0080	0.0019	0.0066	0.0010
		All else	1.6791	4.4017	0.7002	0.4959	0.1990
	Closed	Smoking Cessation	0.0000	0.0089	0.0010	0.0000	0.0000
		Fertility	0.0000	0.0230	0.0007	0.0000	0.0000
		Contraceptives	0.0000	0.4261	0.0116	0.0000	0.0000
		Lifestyle	0.0010	0.1757	0.0181	0.0000	0.0000
		Specialty	0.0000	0.0145	0.0026	0.0000	0.0000
		All else	1.9745	5.0909	0.3527	0.0000	0.0000
Generics Only	Open	Smoking Cessation	0.0000	0.0055			
		Fertility	0.0000	0.0206			
		Contraceptives	0.0000	0.4377			
		Lifestyle	0.0010	0.1405			
		Specialty	0.0000	0.0127			
		All else	2.0574	5.2830			

Table 60 – FACETS Mail Order Script Count PMPY Assumptions

Formulary Type	Formulary Status	Cost Categories	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand (Single Source)	Non-Preferred Brand (Multi-Source)
Performance	Open	Smoking Cessation	0.0000	0.0000	0.0001	0.0000	0.0000
		Fertility	0.0000	0.0009	0.0010	0.0007	0.0002
		Contraceptives	0.0000	0.0115	0.0041	0.0002	0.0004
		Lifestyle	0.0000	0.0012	0.0123	0.0012	0.0015
		Specialty	0.0000	0.0126	0.0271	0.0089	0.0010
		All else	0.1719	0.1486	0.0902	0.0161	0.0058
	Closed	Smoking Cessation	0.0000	0.0000	0.0001	0.0000	0.0000
		Fertility	0.0000	0.0017	0.0011	0.0000	0.0000
		Contraceptives	0.0000	0.0120	0.0042	0.0000	0.0000
		Lifestyle	0.0000	0.0035	0.0027	0.0000	0.0000
		Specialty	0.0000	0.0211	0.0281	0.0000	0.0000
		All else	0.1775	0.1616	0.0924	0.0000	0.0000
Advantage	Open	Smoking Cessation	0.0000	0.0000	0.0000	0.0001	0.0000
		Fertility	0.0000	0.0009	0.0000	0.0017	0.0002
		Contraceptives	0.0000	0.0115	0.0000	0.0040	0.0007
		Lifestyle	0.0000	0.0006	0.0042	0.0032	0.0077
		Specialty	0.0000	0.0126	0.0138	0.0192	0.0031
		All else	0.1719	0.1314	0.0535	0.0328	0.0164
	Closed	Smoking Cessation	0.0000	0.0001	0.0000	0.0000	0.0000
		Fertility	0.0000	0.0026	0.0002	0.0000	0.0000
		Contraceptives	0.0000	0.0155	0.0005	0.0000	0.0000
		Lifestyle	0.0000	0.0098	0.0014	0.0000	0.0000
		Specialty	0.0000	0.0316	0.0160	0.0000	0.0000
		All else	0.1928	0.1803	0.0289	0.0000	0.0000
Generics Only	Open	Smoking Cessation	0.0000	0.0001			
		Fertility	0.0000	0.0019			
		Contraceptives	0.0000	0.0160			
		Lifestyle	0.0000	0.0081			
		Specialty	0.0000	0.0307			
		All else	0.1996	0.1962			

