

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 Medical Rate Filing 2024/

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: 02/28/2024
SERFF Tr Num: CCGP-134009857
SERFF Status: Closed-Approved
State Tr Num:
State Status:
Co Tr Num: 67369MED2024
Effective: On Approval
Date Requested:
Author(s): Jennifer Linstone, Anthony Florio, Jody Sanders
Reviewer(s): Tara Bredice (primary), Michael Barber, Jacqueline Lee, Laura Beliveau, Geoffrey Battista
Disposition Date: 08/27/2024
Disposition Status: Approved
Effective Date: 08/27/2024

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 Medical Rate Filing 2024/

General Information

Project Name: CHLIC Medical Rate Filing 2024 Status of Filing in Domicile:
 Project Number: Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Large
 Group Market Type: Employer Overall Rate Impact: 9.6%
 Filing Status Changed: 08/27/2024
 State Status Changed: Deemer Date:
 Created By: Jody Sanders Submitted By: Jody Sanders
 Corresponding Filing Tracking Number:

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.

Company and Contact

Filing Contact Information

Jody Sanders, Business Project Lead Jody.Sanders@Cigna.com
 Analyst
 900 Cottage Grove Road 860-226-8054 [Phone]
 Bloomfield, CT 06152

Filing Company Information

| | | |
|---|-------------------------|--------------------------------|
| Cigna Health and Life Insurance Company | CoCode: 67369 | State of Domicile: Connecticut |
| 900 Cottage Grove Road | Group Code: 901 | Company Type: LAH |
| Bloomfield, CT 06002 | Group Name: | State ID Number: |
| (860) 226-3000 ext. [Phone] | FEIN Number: 59-1031071 | |

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 Medical Rate Filing 2024/

Filing Fees

State Fees

| | |
|------------------|----------|
| Fee Required? | Yes |
| Fee Amount: | \$150.00 |
| 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 Medical Rate Filing 2024/

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|----------------|------------|----------------|
| Approved | Laura Beliveau | 08/27/2024 | 08/27/2024 |

Objection Letters and Response Letters

Objection Letters

| Status | Created By | Created On | Date Submitted |
|------------------|----------------|------------|----------------|
| Pending Response | Jacqueline Lee | 04/23/2024 | 04/23/2024 |
| Pending Response | Jacqueline Lee | 04/04/2024 | 04/04/2024 |
| Pending Response | Jacqueline Lee | 04/03/2024 | 04/03/2024 |
| Pending Response | Jacqueline Lee | 03/19/2024 | 03/19/2024 |
| Pending Response | Jacqueline Lee | 03/07/2024 | 03/07/2024 |

Response Letters

| Responded By | Created On | Date Submitted |
|--------------|------------|----------------|
| Jody Sanders | 04/24/2024 | 04/24/2024 |
| Jody Sanders | 04/16/2024 | 04/16/2024 |
| Jody Sanders | 04/16/2024 | 04/16/2024 |
| Jody Sanders | 03/26/2024 | 03/26/2024 |
| Jody Sanders | 03/14/2024 | 03/14/2024 |

Amendments

| Schedule | Schedule Item Name | Created By | Created On | Date Submitted |
|---------------------|---|--------------|------------|----------------|
| Rate | Rate manual | Jody Sanders | 08/19/2024 | 08/19/2024 |
| Supporting Document | Actuarial Memorandum | Jody Sanders | 08/19/2024 | 08/19/2024 |
| Supporting Document | Responses to objection 3 & 4 | Jody Sanders | 04/16/2024 | 04/17/2024 |
| Supporting Document | Answers to the questions we received extensions for Objection letter from 3/7 (questions) 2, 6, and 7). | Jody Sanders | 03/21/2024 | 03/21/2024 |

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|------------------------------------|------------------|--------------|------------|----------------|
| Request for an Extension | Note To Reviewer | Jody Sanders | 04/03/2024 | 04/03/2024 |
| Re: objection letter from 3/7/2024 | Note To Reviewer | Jody Sanders | 03/14/2024 | 03/14/2024 |

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 Medical Rate Filing 2024/

Disposition

Disposition Date: 08/27/2024

Effective Date: 08/27/2024

Status: Approved

HHS Status: Not Reported

State Review: Reviewed by Actuary

Comment:

| 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 | 5.300% | 5.300% | \$3,038,367 | 15 | \$40,026,612 | 13.400% | -2.700% |

Percent Change Approved:

Minimum: %

Maximum: %

Weighted Average: %

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|-------------------------------|---|----------------------|---------------|
| Rate (revised) | Rate manual | | No |
| Rate | Rate manual | | No |
| Supporting Document | Actuarial Memorandum and Certifications | | No |
| Supporting Document | Civil Union Rating Requirements | | No |
| Supporting Document | Filing Compliance Certification | | No |
| Supporting Document | Third Party Filing Authorization | | No |
| Supporting Document | Supplemental Exhibits | | No |
| Supporting Document (revised) | Actuarial Memorandum | | No |
| Supporting Document | Actuarial Memorandum | | No |
| Supporting Document | RX Data Template | | No |
| Supporting Document | Experience Exhibit | | No |

SERFF Tracking #:

CCGP-134009857

State Tracking #:**Company Tracking #:**

67369MED2024

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 Medical Rate Filing 2024/

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|----------------------------|---|-----------------------------|----------------------|
| Supporting Document | Cover Letter | | No |
| Supporting Document | Response to objection letter dated 3/7/2024 | | No |
| Supporting Document | Answers to the questions we received extensions for Objection letter from 3/7 (questions) 2, 6, and 7). | | No |
| Supporting Document | Response to objection letter dated 3/19/2024 | | No |
| Supporting Document | Response to objection letter | | No |
| Supporting Document | Objection 4 support v2 | | No |
| Supporting Document | Responses to objection 3 & 4 | | No |
| Supporting Document | Response to objection letter dated 4/23/2024 | | No |

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 Medical Rate Filing 2024/

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 04/23/2024 |
| Submitted Date | 04/23/2024 |
| Respond By Date | 04/24/2024 |

Dear Jody Sanders,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
Jacqueline Lee

April 23, 2024

Attn: Jody Sanders
900 Cottage Grove Road
Bloomfield, CT 06152

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134009857
2024 Large Group Rate Filing

Dear Jody:

Lewis & Ellis, LLC (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. Regarding the response to question #1 of objection 4 – The 4.3% utilization trend ties to an 8.6% medical trend, which ties back to an overall (Med+Rx) 9.0% trend. This does not appear to tie back to the trend line items in the in the breakdown of the requested rate increase provided on page 3 of the Act Memo. Please reconcile the 9.0% trend, as well as the 1.7% subset of “Revisions to Pricing Factors” from the response to question #3 of objection 4, to the breakdown on Page 3 of the Act Memo.
2. Regarding the 4.3% utilization trend and the support provided in the response to question #1 of objection 4 –
 - a. Is the “observed historical trend” provided just observed over 2022, or over a multi-year period ending 2022? If the latter, please clarify the time period of the observed trend.
 - b. The “observed historical trend” is on a national basis, can this national observed trend basis be provided for each year from 2018-2022?
 - c. Can the VT-only observed utilization trend be provided for each year from 2018-2022?
3. Please provide the actual profit realized in 2022 as a percentage of premium.