Table 61 – FACETS Retail Discounts and Dispensing Fees

Pricing Package	Calendar Year	Generic Discount	Brand Discount (30 Day)	Brand Discount (90 Day)	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
1	2013	59.42%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2014	62.80%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2015	65.50%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2016	67.00%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
2	2013	59.42%	11.59%	14.67%	11.59%	$1.50	$1.50	$1.50
	2014	62.80%	11.59%	14.67%	11.59%	$1.50	$1.50	$1.50
	2015	65.50%	11.59%	14.67%	11.59%	$1.50	$1.50	$1.50
	2016	67.00%	11.59%	14.67%	11.59%	$1.50	$1.50	$1.50
3	2013	59.42%	12.08%	15.09%	12.08%	$1.50	$1.50	$1.50
	2014	62.80%	12.08%	15.09%	12.08%	$1.50	$1.50	$1.50
	2015	65.50%	12.08%	15.09%	12.08%	$1.50	$1.50	$1.50
	2016	67.00%	12.08%	15.09%	12.08%	$1.50	$1.50	$1.50
4	2013	59.42%	12.27%	15.35%	12.27%	$1.50	$1.50	$1.50
	2014	62.80%	12.27%	15.35%	12.27%	$1.50	$1.50	$1.50
	2015	65.50%	12.27%	15.35%	12.27%	$1.50	$1.50	$1.50
	2016	67.00%	12.27%	15.35%	12.27%	$1.50	$1.50	$1.50
5	2013	74.20%	13.81%	14.58%	13.43%	$1.54	$1.54	$1.54
	2014	74.20%	13.81%	14.58%	13.43%	$1.54	$1.54	$1.54
	2015	74.20%	13.81%	14.58%	13.43%	$1.54	$1.54	$1.54
	2016	74.20%	13.81%	14.58%	13.43%	$1.54	$1.54	$1.54
6	2013	66.25%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2014	66.25%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2015	67.75%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2016	69.25%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
7	2013	65.00%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2014	65.00%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2015	66.50%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
	2016	68.00%	11.00%	14.00%	11.00%	$1.50	$1.50	$1.50
8	2013	67.00%	12.00%	15.00%	12.00%	$1.50	$1.50	$1.50
	2014	67.00%	12.00%	15.00%	12.00%	$1.50	$1.50	$1.50
	2015	68.50%	12.00%	15.00%	12.00%	$1.50	$1.50	$1.50
	2016	70.00%	12.00%	15.00%	12.00%	$1.50	$1.50	$1.50
9	2013	67.00%	13.00%	16.00%	13.00%	$1.50	$1.50	$1.50
	2014	67.00%	13.00%	16.00%	13.00%	$1.50	$1.50	$1.50
	2015	68.50%	13.00%	16.00%	13.00%	$1.50	$1.50	$1.50
	2016	70.00%	13.00%	16.00%	13.00%	$1.50	$1.50	$1.50
10	2013	70.50%	14.00%	17.00%	14.00%	$1.30	$1.30	$1.30
	2014	70.50%	14.00%	17.00%	14.00%	$1.30	$1.30	$1.30
	2015	72.00%	14.00%	17.00%	14.00%	$1.30	$1.30	$1.30
	2016	73.50%	14.00%	17.00%	14.00%	$1.30	$1.30	$1.30

Table 62 – FACETS Mail Order Discounts and Dispensing Fees

Pricing Package	Calendar Year	Generic Discount	Brand Discount	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee	Specialty Dispensing Fee
1	2013	58.63%	17.00%	12.10%	$0.00	$0.00	$0.00
	2014	62.80%	17.00%	12.10%	$0.00	$0.00	$0.00
	2015	67.50%	17.00%	12.10%	$0.00	$0.00	$0.00
	2016	69.00%	17.00%	12.10%	$0.00	$0.00	$0.00
2	2013	58.63%	17.08%	12.10%	$0.00	$0.00	$0.00
	2014	62.80%	17.08%	12.10%	$0.00	$0.00	$0.00
	2015	67.50%	17.08%	12.10%	$0.00	$0.00	$0.00
	2016	69.00%	17.08%	12.10%	$0.00	$0.00	$0.00
3	2013	58.63%	17.08%	12.10%	$0.00	$0.00	$0.00
	2014	62.80%	17.08%	12.10%	$0.00	$0.00	$0.00
	2015	67.50%	17.08%	12.10%	$0.00	$0.00	$0.00
	2016	69.00%	17.08%	12.10%	$0.00	$0.00	$0.00
4	2013	58.63%	17.96%	12.10%	$0.00	$0.00	$0.00
	2014	62.80%	17.96%	12.10%	$0.00	$0.00	$0.00
	2015	67.50%	17.96%	12.10%	$0.00	$0.00	$0.00
	2016	69.00%	17.96%	12.10%	$0.00	$0.00	$0.00
5	2013	78.49%	20.00%	12.31%	$0.47	$0.47	$0.47
	2014	78.49%	20.00%	12.31%	$0.47	$0.47	$0.47
	2015	78.49%	20.00%	12.31%	$0.47	$0.47	$0.47
	2016	78.49%	20.00%	12.31%	$0.47	$0.47	$0.47
6	2013	73.00%	17.00%	12.10%	$0.00	$0.00	$0.00
	2014	73.00%	17.00%	12.10%	$0.00	$0.00	$0.00
	2015	74.50%	17.00%	12.10%	$0.00	$0.00	$0.00
	2016	76.00%	17.00%	12.10%	$0.00	$0.00	$0.00
7	2013	73.00%	17.00%	12.10%	$0.00	$0.00	$0.00
	2014	73.00%	17.00%	12.10%	$0.00	$0.00	$0.00
	2015	74.50%	17.00%	12.10%	$0.00	$0.00	$0.00
	2016	76.00%	17.00%	12.10%	$0.00	$0.00	$0.00
8	2013	73.00%	18.00%	12.10%	$0.00	$0.00	$0.00
	2014	73.00%	18.00%	12.10%	$0.00	$0.00	$0.00
	2015	74.50%	18.00%	12.10%	$0.00	$0.00	$0.00
	2016	76.00%	18.00%	12.10%	$0.00	$0.00	$0.00
9	2013	73.00%	19.00%	12.10%	$0.00	$0.00	$0.00
	2014	73.00%	19.00%	12.10%	$0.00	$0.00	$0.00
	2015	74.50%	19.00%	12.10%	$0.00	$0.00	$0.00
	2016	76.00%	19.00%	12.10%	$0.00	$0.00	$0.00
10	2013	73.00%	20.00%	12.10%	$0.00	$0.00	$0.00
	2014	73.00%	20.00%	12.10%	$0.00	$0.00	$0.00
	2015	74.50%	20.00%	12.10%	$0.00	$0.00	$0.00
	2016	76.00%	20.00%	12.10%	$0.00	$0.00	$0.00

Appendix F – Vision Riders

Table 63 – Vision Riders

OAP		Rider – Vision Option						
Base Area Description	Rating Area	Schedule 1-1	Schedule 1-2	Schedule 2-1	Schedule 2-2	Schedule 3-1	Schedule 3-2	Usual and Customary
VT, STATEWIDE VT	VT300A	$1.65	$1.35	$2.09	$1.72	$2.54	$2.09	$9.72

PPO/Indemnity		Rider – Vision Option						
Base Area Description	Rating Area	Schedule 1-1	Schedule 1-2	Schedule 2-1	Schedule 2-2	Schedule 3-1	Schedule 3-2	Usual and Customary
VT, STATEWIDE VT	VT701A	$1.65	$1.35	$2.09	$1.72	$2.54	$2.09	$9.72

NWK		Rider - Vision Option			
Base Area Description	Rating Area	High	Medium	Low	LowPlus
VT, STATEWIDE VT	VT401A	$2.15	$1.22	$0.71	$1.15

Appendix G – FACETS Vision Riders

Detail on calculating the vision rider cost under the FACETS platform is found on the following pages.

FACETS Vision Riders

Determine the **product type** and which methodology to use.

1) If *plan name* is one of the existing medical vision riders from *tableVisionTranslate*, then proceed under the old methodology by looking up the rates by product name and plan name in *tableVisionRiderPMPM.*

2) Next, determine whether the **product type** is indemnity or PPO:
a) If it is a Facets/CIGNA West product, then it is indemnity
b) If it is a CIGNA Vision product, then it is PPO (*currently not rated in MRE*)

Calculate **effective trend** as follows:

1) The **experience period midpoint** is **7/1/2011**.

2) The **rating period begin date** is the *effective date.*
3) The **rating period end date** is the *option date.*
4) The **rating period midpoint** is the average of the *effective date* and *option date*.

5) **Annualized trend** is set at 3.0%.

6) **Effective trend** = (1 + **annualized trend**) ^ (number of days in [**rating period midpoint - experience period midpoint**]/365.25**)**

Vision trend is generally low. Scheduled fees tend to increase year-over-year for exams but decrease for materials, which balances out to slightly positive trend. Most of real trend is due to increased utilization, but the pricing assumes trend shows up in cost.

The **tiering cost factor** is calculated as follows:

1) If the census is a demographic census, then the **tiering cost factor** is the Grand Composite Cost ACS from **tableVisionTiering** multiplied by the aggregate medical demo factor

2) If the census is a relationship census, then the **tiering cost factor** is calculated as follows:
(a) *subscribers* multiplied by the cost from **tableVisionRelatinship**
(b) *spouses* multiplied by the cost from **tableVisionRelatinshiop**
(c) *dependents* multiplied by the cost from **tableVisionRelationship**
(d) [(a) + (b) + (c)] divided by total subscribers

The **tiering cost factor** is 2(e) from above.

tableVisionTiering

Tier	Cost ACS	Member ACS	Distribution
Subscribers Single	1.000	1.000	46.9%
Subscribers Two Party	2.000	2.000	18.1%
Subscribers EE+Child	2.020	2.700	9.7%
Subscribers Family	3.224	4.040	25.3%
Grand Composite	1.936	2.11	100.0%

tableVisionRelationship

Tier	Cost
Subscriber	1.000
Spouse	1.000
Dependent	0.600

There are no demo factors used to price vision, other than a load for 65+. The implied demo factors are built into the Cost ACS factor, since children have lower claim costs.

The **65+ load** is calculated as follows:

1) If the census is a demographic census, then the **65+ load** is 1.00.

2) If the census is a relationship census, then the **65+ load** is calculated as follows:
(a) the sum of all subscribers 65+ divided by *calcCensusTotalSubscribers*
(b) (a) * a 65+ factor from **table65Load**

table65Load

Age	Load
65-	1.000
65+	1.100

The 65+ load reflects increased utilization of bifocal, trifocal, and progressive lens by those aged over 65+ compared to the general adult population.

The **small group load** is calculated as follows:

(1) If calcCensusTotalSubscribers is less than 50, then the **small group load** is the factor from **tableSGLoad**
(2) Otherwise, it is 1.00

tableSGLoad

Subscribers	Load
1	1.000
50	1.100

The small group load applies due to antiselection in smaller cases.

The **industry load** is calculated as follows:

(1) Look up the industry factor using the case *SIC* from **tableIndustryLoad** below

tableIndustryLoad

SIC Code	Factor
0	1.000
1000	1.000
1500	0.930
2000	1.180
4000	1.000
5000	1.090
5200	1.020
6000	1.210
7000	1.140
7200	1.110
7300	1.100
7500	1.000
7600	0.930
7800	1.000
7900	1.000
8000	1.030
8100	1.040
8200	1.140
8300	0.870
8400	1.120
8600	1.120
8900	1.100
9100	1.180
9999	1.000

The industry load reflects different utilization patterns across industries either due to eyewear requirements (cosmetic or otherwise), better product awareness, or eye health.