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than April 24, 2024.

Sincerely,

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, LLC
ayoung@lewisellis.com

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 Medical Rate Filing 2024/

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 04/04/2024 |
| Submitted Date | 04/04/2024 |
| Respond By Date | 04/11/2024 |

Dear Jody Sanders,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
Jacqueline Lee

April 4, 2024

Attn: Jody Sanders
900 Cottage Grove Road
Bloomfield, CT 06152

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134009857
2024 Large Group Rate Filing

Dear Jody:

Lewis & Ellis, LLC (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. The response to prior objection 5 from the 1st objection letter indicated that medical utilization is set nationally through a combination of multiple factors. Please provide further quantitative support for the 2.0% medical utilization trend. For example, provide historical utilization trends comparable to the assumption and/or quantitative support for utilization trend attributed to items that are expected to increase compared to what has been observed historically.
2. The response to prior objection 5 from the 1st objection letter indicated that Rx trend drivers include price changes, inflation, new drug pipelines, etc. Please provide further quantitative support for the increase in Rx trend from 8.5% in the prior filing to 10.4% in this filing. More specifically, we observe that the observed average pharmacy trend from 2019-2022 is 9.6%, please provide further justification for a trend assumption that is higher than what has been observed historically.
3. The response to prior objection 3 from the 2nd objection letter indicated that the 8.64% trend shown in “VT 2024 Supplemental Exhibits” does not directly relate to the proposed medical trend. Please address the following
 - a. Please provide quantitative support for how this 8.64% trend, after adjusting for the inclusion of Rx, VT residence, and pricing factors, reconciles to the proposed 7.2% medical and Rx trend.
 - b. Please provide a version of the “Pricing Trend Assumptions” from the “VT 2024 Supplemental Exhibits” that reconciles to the proposed 7.2% trend in total.
4. Please provide the actual profit realized in 2022.

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than April 11, 2024.

Sincerely,

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, LLC
ayoung@lewisellis.com

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 Medical Rate Filing 2024/

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 04/03/2024 |
| Submitted Date | 04/03/2024 |
| Respond By Date | 04/10/2024 |

Dear Jody Sanders,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee

DELIVERED ELECTRONICALLY

April 1, 2024

Traci Hughes, FSA, MAAA
Vice President & Principal
Lewis & Ellis, Inc.

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.

Dear Ms. Hughes and Ms. Young,

To assist the Board with its review of Cigna Health and Life Insurance Company's 2024 large group rate filing (Docket No. GMCB-002-24rr), please ask Cigna to provide the following information sought by the Office of the Health Care Advocate.

1. In Table 33 – Retail AWP per Script Assumptions, non-preferred brands are frequently less expensive on a per script basis than preferred brands across all formularies. For example, on all but the National Preferred Formulary, non-preferred brands are less expensive in six drug categories, whereas preferred brands are less expensive in just two categories. On the National Preferred Formulary, non-preferred brands are less expensive in at least five drug categories.
 - a. Please confirm this observation and explain why Cigna would prefer brand drugs with a higher AWP per script.
 - b. Is it the case that Cigna expects preferred brand drugs will be cheaper net of rebates and other discounts?
 - c. If so, how is this expectation accounted for when Cigna calculates a subscriber's rate? In section 7.9 of the filing, it is stated simply that discounts



are applied to the trended AWP per script and that discount assumptions range from 11% to 58% on brand drugs – without any evident mechanism to distinguish between preferred and non-preferred brands.

- d. Regarding the impact to consumers of this preference for higher list price brand drugs, is it correct that, during the deductible phase, beneficiaries will pay those higher list prices, or a set discount off those higher list prices, e.g. AWP minus 15%, and that, at least in some cases, beneficiaries will pay more out-of-pocket during the deductible phase for a preferred brand than they would have paid for an equivalent non-preferred brand?
2. We compared the list of FDA-approved HIV medicines¹ with the Specialty Formulary List provided in the filing and observed that all 47 FDA-approved HIV medicines are classified as specialty.² Further, when generic versions of brand HIV medicines exist, both the generic and brand versions of the medicine are classified as specialty. Lastly, although deemed specialty, each medicine is also assigned to one of four drug tiers.
 - a. What are the four drug tiers? Presumably Tier 1 is Generic, Tier 2 is Preferred Brand, and Tier 3 is Non-Preferred Brand. Is that correct? What is Tier 4?
 - b. What trend and discount assumptions are applied to the drugs on the Specialty Formulary List? Are these drugs all trended and discounted as specialty drugs or are they trended and discounted based on their drug tier?
 - c. How does a drug's classification as specialty affect patient access? Are beneficiaries restricted to using pharmacies that belong to Cigna's or its pharmacy benefit manager's specialty network? If so, please provide a list of all pharmacy locations in or serving Vermont that are in the specialty network.
 - d. How does a drug's classification as specialty affect the affordability of those drugs to consumers? Does Cigna offer plans in which all specialty drugs are subject to coinsurance rather than copays? If so, please confirm that, under such plans, all medicines for treatment of HIV would be subject to coinsurance. What are the percentages of coinsurance required under such plans?