The **frequency load** is calculated as follows:

(1) Determine if the plan design covers an exam only or materials as well.

(2) If it covers an exam only, look up the exam frequency load from **tableExamFrequency** using input *VisionEyeExamFrequency.*

tableExamFrequency

Frequency	Factor
12	1.01
24	0.7

(3) If it covers materials as well, lookup the corresponding frequency loads from **tableComprehensiveFrequency** using input *FACETS_VisionLensesContactsFramesFrequency.*

tableComprehensiveFrequency

Frequency	Exam	Lenses	Contacts	Frames	Materials
12	1	1	1	1	1
24	0.650	0.700	0.700	0.700	0.700

The frequency load accounts for different utilization patterns given a 24 month coverage period.

The **comprehensive exam load** is calculated as follows:

(1) Lookup the comprehensive exam load from **tableComprehensiveExam**.

tableComprehensiveExam

Type of Plan	Factor
Comprehensive	1.7
Exam	1

When materials are covered as well as the exam, members are 62% more likely to get an exam compared to members in an exam only plan.

Calculate the **network utilization** as follows:

(1) Lookup the network utilization based on **product type** from **tableNetworkUtilization.**

tableNetworkUtilization

Product Type	Private	Retailer	OON
PPO	84.6%	15.4%	8.0%
Indemnity	89.8%	10.2%	100.0%

For the PPO, approximately 90% of IN network utilization goes to independent, private retailers. The other 10% goes to chain retailers. About 5% of total utilization goes out of network for PPO type plans.

For indemnity plans, all 100% is "out of network," so to speak.

Calculate the **total cost per exam claim** as follows:

(1) Lookup the relevant row from **tableExamCost** using *Site* .

(2) Calculate the **in-network average total cost per exam claim** as follows:
(a) if the **product type** is indemnity, this is $0.00
(b) if the **product type** is PPO, then this is the **retailer utilization** times the retailer scheduled cost from **tableExamCost** plus the **independent utilization** times the independent scheduled cost from **tableExamCost**
(c) (b) times the **effective trend**

(3) Calculate the **out-of-network average total cost per exam claim** as follows:
(a) the retailer utilization times the retailer U&C cost from **tableExamCost** plus the independent utilization times the independent U&C cost from **tableExamCost**
(b) (a) times the **effective trend**

tableExamCost

	Independent		Retailer	
Rating Area	U&C	Scheduled	U&C	Scheduled
National	$141.77	$63.99	$75.86	$45.00
AK	$200.04	$96.58	$95.00	$50.00
AL	$126.24	$61.82	$67.27	$45.00
AR	$140.79	$57.32	$75.47	$45.00
AZ	$170.21	$67.72	$69.33	$45.00
CA	$147.62	$73.13	$68.64	$50.00
CO	$151.92	$63.60	$59.83	$45.00
CT	$186.74	$74.91	$114.49	$45.00
DC	$169.85	$67.38	$62.75	$45.00
DE	$147.79	$52.25	$145.00	$45.00
FL	$128.62	$57.16	$72.46	$45.00
GA	$146.28	$65.16	$55.79	$45.00
HI	$168.49	$71.50	$84.06	$50.00
IA	$143.09	$60.31	$70.15	$45.00
ID	$153.78	$64.92	$68.71	$45.00
IL	$117.45	$57.13	$58.17	$45.00
IN	$110.40	$59.43	$61.32	$45.00
KS	$139.44	$65.31	$86.87	$45.00
KY	$104.71	$51.03	$81.74	$45.00
LA	$141.40	$60.88	$55.95	$45.00
MA	$166.07	$64.03	$103.67	$45.00
MD	$140.52	$66.72	$58.11	$45.00
ME	$140.00	$65.96	$160.00	$45.00
MI	$93.53	$51.82	$66.94	$45.00
MN	$219.31	$69.37	$85.11	$45.00
MO	$141.17	$58.17	$61.93	$45.00
MS	$142.63	$61.54	$67.93	$45.00
MT	$122.75	$62.42	$61.24	$45.00
NC	$155.86	$64.75	$101.35	$45.00
ND	$133.38	$61.03	$92.27	$45.00

NE	$143.26	$58.88	$60.97	$45.00
NH	$153.65	$63.90	$98.58	$45.00
NJ	$160.43	$72.84	$84.77	$45.00
NM	$154.58	$60.32	$71.18	$45.00
NV	$144.14	$70.07	$89.17	$45.00
NY	$145.93	$67.49	$62.47	$45.00
OH	$115.21	$55.86	$81.56	$45.00
OK	$128.54	$61.69	$97.31	$45.00
OR	$173.19	$70.01	$88.73	$50.00
PA	$113.65	$49.35	$66.16	$45.00
PR	$98.21	$64.68	$49.00	$45.00
RI	$162.60	$69.91	$64.09	$45.00
SC	$130.56	$64.96	$89.52	$45.00
SD	$118.02	$62.20	$84.50	$45.00
TN	$128.89	$59.88	$57.95	$45.00
TX	$144.50	$62.11	$78.16	$45.00
UT	$156.81	$63.96	$58.49	$45.00
VA	$141.61	$64.66	$160.96	$45.00
VT	$130.12	$65.45	$56.63	$45.00
WA	$211.36	$71.42	$101.05	$50.00
WI	$126.08	$57.53	$57.50	$45.00
WV	$120.58	$53.15	$68.54	$45.00
WY	$125.01	$60.50	$62.37	$45.00

The idea here is to take calculate the IN and OON average claim cost separately, since benefits are different in each case. Then each claim cost can be used to figure out the expected claim cost IN vs. OON based on the benefit design.

Calculate **member cost share** and **claims cost** per service type as follows:

(1) Calculate the IN and OON **member cost share per service type** in terms of dollars for utilization dampening:
(a) if there is a copay for a service, then this is the member cost share for that service
(b) if the service type is contact lens or frames and there is an allowance, then the member cost share is 0
(c) if there is a single allowance for all materials combined (contact lenses, frames, and lenses), then the member cost share is 0
(d) if there is an allowance for a specific service type, then the member cost share is the average total cost for that service minus the allowance (floored at 0)

(2) Calculate the IN and OON **claims cost per service** for each service type in terms of dollars.
(a) if there is a copay for a service, then the claims cost is the average total cost for that service minus the copay
(b) if the service type is contact lens or frames and there is an allowance, then the claims cost is the allowance
(c) if there is a single allowance for all materials combined (contact lenses, frames, and lenses), then the member claims cost is the allowance
(d) if the service type is not contact lens or frames and there is an allowance, then the claims cost is the lesser of the average total cost for that service or the allowance

Increased member cost share decreases utilization. The only exception is for services where the unit costs are variable and there is an allowance. Frames and contact lens fall into this category. Members can purchase more expensive frames given a higher frames/materials allowance. They can also increase the number of contact lens purchased given a higher contact lens/materials allowance.

Calculate the **utilization dampening factor** as follows.

(1) The exam utilization dampening factor is the greater of 50% or 1 - (exam factor from **tableUD** times the dollar member cost share).

(2) The materials utilization dampening factor is the greater of 50% or 1 - (materials factor from **tableUD** times the dollar member cost share).

tableUD

Service	Factor
Exam	-0.72%
Materials	0.00%

Each dollar of additional member cost share reduces the expected utilization for that service by .72% for exams and .2% for materials. It's capped at 50% to reflect that some members will utilize the service regardless of coverage, due to discounts, or otherwise (actual number is lower than this).

Calculate the **total utilization load** as follows.

(1) **65+ load**
(2) **small group load**
(3) **industry load**
(4) **tiering cost factor**
(5) The **total utilization load is** (1) x (2) x (3) x (4).

This load gets applied to all service types IN and OON.

Calculate utilization for exams as follows.

(1) Lookup exam base utilization from **tableServiceUtilization.**

(2) Calculate **exam utilization load** as follows:
(a) **total utilization load**
(b) **frequency load** for exam
(c) **comprehensive exam load**
(d) **utilization dampening factor**
(e) (a) x (b) x (c) x (d)

(3) If **product type** is PPO, calculate **IN exam utilization** as follows:
(a) Base utilization
(b) **exam utilization load**
(c) (a) x (b)

(4) If **product type** is PPO, calculate **OON exam utilization** as follows:
(a) Base utilization divided by [(1 - OON utilization)/OON utilization]
(b) **exam utilization load**
(c) (a) x (b)

(5) If **product type** is indemnity, calculate **OON exam utilization** as follows:
(a) Base utilization divided by (1- **OON utilization)**
(b) **exam utilization load**
(c) (a) x (b)

tableServiceUtilization

Service Type	IN Subscribe	Category
Exam	30.10%	Exam
Frames	32.68%	Frames
Single Vision	15.14%	Lens
Contact Lenses (soft)	9.33%	Contact Lens
Contact Lenses (hard)	3.11%	Contact Lens
Progressive lenses	8.19%	Lens
Contact Lens Exam	9.36%	Contact Lens
Bifocal	8.30%	Lens
Polycarbonate	12.85%	Lens
Antireflective	16.16%	Lens
Trifocal	0.24%	Lens
Photochromic	6.65%	Lens
Scratch Coat	1.87%	Lens
UV	0.50%	Lens
Lenticular Lens	0.02%	Lens
Therapeutic CL	0.20%	Lens
Safety Glasses	12.95%	Frames
Tints	1.20%	Lens
Materials	45.10%	Materials
Low Vision	0.10%	Lens
High Index	4.04%	Lens

The subscriber utilization in the table above is based on utilization count divided by eligible

Calculate utilization for materials as follows.