Sincerely,

/s/ Michael Barber

General Counsel
Green Mountain Care Board

Cc: GMCB Rate Review Team
Charles Becker, Esq.
Eric Schultheis, Ph.D., Esq.
Jody Sanders, MBA, FAHM, AIS, AINS



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 Medical Rate Filing 2024/

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 03/19/2024 |
| Submitted Date | 03/19/2024 |
| Respond By Date | 03/26/2024 |

Dear Jody Sanders,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
Jacqueline Lee

March 19, 2024

Attn: Jody Sanders
900 Cottage Grove Road
Bloomfield, CT 06152

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134009857
2024 Large Group Rate Filing

Dear Jody:

Lewis & Ellis, LLC (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. The response to prior objection #1 stated that the methodology changes are driven by analysis of retrospective experience. Please provide a more detailed explanation of the change for each item in the list provided on page 4 of the act memo. For example, provide a response similar in format to the table of explanations provided in the prior approved filing (SERFF Tracking # CCGP-133388045) Objection Letter 2, Objection #1.
2. Regarding the response to prior objection question #4 – Please provide a weighted average for the overall: ordered hospital budget increase, assumed inpatient unit cost trend, and assumed outpatient unit cost trend.
3. The response to prior objection #5d indicates that the 7.2% trend in the act memo is the prior approved trend. However, this trend is calculated as $(1+7.5%)*(1-0.3%)-1= 7.2%$ where +7.5% is the prior approved trend and -0.3% is the “difference in current approved total trend vs total proposed trend”. This suggests that 7.5% is the prior approved trend, which agrees with the VT records and reports, and 7.2% is the proposed trend. Please address the following:
 - a. Please clarify whether the proposed trend in this filing is 7.2% or 8.64%.
 - i. If the proposed trend is 7.2%, please reconcile to the trends shown on page 2 of the “VT 2024 Supplemental Exhibits”.
 - ii. If the proposed trend is 8.64%,
 1. Please revise the “Comparison to Status Quo” table in the act memo such that the combination of “filed and approved claims trend” and “changes to trend” line items result in the proposed trend;
 2. Please revise the table provided in prior objection #3 to show the 8.64% proposed trend.

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than March 26, 2024.

Sincerely,

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, LLC
ayoung@lewisellis.com

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 Medical Rate Filing 2024/

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 03/07/2024 |
| Submitted Date | 03/07/2024 |
| Respond By Date | 03/14/2024 |

Dear Jody Sanders,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
Jacqueline Lee

March 7, 2024

Attn: Jody Sanders
900 Cottage Grove Road
Bloomfield, CT 06152

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134009857
2024 Large Group Rate Filing

Dear Jody:

Lewis & Ellis, LLC (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. Regarding the list of methodology changes on page 4 of the act memo, please provide a detailed explanation of the change for each item on the list.
2. Regarding the Comparison to Status Quo table on page 3 of the act memo, please provide the following:
 - a. The “Revisions to Pricing Factors” line item states that it includes changes to trend. Please confirm that trend changes are only shown in the “Changes to Trend” line item and are not double counted in the “Revisions to Pricing Factors” line item.
 - b. Breakdown of the “Revisions to Pricing Factors” line item, showing the impact/changes for each of the changes listed on page 4 of the act memo.
 - c. Breakdown of the “Expense Changes” line item, showing the impact/changes for each of the retention components. Further, please explain the reason for these changes.
3. Please fill out the table below. The Total Claims Trend should reconcile to the 7.2% total trend indicated in the Comparison to Status Quo table on page 3 of the act memo ($7.2\% = (1+7.5\%)*(1-0.3\%)-1$).

| Category | VT Situs 2024+ Total Trend | 2024+ Medical Trend | 2024+ Rx Trend | Medical Weight | Rx Weight |
|--------------|----------------------------|---------------------|----------------|----------------|-----------|
| Unit Cost | | | | | |
| Utilization | | | | | |
| Mix | | | | | |
| Claims Trend | | | | | |

4. Please reconcile the assumed unit cost trends by hospital to the recently ordered hospital budget increases provided here: <https://gmcboard.vermont.gov/FY2024hospitalbudgets>. If there is any difference between the assumed unit cost trend and ordered hospital budget increase, please provide a detailed explanation for the difference.

5. Regarding the pricing trend supplemental exhibit “VT 2024 Supplemental Exhibits”, please provide the following:
 - a. Detailed qualitative and quantitative summary of the data and/or study used to determine the medical utilization and mix trend for both 2023 and 2024 shown on page 2.
 - b. Reconcile the 2024 8.64% trend shown on page 2 to the 7.2% trend from page 3 of the act memo, as referred to in question #3.
 - c. Detailed explanation of the drivers of the change in medical and pharmacy trends (broken out by cost, utilization, and total trend components) from the prior approved filing.

6. Regarding experience rating methodology in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:
 - a. Further explanation of the credibility methodology. We note that the use of the “k” factor assigns substantial credibility even to groups with extremely small membership. For example, a renewal group with 100 member months of experience and a pooling point of \$24,999 would be assigned 54% credibility. This would seem to introduce substantial noise into the premiums for experience-rated groups.
 - b. Explain and demonstrate how the pooling point for a group is determined.
 - c. Indicate where in the rate filing the pooling charges are reported or provide them if they are not in the rate manual.

7. Regarding base claims in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:
 - a. Comparison of the prior approved and current proposed medical base claims in Table 1, separately showing each change applied and a detailed description of each change.
 - b. Detailed description of the reason for changes in medical rider base rates in Table 18.

8. Please provide the Company’s historical actual-to-expected retention for the last three years (2021-2023), separately for profit and all other retention components.

9. Please provide the Company’s historical risk-based capital (RBC) ratio for the last three years (2021-2023).

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than March 14, 2024.

Sincerely,

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, LLC
ayoung@lewisellis.com

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 Medical Rate Filing 2024/

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/24/2024 |
| Submitted Date | 04/24/2024 |

Dear Tara Bredice,

Introduction:

Please see our response to your 4/23/2024 objection letter.

Response 1

Comments:

Our response letter has been added to the supporting documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter dated 4/23/2024 |
| Comments: | |
| Attachment(s): | VT Objection 5 4.24.2024 - Cigna Response.pdf |

Conclusion:

Thank you,

Sincerely,

Jody Sanders

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 Medical Rate Filing 2024/

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/16/2024 |
| Submitted Date | 04/16/2024 |

Dear Tara Bredice,

Introduction:

Please see our response to your 4/4/2024 objection letter.

Response 1

Comments:

n

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Conclusion:

Sincerely,
Jody Sanders

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 Medical Rate Filing 2024/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 04/16/2024
 Submitted Date 04/16/2024

Dear Tara Bredice,

Introduction:

Please see our response to your 4/3/2024 objection letter

Response 1

Comments:

Please see attached response

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter |
| Comments: | |
| Attachment(s): | VT objection 3 - Cigna response.pdf VT objection 3.pdf |

Supporting Document Schedule Item Changes

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter |
| Comments: | |
| Attachment(s): | VT objection 3 - Cigna response.pdf VT objection 3.pdf |

| | |
|--------------------------|--|
| Satisfied - Item: | Objection 4 support v2 |
| Comments: | |
| Attachment(s): | VT Objection 4 support v2.xlsx VT Trend Objection.xlsx VT Objection 4 Trend Support.xlsx |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Conclusion:

Thank you

Sincerely,

Jody Sanders

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 03/26/2024 |
| Submitted Date | 03/26/2024 |

Dear Tara Bredice,

Introduction:

Please see our response below to your 3/19/2024 objection letter.

Response 1

Comments:

I have added our response letter under the Supporting Documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

| | |
|--------------------------|--|
| Satisfied - Item: | Response to objection letter dated 3/19/2024 |
| Comments: | |
| Attachment(s): | Objection2_Responses_VT_2024.pdf |

Conclusion:

Thank you.

Sincerely,

Jody Sanders

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 Medical Rate Filing 2024/

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 03/14/2024 |
| Submitted Date | 03/14/2024 |

Dear Tara Bredice,

Introduction:

Please see our response letter to your 3/7/2024 objection.

Response 1

Comments:

I have added our response letter to the Supporting Documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter dated 3/7/2024 |
| Comments: | |
| Attachment(s): | Objection1_Responses_VT_2024.pdf |

Conclusion:

Thank you.

Sincerely,

Jody Sanders

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 Medical Rate Filing 2024/

Amendment Letter

Submitted Date: 08/19/2024

Comments:

Please see our revised Actuarial Memorandum under the Supporting Documentation tab, as well as our post submission update with revised SERFF rating data.

Changed Items:

No Form Schedule Items Changed.

| Rate/Rule Schedule Item Changes | | | | | | |
|---------------------------------|--------------------|---|----------------|--|--|--|
| Item No. | Document Name | Affected Form Numbers (Separated with commas) | Rate Action | Rate Action Information | Attachments | Date Submitted |
| 1 | Rate manual | HP-POL et al | Revised | Previous State Filing Number: CCGP-133388045 Percent Rate Change Request: 5.3 | VT CHLIC Template 2023 - 2.28.2024.pdf, | 08/19/2024 By: Jody Sanders |
| <i>Previous Version</i> | | | | | | |
| 1 | <i>Rate manual</i> | <i>HP-POL et al</i> | <i>Revised</i> | <i>Previous State Filing Number: CCGP-133388045 Percent Rate Change Request: 9.6</i> | <i>VT CHLIC Template 2023 - 2.28.2024.pdf,</i> | <i>02/28/2024 By: Jody Sanders</i> |

| Supporting Document Schedule Item Changes | |
|---|--|
| Satisfied - Item: | Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Revised Actuarial Memorandum - VT CHLIC 2024.pdf |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>Actuarial Memorandum - VT CHLIC 2024.pdf</i> |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Amendment Letter

Submitted Date: 04/17/2024

Comments:

Please see our responses to your 4/4/2024 objection letter. I accidentally submitted without the supporting documents.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

| Supporting Document Schedule Item Changes | |
|---|---|
| Satisfied - Item: | Responses to objection 3 & 4 |
| Comments: | |
| Attachment(s): | VT objection 3 - Cigna response.pdf VT Objection 4 4.4.2024 - Cigna Response.pdf |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Amendment Letter

Submitted Date: 03/21/2024

Comments:

Please find our answers to the questions we received extensions for Objection letter from 3/7 (questions 2, 6, and 7). (Supporting Document)

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes

| | |
|--------------------------|---|
| Satisfied - Item: | Answers to the questions we received extensions for Objection letter from 3/7 (questions) 2, 6, and 7). |
| Comments: | |
| Attachment(s): | Objection1_Responses_VT_2024 - 3.21.24.pdf |

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 Medical Rate Filing 2024/

Note To Reviewer

Created By:

Jody Sanders on 04/03/2024 05:40 PM

Last Edited By:

Jody Sanders

Submitted On:

04/03/2024 05:40 PM

Subject:

Request for an Extension

Comments:

Our pricing team is requesting an extension on 1c and 2d for an additional week.
We appreciate any flexibility!

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 Medical Rate Filing 2024/

Note To Reviewer

Created By:

Jody Sanders on 03/14/2024 05:26 PM

Last Edited By:

Jody Sanders

Submitted On:

03/14/2024 05:26 PM

Subject:

Re: objection letter from 3/7/2024

Comments:

Regarding: objection letter dated 3/7/2024, the extension for Objections 2, 6 and 7 in 4 was granted until March 21st.

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 Medical Rate Filing 2024/

Post Submission Update Request Processed On 08/27/2024

Status: Allowed
Created By: Jody Sanders
Processed By: Laura Beliveau
Comments:

Company Rate Information:

Company Name:Cigna Health and Life Insurance Company

| Field Name | Requested Change | Prior Value |
|---|--------------------------------|-------------|
| Overall % Indicated Change | 5.300% | 9.600% |
| Overall % Rate Impact | 5.300% | 9.600% |
| Written Premium Change for this Program | \$3038367 | \$4686783 |
| Written Premium for this Program | \$40026612 | \$41675028 |
| Maximum %Change (where required) | 13.400% | 18.100% |
| Minimum %Change (where required) | -2.700% | 1.300% |
| Product: | NEW | |
| Product Name | PPO, Open Access Plus, Network | |
| Number of Covered Lives | 3914 | |

REQUESTED RATE CHANGE INFORMATION:

| | | |
|----------------|--------|-------|
| Min: | -2.700 | 1.300 |
| Max: | 13.400 | 18.1 |
| Weighted Avg.: | 5.300 | 9.6 |

REQUESTED RATE:

| | | |
|---------------------------|----------------|----------------|
| Projected Earned Premium: | 40,026,612.000 | 41,675,028.000 |
| Min: | 280.330 | 291.870 |
| Max: | 1,523.120 | 1,585.840 |
| Weighted Avg.: | 768.180 | 799.820 |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 6.000%
Effective Date of Last Rate Revision: 01/01/2023
Filing Method of Last Filing: Prior Approval
SERFF Tracking Number of Last Filing: CCGP-133388045

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 | 5.300% | 5.300% | \$3,038,367 | 15 | \$40,026,612 | 13.400% | -2.700% |

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 Medical Rate Filing 2024/

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 | | | 3914 |

Trend Factors: 8.3%

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: 47,972
 Benefit Change: None
 Percent Change Requested: Min: -2.7 Max: 13.4 Avg: 5.3

PRIOR RATE:

Total Earned Premium: 36,988,245.00
 Total Incurred Claims: 33,036,394.00
 Annual \$: Min: 288.09 Max: 1,342.75 Avg: 729.73

REQUESTED RATE:

Projected Earned Premium: 40,026,612.00
 Projected Incurred Claims: 36,664,377.00
 Annual \$: Min: 280.33 Max: 1,523.12 Avg: 768.18

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

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-133388045 Percent Rate Change Request: 5.3 | VT CHLIC Template 2023 - 2.28.2024.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 Predicted Claim Costs

Run the members from the census in Step 1 through the calculations in Step 2 to determine base medical claim costs per member using the in-network (IN) and out-of-network (OON) plan design. For indemnity plans, calculate all claim costs using only the OON plan design. All expected claim costs are calculated on a per member per month (PMPM) basis.