(1) If the plan has a single allowance for all materials (contact lenses, lenses, frames), look up the base "Materials" utilization from tableServiceUtilization. Otherwise, look up base materials utilization by service type.

(2) Calculate the **materials utilization load** as follows:
(a) **total utilization load**
(b) **frequency load** for total materials or service type
(c) **utilization dampening factor**
(d) 1.50 if additional materials are covered, 1.0 otherwise
(e) (a) x (b) x (c) x (d)

(2) If **product type** is PPO, calculate **IN materials utilization** as follows:
(a) Base utilization for total materials or service type
(b) **materials utilization load**
(c) (a) * (b)

(3) If **product type** is PPO, calculate **OON materials utilization** as follows:
(a) Base utilization divided by [(1 - **OON utilization**)/**OON utilization**]
(b) **materials utilization load**
(c) (a) * (b)

(4) If **product type** is indemnity, calculate **OON materials utilization** as follows:
(a) Base utilization divided by (1- **OON utilization)**
(b) **materials utilization load**
(c) (a) * (b)

Calculate average in network claim cost for each service type as follows:

(1) If **product type** is indemnity, then this is zero for all service types.
Otherwise, proceed to step 2.

(2) Calculate the IN PEPM claim cost for each service (including combined materials allowance) as follows:
(a) **IN claims cost per service**
(b) **IN utilization**
(c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

(3) Calculate the IN PEPM cost share for each service as follows:
(a) **IN cost share per service**
(b) **IN utilization**
(c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

Calculate average out of network claim cost for each service type as follows:

(1) Calculate the OON PEPY claim cost for each service (including combined materials allowance) as follows:
(a) **OON claims cost per service**
(b) **OON utilization**
(c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

(2) Calculate the OON PEPM cost share for each service as follows:
(a) OON **cost share per service**
(b) OON **utilization**
(c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

Calculate the final **PEPM** and **PMPM rate** as follows.

(1) Calculate the **PEPM manual rate** by summing up the IN and OON PEPM claim costs across all service types.

(2) Calculate the **PMPM manual rate** as follows:
(a) PEPM manual rate
(b) average contract size: total members divided by total subscribers
(c) (a) divided by (b)

(3) Calculate the **PEPM cost share** by summing up the IN and OON PEPM cost share across all service types.

(4) Calculate the **cost share %** as follows:
(a) [**PEPM cost share]/[PEPM cost share + PEPM manual rate]**

(5) Any rollups should be done by summing up the raw dollar amounts and dividing by the sum of the members or subscribers.

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC - VTactuarial memo.pdf CHLIC-VTexh.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	In compliance
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Filing Compliance Certification
Bypass Reason:	Included in memorandum
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	n/a
Attachment(s):	
Item Status:	

Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Responses #4 #6 and #7
Comments:	
Attachment(s):	Objection Responses #4 6 and 7 - 05192015 - CCGP-129725944.pdf
Item Status:	
Status Date:	

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose
The purpose of this filing is to submit CIGNA Health and Life Insurance Company's group manual rating methodology. Our pricing model was developed to provide a consistent rating methodology across products. This filing includes Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance product, and is applicable for groups of 51 or more lives. Methodology is also included for Pharmacy products.

Benefit Description
The benefits covered in this memorandum include group health insurance coverage as described in CIGNA Health and Life Insurance Company forms HP-POL et al, and HC-TOC et al.

Census
Member level census will be used when available. If only subscriber level data is available, penetration and translation assumptions will be used to create a member level census for manual rate development. The penetration and translation assumptions used are developed from studies of our book of business, which includes experience from similar CIGNA Health and Life Insurance Company ("CHLIC") policies. Penetration estimates the number of subscribers that will select the CIGNA Health and Life Insurance Company plan; the translation process develops projected subscribers and members within rating tiers.

Adjustments to Base Claims
The base claim rates by area are adjusted for certain group and member characteristics. These include industry loads and discounts, age and sex demographic adjustments, and trends.

Adjustments for industry (SIC) are developed from a study of our book of business combined with results from an outside consultant's national industry factor assessment study.

Age and sex demographic adjustments are developed from a study of our book of business. The resulting age/sex slopes are normalized to represent the national census.

Trends reflect historical experience from CHLIC's group medical experience and projections for future levels. Medical trend rates are applied on a daily basis.

Benefit Plan Adjustments
Base claims are reduced for specific cost sharing features of the product and benefit plan selected. Copay and other cost sharing benefit design related adjustments are made using assumptions regarding utilization levels by base claim component. Claim distributions are used to determine the impact of deductibles, coinsurance and out of pocket maximums. In addition, a utilization dampening factor is applied to reflect lower utilization levels as cost sharing rises.

Renewability Clause
The benefit plans covered under this memorandum are guaranteed renewable.

Applicability
CHLIC, Inc. anticipates both renewals and new issues from the forms currently filed.

Marketing Method
These products are sold to employer-employee groups, labor union groups and association groups through CIGNA Health and Life Insurance Company group sales offices.

Premium Classes
Premium rates may vary by product, plan design, geographic area, group demographics, industry, effective date, experience, and underwriting discretion.

Issue Age Range
There are no issue age restrictions in our policy forms; however, eligibility requirements must be fulfilled.

Premium Modalization Rules
The CIGNA Health and Life Insurance Company Health Manual produces monthly premiums. Modalization factors are expressed as a function of these monthly rates as follows:

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business
Rates vary by geographic location and group specific characteristics, including demographics. Target distribution is to groups with both single employees and employees with dependents, assuming a 40/60 distribution

Rating
The group rates filed represent the rate level we expect to be necessary to achieve a desired average loss ratio for all group contracts. Accordingly, actual rates for groups will vary as a result of a variety of factors. These include variation in benefit plan, age, gender, family composition, size, industry, area, healthplan claim experience, and underwriting discretion.

Depending upon group size, case specific claim experience may be used to adjust the rate. Credibility is based on group size, pooling level and months of experience. Rates for partially credible groups are based on a blend of experience and manual rating.

For Minimum Premium plans, the premium paid by the policyholder is reduced for the portion of the total claim amount that is expected to be self-insured.

Anticipated Loss Ratio
The methodology and supporting factors apply to groups of 51 or more employees.
The anticipated large group loss ratio for this policy is 80.6%.

The components of Cigna's retention for our Large Group pricing are as follows:
Administrative Expenses 7.0%
PPACA Fees and Other Risk Charges: 4.8%
Premium and Income Taxes 2.0%
Profit 3.5%
Commissions 1.2%
State Assessments 0.9%
Total 19.4%

Comparison to Status Quo
This filing includes a number of changes to our medical and pharmacy rating methodologies. It is difficult to quantify each change independent of the others. The average expected increase in rates in Vermont is 6.0%. This figure was calculated by comparing the current filed and approved manual rates using an illustrative effective date of 1/1/2015 to the proposed 1/1/2015 manual rates for a representative sample of Vermont sitused business. Note: The number of fully insured accounts sitused in Vermont in 2013 was 22 consistent with the company’s Supplemental Health Care Exhibits.

In order to provide more detail into the components of the change, when possible, we have calculated the estimated impact of each methodology change based upon our national book of business:

- Updates to our base medical claim assumptions – in particular our claim probability distribution and base rates.
- Updates to our medical area factors and trend.
- Updates to the credibility formula by adding more pooling point ranges and revising the constant upper limit on member months in the calculation.
- Addition of preventive care as a new major service category (and removed the preventive care portion from other major service categories) and allowed the specification of an arbitrary child age.
- New methodology for combined medical and pharmacy plans where the pharmacy member cost-share is calculated alongside medical cost-share. This change slightly increases the impact of combining pharmacy and medical given that the impact is now subject to utilization dampening.
- Increase to the spread between basic medical management and the medical management buy-up from 0.9% to 3.0%.
- Updates to rates for Mental Health/Substance abuse products, with the overall, member-weighted average increase to these products is 11.4%
- Updates to expected copays utilized annually.
- Updates to the utilization dampening curves and the introduction of separate PCP and Specialist curves.
- Updates to industry load factors with a weighted book-of-business impact of -0.12%.
- Update to Urgent Care/Emergency Room pricing
- Updates to the factors for the out-of-network savings programs.
- Addition of the option to vary benefits by number of visits to a provider.
- Addition of the option to allow copays to apply after the deductible.
- Riders
    - Addition of pricing for the election of combining physical and occupational therapy with separate speech therapy.
    - Addition of pricing for an infertility only rider.
    - Modification to the out-of-network preventive care rider to use the new preventive care base claim cost calculation and the elected child age.
- Updates to the pharmacy area factors and base claim assumptions. The updates reflect the growing cost of specialty drugs, planned revisions to our drug lists, and market-specific experience. The national average change to pharmacy manual rates is an increase of 0.2%. The impact of these changes will vary based on plan characteristics

Credibility Formula Revision

Cigna Health and Life Insurance Company uses experience rating on large employer commercial customers to set future rates based on the past experience of the customer, where a customer is defined as the aggregation of all Cigna Health and Life Insurance Company accounts associated with a given employer, nationwide.

For prospectively rated accounts, the number of member months at which the experience is considered fully credible depends on the pooling point, shown in the chart below. Partial credibility (blending experience with manual) would be reflected using the following formula:

$$Credibility = \sqrt{\frac{Member\ Months}{Upper\ Bound}}$$

Where the upper bound varies based on pooling point as follows:

Pooling Point Range	Upper Bound
$0-$29,999	5552
$30,000 -$59,999	7000
$60,000 - $89,999	9000
$90,000 - $139,999	11000
$140,000 +	12000

There is a minimum of 5 months of experience for paid claims and 4 months for incurred claims as well as a minimum overall of 100 member months to have any credibility. If member months are greater than or equal to the upper bound, credibility is 100%.