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 (SPC)
 - Other
 - Preventive Care (PREV)
- SCC
 - Facility
 - Professional
 - Lab
 - Radiology
 - 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.

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

National base claim costs are established for in-network and out-of-network costs, based on the overall book of business.

These base rates are used to scale up the MSC-level costs derived from the CPD.

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 Trend Factor

To establish expected claim costs for the policy period, the claims 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 area-specific trend values may be found in *Table 22 – Medical Trend and Capitation* (with additional summary detail provided in *Table 23 – Medical Trend Summary*). OON trend values may be found in *Table 4 – Medical OON Trend*

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: 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 IN and OON 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 of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

Multiply the IN and OON total trend factors by the claims in Step 2.1.

2.3 Area Factor

Multiply the area factor for the plan rating area found in *Table 20 – Medical Area Factors* (with additional summary detail in *Table 21 – Medical Area Factor Summary*) by the claims in Step 2.2.

2.4 Industry Load

Select the appropriate industry load from *Table 13 - Industry Load* based on the Standard Industrial Classification code of the member being priced.

If applicable, determine the capitation percentage from *Table 22 – Medical Trend and Capitation*.

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

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

Multiply the industry load by the claims in Step 2.3.

2.5 Demographic Factor

Select the appropriate medical demographic factor from *Table 14 – Medical Demographic Factors*, based on the age, gender, and dependent type of the member being priced (where permitted).

Calculate the demographic aging adjustment using the demographic aging factor in *Table 15 – Demographic Aging Factor* and the number of years between the date the census is evaluated and the midpoint of the policy period.

$$\begin{aligned} &\text{Demographic Aging Adjustment} \\ &= (1 + \text{Demographic Aging Factor})^{(\text{Midpoint of Policy Period} - \text{Census Evaluation Date})} \end{aligned}$$

Multiply the demographic factor by the demographic aging adjustment to calculate the applied demographic factor.

Multiply the applied demographic factor by the claims in Step 2.4.

2.6 Utilization Dampening

Determine the utilization dampening adjustment that is to be applied to each MSC in *Table 8 - Medical Utilization Dampening* using the plan type (copay/coinsurance), the deductible, the coinsurance, and the copay. Multiply the utilization dampening adjustment for each MSC by the claims from Step 2.5.

2.7 Network Utilization Adjustment

Determine the IN and OON claims split based on rating area, product, OON deductible, and OON coinsurance using *Table 24 – Network Utilization Adjustment*. Calculate the predicted IN and OON allowed claims based on the total claims (IN + OON) from Step 2.6.

$$\text{Predicted IN Allowed Claims} = [\text{IN Percent Utilization}] \times [\text{Total Claims (Step 2.6)}]$$

$$\text{Predicted OON Allowed Claims} = [\text{OON Percent Utilization}] \times [\text{Total Claims (Step 2.6)}]$$

Calculate the IN and OON utilization adjustment by dividing the predicted allowed claims by the claims from Step 2.6.

$$\text{IN Utilization Adjustment} = [\text{Predicted IN Allowed Claims}] / [\text{IN Claims}]$$

$$\text{OON Utilization Adjustment} = [\text{Predicted OON Allowed Claims}] / [\text{OON Claims}]$$

Multiply the IN and OON utilization adjustment by the claims in Step 2.6.

2.8 Maximum Reimbursable Charge Adjustment

Determine the maximum reimbursable charge (MRC) adjustment for the plan using *Table 12 - Medical OON Program Savings Factor*. Multiply the adjustment by the OON claims from Step 2.7.

2.9 Effective Deductible and Out-of-Pocket Maximum

Throughout Step 2.10, 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 three things:

- The plan deductible (or OOP maximum)
- The ratio of the family deductible to the individual deductible (or OOP maximum)
- Whether the accumulators are collective

The appropriate deductible or OOP maximum to use is then determined based on the plan's collective indicator. If the plan has a collective deductible/OOP maximum, use the family accumulator. Otherwise, use the individual accumulator.

For the deductible adjustment factor, see *Table 5 – Medical Effective Deductible Adjustment* or *Table 9 - Effective Deductible - Collective Adjustment* depending on whether the plan has a collective deductible.

For the OOP maximum adjustment factor, see *Table 6 - Medical Effective Maximum OOP Adjustment* or *Table 10 - Effective OOP Maximum - Collective Adjustment* depending on whether the plan has a collective OOP maximum.

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

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

2.10 Member 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-sharing from total claims in Step 2.1.

Steps 2.10.1– 2.10.8 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 7 - Medical Claims Probability Distribution* for the full medical CPD (which will also be referred to as the *base CPD*).

2.10.1 Member-Specific Scaling

The service categories in the Step 2.1 CPD are adjusted using a claims scaling factor and a unit scaling factor.

- **Claims Scaling Factor** – The claims scaling factor is the product of the trend factor, the preventive child age adjustment, the women's family planning adjustment, the area factor, the industry factor, the demographic factor, the utilization dampening adjustment, the network utilization adjustment, and the maximum reimbursable charge adjustment.
- **Unit Scaling Factor** – The unit scaling factor is the product of the trend factor, the area factor, the industry factor, the demographic factor, the utilization dampening adjustment, the network utilization adjustment, and the maximum reimbursable charge adjustment.

2.10.2 Copays before Deductible

If copays apply before the deductible, subtract the appropriate copays from their service categories in the Step 2.10.1 CPD. Otherwise, the service categories are not adjusted.

2.10.3 Deductible

For service categories subject to the deductible, claims below the deductible are cost-share for the member. Proportionately remove claims below the effective deductible from the Step 2.10.2 CPD. Otherwise, the service categories are not adjusted.

2.10.4 Copays after Deductible

If copays apply after the deductible, subtract the appropriate copays from their service categories in the Step 2.10.3 CPD. Otherwise, the service categories are not adjusted.

2.10.5 Coinsurance

Multiply the service categories in the Step 2.10.4 CPD by their respective coinsurance percentages.

2.10.6 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 become Cigna cost-share.

2.10.7 Annual Maximum

Add up the Cigna cost-share (claims in the Step 2.10.5 CPD and claims above the effective OOP maximum from Step 2.10.6). All claims above the annual maximum (if applicable) become member cost-share.

2.10.8 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 2.10.5 CPD and claims above the effective OOP maximum and below the annual maximum (if applicable) from Steps 2.10.6 and 2.10.7.

$$\text{Member Cost-Sharing Percentage} = 1 - \frac{[\text{Cigna Cost-Share (Step 2.10.7)}]}{[\text{Total Base Claims (Step 2.10.1)}]}$$

Calculate the medical manual rate PMPM using the member cost-sharing percentage for each MSC.

$$\begin{aligned} \text{Medical Manual Rate PMPM} \\ &= (1 - \text{Member Cost-Sharing Percentage}) \times \text{Adjusted Base Claims (Step 2.9)} \end{aligned}$$

2.11 Medical Manual Rate

Add the medical manual rate PMPM for each MSC (both IN and OON) together to get the total medical manual rate PMPM.

3 Calculate Claim Costs for Other Benefits

3.1 Riders

3.1.1 Medical Riders

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

Determine base rider claim costs.

- See
-
-
-
- *Table 18 – Medical Riders* for the methodology and values required to calculate base medical rider claim costs.

Multiply the base rider claim costs by the trend factor (Step 2.2), the area factor (Step 2.3), the demographic factor (Step 2.5), the industry load (Step 2.4), and the IN/OON cost-sharing (Step 2.10) to determine total rider claim costs.

- The demographic factor is calculated in Step 2.5. The infertility riders have their own demographic factors to use in the calculation. These factors may be found in *Table 16 – Infertility Rider Demographic Factors*.

3.1.2 Vision Rider

Determine the vision rider claim cost PMPM, if applicable. See *Appendix E: Vision Riders* for all values required for this calculation.

1. For each applicable category of coverage found in *Table 29 – Vision: Average Costs*, calculate the coverage allowance. If a category is not covered, the coverage allowance is \$0.

$$\text{Coverage Allowance} = \min([\text{Average Cost}], [\text{Allowance Per Plan Design}])$$

2. Multiply the coverage allowance by the frequency factor found in *Table 30 – Vision: Frequency Factors* and the utilization percentage found in *Table 31 – Vision: Service Utilization* to calculate the preliminary claims cost. Sum the preliminary claims costs across all categories of coverage to determine the overall preliminary claims cost.

$$\text{Preliminary Claims Cost} = [\text{Coverage Allowance}] \times [\text{Frequency Factor}] \times [\text{Utilization}]$$

3. Multiply the overall preliminary claims cost by the industry factor, case size adjustment, and trend factor to calculate the vision rider claim cost per employee per year (PEPY). The industry factor, case size adjustment, and annual trend used for the trend factor are found in *Table 32 – Vision: Trend and Adjustments*.

$$\begin{aligned} \text{Vision Rider Claim Cost PEPY} \\ = [\text{Preliminary Claims Cost}] \times [\text{Industry Factor}] \times [\text{Case Size Adj.}] \times [\text{Trend Factor}] \end{aligned}$$

4. Divide the vision rider claim cost PEPY by 12 and by the ratio of members to employees to calculate the vision rider claim cost PMPM.

3.2 Health Management Program Savings

Using the values in *Table 17 – Health Management Program Savings*, determine the expected adjustment for applicable health management programs.

- To calculate the expected adjustment for Your Health First, Comprehensive Oncology, Healthy Pregnancies, Healthy Babies, OneGuide, and Integrated Diabetes Program,

multiply the factor in the table by the total medical manual rate from Step 2.11 and the total rider claim cost (medical + vision).

- To calculate the expected adjustment for Health Advisor and Personal Health Team, sum the PEPM dollar amounts in the table.
- These adjustments will be applied later in Step 6.

3.3 Mental Health/Substance Use Disorders

Determine the MH/SUD claim cost. See *Appendix D: Mental Health/Substance Use Disorders* for rates, trend, and adjustments. Note that the MH/SUD cost calculation uses an MH/SUD-specific trend and that the base claim cost varies within the given range based on plan deductible, copays, and coinsurance.

MH/SUD 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 MH/SUD base claim cost.

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

3.4 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 COB demographic factor calculated using the COB benefit factor, the COB trend, the COB method being applied, the underlying medical product type, and the plan deductible, coinsurance, copay, OOP maximum, and other cost-sharing.

4 Community Rate Adjustments

4.1 Calculate Medical Community Rate Load

Multiply together all applicable community rate loads from *Table 11 - Community Rate Loads* to get the medical community rate load.

4.2 Apply Medical Community Rate Load

Apply the medical community rate load from Step 0 to the medical manual rate from Step 2.11 and the total rider cost from Step 3.1.

$$\begin{aligned} \text{Base Medical Community Rate} \\ &= [\text{Medical Community Rate Load}] \\ &\times [\text{Medical Manual Rate (Step 2.11)} + \text{Total Rider Cost (Step 3.1)}] \end{aligned}$$

5 Multiple Offering Loads

The multiple offering load considers the selection risk when customers have more than one product/benefit plan design option.

The selection load varies by the relativity between the cheapest and most expensive plans from an account that has 2 or more plans. See *Table 19 – Multiple Offering Load - Medical Load* for the selection loads.

6 Aggregate Medical Claim Costs

To calculate the total medical claim cost for the member:

1. Apply the expected adjustment for the health management programs from Step 3.2 to the adjusted medical and rider costs from Step 4.2.
2. Sum the medical and rider costs from the step above and the MH/SUD claim costs from Step 3.3.
3. Multiply the total medical claim cost by the multiple offering load from Step 5.

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

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

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.

7 Pharmacy Rating Step-by-Step

7.1 Extract the Average Wholesale Price (AWP) per Script

Extract the AWP per script by cost category based on the formulary type (Advantage, Advantage + DRT, Performance, Performance 4-tier, Advantage 4-tier, Generics Only, Legacy, Standard, Value, or Value + DRT). The AWP per script assumptions are found in *Table 33 – Retail AWP per Script Assumptions*.

7.2 Extract the Annual Script Counts per customer

Extract the annual script counts per member (script count per member per year [PMPY]) by cost category based on the formulary type (Advantage, Advantage + DRT, Performance, Performance 4-tier, Advantage 4-tier, Generics Only, Legacy, Standard, Value, or Value + DRT). 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. The script assumptions are on a retail equivalent (i.e. 30-day) basis. The script count assumptions are found in *Table 34 – Retail Script Count PMPY Assumptions*.

7.3 Extract the Channel Distribution Factors for Scripts and Total AWP

Extract the channel distribution factors (portion of scripts and total AWP allocated to each channel (Retail-30, Retail-90 and Home Delivery) by channel based on drug class, retail-90 availability (yes or no), retail-90 network type (broad or limited), retail-90 maintenance program (either voluntary or mandatory with an elected number of 30 day grace fills). The channel distribution assumptions are found in *Table 35 – Script Channel Distribution Assumptions* and *Table 36 – AWP Channel Distribution Assumptions*.