ACTUARIAL CERTIFICATION

Opinion

In my opinion, the rates were developed using reasonable actuarial assumptions, and the rate levels are reasonable in relationship to the benefits provided. The actuarial data and experience will be maintained by the company and available for review by the Commissioner of Insurance upon request.

I certify that to the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of the State. In summary, I believe that the rating assumptions proposed will produce rates which are not excessive, inadequate, or unfairly discriminatory

Matthew Danziger

Matthew D. Danziger, FSA, MAAA Date 5/1/2015
Actuarial Director

VERMONT FILING SUMMARY
CGLIC/CHLIC Combined

Vermont (only)
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2009	-	-	-
4th prior year 2010	-	-	-
3rd prior year 2011	$24,019	$15,044	62.6%
2nd prior year 2012	$27,767	$20,704	74.6%
1st prior year 2013	$27,866	$22,860	82.0%

Countrywide
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2009	-	-	-
4th prior year 2010	-	-	-
3rd prior year 2011	$5,026,963	$4,092,065	81.4%
2nd prior year 2012	$5,165,250	$4,284,681	83.0%
1st prior year 2013	$5,572,915	$4,658,535	83.6%

Objection #4

Has the Company been required to pay rebates for the large group market for any of the previous 3 years and if so, how much was required (actual dollar amount and percent of premium)?

VT MLR Rebates	2011	2012	2013
Premium Earned	$ 24,019,429	$ 27,766,553	$ 27,865,544
Rebates Incurred	$ 2,372,253	$ 126,810	$ -
Rebates as a % of Premium	9.9%	0.5%	0.0%

The premium earned represents the combined CGLIC/CHLIC premium and agrees to the supplemental healthcare exhibits for those years.

The rebates incurred represents those incurred on the CGLIC legal entity. Cigna has not paid any rebates on the CHLIC legal entity.

Based on 2014 experience, we do not anticipate paying a rebate for the 2014 calendar year. In addition, per Objection 6, we do not anticipate paying a rebate for the 2015 calendar year.

Objection #6

Provide a derivation of the federally adjusted PPACA MLR, starting with the anticipated loss ratio of 80.6% and applying all allowable adjustments.

Projected MLR	**80.6%**
+ Risk Charges	1.0%
- TPV Admin	-1.6%
+ QI Expenses	0.2%
+ PPACA Fees	2.3%
+ Premium Tax	1.7%
+ Fed Income Tax	1.5%
Federal MLR	**85.7%**

Assumptions:

1) Risk charges are a component of policy holder product design within the shared returns product. If clients' claims experience run at or better than set expections inclusive of the risk charge, the client shares in the favorable experience up to 100%.

2. Third Party Vendor administrative expenses are a deduction from the claims in the federal MLR. Assumption of 1.6% of premium based on preliminary 2014 results.

3. QI expenses assumed to be 0.2% of premium, based on preliminary 2014 results for VT.

3. PPACA fees assumptions include reinsurance PMPM of $3.67 or 0.8% of premium, based on a $450 PMPM premium (grounded in VT historical results), HII Fee set to 1.9% of premium (3% pricing assumption * 0.65 tax adjustment).

4. Premium tax of 2% based on VT historical results.

5. Federal income tax is based on a 35% tax rate adjusted for non-tax deductibility of HII Fee.

Objection #7

Provide a comparison exhibit summarizing last year's retention assumptions and the current retention assumptions. Explain any significant changes in the retention assumptions.

	2014 Filing	2015 Filing
Administrative Expenses	7.0%	7.0%
PPACA Fees	3.0%	3.8%
Premium and Income Taxes	2.0%	2.0%
State Assessments		0.9%
Risk Charges		1.0%
Commissions		1.2%
Profit	3.0%	3.5%
Total	**15.0%**	**19.4%**

Note: The 2014 filing column represents our originally filed retention assumpsions for that year. During the filing review process, adjustments were made to area factors to comply with state filing guidance.

In our 2014 filing, our retention assumption was 15% and in our 2015 filing, our retention assumption is 19.4%, a total change of 4.4%. 2.2% of this change is due to methodology changes (detail noted below) and 1.7% of this change is due to increased state and federal fees. The following describes the year over year changes in more detail:

1) PPACA fees went from 3.0% to 3.8% due to an increase in the health insurance fee of 0.8%

2) State assessments went from 0.0% to 0.9% due to a VT state assessment effective 1/1/14 that we had not worked into the 2014 rates at the time of the 2014 filing

3) Commissions increased from 0.0% to 1.2% due to a funding type methodology change. In the prior year, we built up our retention assumption only using fully insured business, while in the current year we built up our retention assumption using a blend of fully insured and shared returns business. There are commissions associated with shared returns business, therefore, this assumptions is new in the current year.

4) Risk charges increased from 0.0% to 1.0% due to the same funding type methodology change as previously noted. The risk charge is a component of policyholder product design within the shared returns business. If clients' claims experience run at or better than set expectations inclusive of the risk charge, the clients share in the favorable experience up to 100%. Because we are now including shared returns business in our build up for the current year, this assumption is new.