7.4 Shift Retail Equivalent Scripts to the Appropriate Channel

Multiply the script channel distribution assumptions by the retail equivalent script counts extracted in Step 7.2.

Retail-30 Preventive Generics Script Count PMPY
= Step 7.2 Preventive Generic Script Count PMPY x Step 7.3 Retail-30 Preventive Generic Script Distribution Assumption

Retail-30 Non-Preventive Generics Script Count PMPY
= Step 7.2 Non-Preventive Generic Script Count PMPY x Step 7.3 Retail-30 Non-Preventive Generic Script Distribution Assumption

Retail-30 Preventive Preferred Brand Script Count PMPY
= Step 7.2 Preventive Preferred Brand Script Count PMPY x Step 7.3 Retail-30 Preventive Preferred Brand Script Distribution Assumption

Retail-30 Non-Preventive Preferred Brand Script Count PMPY
= Step 7.2 Non-Preventive Preferred Brand Script Count PMPY x Step 7.3 Retail-30 Non-Preventive Preferred Brand Script Distribution Assumption

Retail-30 Preventive Non-Preferred Brand Script Count PMPY
= Step 7.2 Preventive Non-Preferred Brand Script Count PMPY x Step 7.3 Retail-30 Preventive Non-Preferred Brand Script Distribution Assumption

Retail-30 Non-Preventive Non-Preferred Brand Script Count PMPY
= Step 7.2 Non-Preventive Non-Preferred Brand Script Count PMPY x Step 7.3 Retail-30 Non-Preventive Non-Preferred Brand Script Distribution Assumption

Retail-30 Specialty Script Count PMPY
= Step 7.2 Specialty Script Count PMPY x Step 7.3 Retail-30 Specialty Script Distribution Assumption

Repeat these formulas for the Retail-90 and Home Delivery channels.

For the Retail-90 and Home Delivery channels, divide the script count PMPY assumption by 3 to convert from retail-equivalent scripts to channel-specific script counts. For example:

Retail-90 Preventive Generics Script Count PMPY
= Step 7.2 Preventive Generic Script Count PMPY x Step 7.3 Retail-90 Preventive Generic Script Distribution Assumption / 3

7.5 Calculate channel specific AWP per Script Amounts

Multiply the AWP channel distribution assumptions by the total AWP extracted in Step 7.1.

Retail-30 Preventive Generic AWP per Script =
Step 7.2 Preventive Generic Script Count PMPY x
Step 7.1 Preventive Generic AWP per Script x
Step 7.3 Retail-30 Preventive Generic AWP Distribution Assumption /
Step 7.4 Retail-30 Preventive Generic Script Count PMPY

Retail-30 Non-Preventive Generic AWP per Script =
Step 7.2 Non-Preventive Generic Script Count PMPY x
Step 7.1 Non-Preventive Generic AWP per Script x
Step 7.3 Retail-30 Non-Preventive Generic AWP Distribution Assumption /
Step 7.4 Retail-30 Non-Preventive Generic Script Count PMPY

Retail-30 Preventive Preferred Brand AWP per Script =
Step 7.2 Preventive Preferred Brand Script Count PMPY x
Step 7.1 Preventive Preferred Brand AWP per Script x
Step 7.3 Retail-30 Preventive Preferred Brand AWP Distribution Assumption /
Step 7.4 Retail-30 Preventive Preferred Brand Script Count PMPY

Retail-30 Non-Preventive Preferred Brand AWP per Script =
Step 7.2 Non-Preventive Preferred Brand Script Count PMPY x
Step 7.1 Non-Preventive Preferred Brand AWP per Script x
Step 7.3 Retail-30 Non-Preventive Preferred Brand AWP Distribution Assumption /
Step 7.4 Retail-30 Non-Preventive Preferred Brand Script Count PMPY

Retail-30 Preventive Non-Preferred Brand AWP per Script =
Step 7.2 Preventive Non-Preferred Brand Script Count PMPY x
Step 7.1 Preventive Non-Preferred Brand AWP per Script x
Step 7.3 Retail-30 Preventive Non-Preferred Brand AWP Distribution Assumption /
Step 7.4 Retail-30 Preventive Non-Preferred Brand Script Count PMPY

Retail-30 Non-Preventive Non-Preferred Brand AWP per Script =
Step 7.2 Non-Preventive Non-Preferred Brand Script Count PMPY x
Step 7.1 Non-Preventive Non-Preferred Brand AWP per Script x
Step 7.3 Retail-30 Non-Preventive Non-Preferred Brand AWP Distribution Assumption /
Step 7.4 Retail-30 Non-Preventive Non-Preferred Brand Script Count PMPY

Retail-30 Specialty AWP per Script =
Step 7.2 Specialty Script Count PMPY x
Step 7.1 Specialty AWP per Script x
Step 7.3 Retail-30 Specialty AWP Distribution Assumption /
Step 7.4 Retail-30 Specialty Script Count PMPY

Repeat these formulas for the Retail-90 and Home Delivery Channels.

For the Retail-90 and Home Delivery channels, multiply the AWP per Script assumption by 3 to convert from retail-equivalent AWP per script to channel-specific AWP per script amounts. For example:

Retail-90 Preventive Generic AWP per Script =
Step 7.2 Preventive Generic Script Count PMPY x
Step 7.1 Preventive Generic AWP per Script x
Step 7.3 Retail-90 Preventive Generic AWP Distribution Assumption /
Step 7.4 Retail-90 Preventive Generic Script Count PMPY x 3

7.6 Extract and Apply intra-channel shift assumptions

This section only applies to cases that elect step therapy or other programs that encourage customers to utilize generic drugs in place of therapeutically equivalent brand drugs.

Extract the intra-channel shift factors (portion of non-preferred brand scripts) based on the elected program type(s) (i.e. step-therapy for high cholesterol, mandatory generics, etc.) and sum the individual shift assumptions to calculate an aggregate shift factor. Intra-channel shift assumptions can be found in *Table 37 – Intra-Channel Non-Preferred Brand Shift Assumptions*.

Aggregate non-preferred brand shift factor = sum of elected program type shift factors

Multiply the aggregate non-preferred brand shift factor by the number of non-preferred brand scripts for each channel.

Retail-30 Non-Preferred Brand Scripts to Shift =
Step 7.4 Retail-30 Non-Preferred Brand Script Count PMPY x
Aggregate Non-Preferred Brand Shift Factor

Retail-90 Non-Preferred Brand Scripts to Shift =
Step 7.4 Retail-90 Non-Preferred Brand Script Count PMPY x
Aggregate Non-Preferred Brand Shift Factor

Home Delivery Non-Preferred Brand Scripts to Shift =
Step 7.4 Home Delivery Non-Preferred Brand Script Count PMPY x
Aggregate Non-Preferred Brand Shift Factor

Distribute the shifted non-preferred brand scripts to the Preventive generic or non-Preventive generic drug classes using the Intra-channel Distribution Assumptions. These assumptions can be found in *Table 38 – Intra-Channel Distribution Assumptions*.

Multiply the non-preferred brand scripts to shift within each channel by the intra-channel distribution assumptions. Combine the shifted script counts with the post-channel distribution script counts PMPY calculated in Step 7.4.

Retail-30 Final Preventive Generic Scripts PMPY =
Step 7.4 Retail-30 Preventive Generics Script Count PMPY +
Step 7.6 Retail-30 Non-Preferred Brand Scripts to Shift x
Step 7.6 Preventive Generic Distribution Assumptions

Retail-30 Final Non-Preventive Generic Scripts PMPY =
Step 7.4 Retail-30 Non-Preventive Generics Script Count PMPY +
Step 7.6 Retail-30 Non-Preferred Brand Scripts to Shift x
Step 7.6 Non-Preventive Generic Distribution Assumptions

Retail-30 Final Preventive Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Preventive Preferred Script Count PMPY

Retail-30 Final Non-Preventive Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Non-Preventive Preferred Script Count PMPY

Retail-30 Final Preventive Non-Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Preventive Non-Preferred Brand Script Count PMPY -
Step 7.6 Retail-30 Preventive Non-Preferred Brand Scripts to Shift

Retail-30 Final Non-Preventive Non-Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Non-Preventive Non-Preferred Brand Script Count PMPY -
Step 7.6 Retail-30 Non-Preventive Non-Preferred Brand Scripts to Shift

Retail-30 Final Specialty Scripts PMPY =
Step 7.4 Retail-30 Specialty Script Count PMPY

7.7 Calculate and Apply the Cost Trend Factors

The AWP per script calculated in Step 7.4 was developed using assumptions from the base claim period. To establish expected costs for the policy period, the AWP per script must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Drug-list-specific trends should be used to determine the unit cost trend factor for each drug class.

Unit cost trend assumptions are found in *Table 39 – Pharmacy: Cost Trend*.

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: 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 of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

Once the final unit cost trend factor is determined, apply it to the AWP per script calculated from Step 7.1:

$$\text{Trended AWP per Script} = \text{AWP per Script (Step 7.5)} \times \text{Final Unit Cost Trend Factor}$$

This formula needs to be repeated for each drug class (generic, brand, specialty) within each channel (retail-30, retail-90, home delivery).

7.8 Calculate and Apply the Utilization Trend Factors

The script counts calculated in Step 7.6 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. Utilization trend assumptions are found in *Table 40 – Pharmacy: Utilization Trend*.

Calculate the utilization trend factor by re-running Step 7.7 with the utilization trend factors. Once the final utilization trend factors are determined for generic, brand and specialty scripts, apply them to the script counts calculated in Step 7.6:

$$\text{Trended Script Count PMPY} = \text{Script Count PMPY (Step 7.6)} \times \text{Final Utilization Trend Factor}$$

This formula needs to be repeated for each drug class (generic, brand, specialty) within each channel (retail-30, retail-90, home delivery).

7.9 Extract and Apply the Discount

Discounts are applied to the Trended AWP per script in Step 7.7. Discount assumptions range from 65%-86% for generic drugs, 11%-58% to brand drugs and 11%-33% for specialty drugs. The discounts vary by drug type, channel, pharmacy network, account size, funding type, and client pricing terms.

Once the discounts are determined, apply them to Trended AWP per script in Step 7.7:

$$\text{Discounted Trended AWP per Script} = \text{Trended AWP per Script (Step 7.7)} \times (1 - \text{Discount})$$

This formula needs to be repeated for each drug class within each channel.

7.10 Calculate Gross Cost per Script

Dispensing fees are added to the trended discounted AWP per script calculated in Step 7.9. Dispensing fees range from \$0 - \$2 per script.

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 trended discounted AWP per script calculated in Step 7.9:

$$\begin{aligned} \text{Discount Trended Gross Cost per Script} \\ = \text{Discounted Trended AWP per Script (Step 7.9)} + \text{Dispensing Fee per Script} \end{aligned}$$

7.11 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):

$$\text{Gross Trended PMPM} = \frac{\text{Trended Gross Cost per Script (Step 7.10)} \times \text{Trended Script Count PMPY (Step 7.8)}}{12}$$

7.12 Apply the Pharmacy Area Factor

Multiply the area factor for the plan rating area found in *Table 41 – Pharmacy: Area Factor* to the gross trended cost PMPM calculated in Step 7.11:

$$\text{Gross Area-Adjusted PMPM} = \text{Gross Trended PMPM (Step 7.11)} \times \text{Pharmacy Area Factor}$$

7.13 Apply the Pharmacy Demographic Factor

Multiply the pharmacy demographic factor found in *Table 46 – Pharmacy: Demographic Factors* by the demographic aging adjustment calculated in Step 2.5 to calculate the adjusted pharmacy demographic factor.

Apply the adjusted pharmacy demographic factor to the Area-Adjusted PMPM in Step 7.12:

$$\begin{aligned} \text{Area/Demo-Adjusted Net Pharmacy PMPM} \\ = \text{Area-Adjusted PMPM (Step 7.12)} \times \text{Adjusted Pharmacy Demographic Factor} \end{aligned}$$

7.14 Apply the Industry Factor

Extract the industry factor from *Table 13 - Industry Load* and apply it to the area/demo-adjusted net pharmacy PMPM calculated in Step 7.13:

$$\begin{aligned} & \text{Area/Demo/Industry-Adjusted Net Pharmacy PMPM} \\ & = \text{Area/Demo-Adjusted PMPM (Step 7.13)} \times \text{Industry Factor} \end{aligned}$$

7.15 Apply Utilization Dampening Factor

Determine the utilization dampening adjustment in *Table 47 – Pharmacy: Utilization Dampening Factors* using the plan type (copay/coinsurance), the deductible, the coinsurance, and the copay. Apply the utilization dampening adjustment to the area/demo/industry-adjusted net pharmacy PMPM in Step 7.14 to get the Gross Allowed Pharmacy PMPM:

$$\begin{aligned} & \text{Gross Allowed Pharmacy PMPM} \\ & = \text{Area/Demo/Industry-Adjusted Net Pharmacy PMPM (Step 7.14)} \\ & \times \text{Utilization Dampening Factor} \end{aligned}$$

7.16 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

- *Table 42 – Pharmacy: CPD (% Preventive)*
- *Table 43 – Pharmacy: CPD (Cost per Script)*
- *Table 44 – Pharmacy: CPD (Scripts PMPY)*

Unless otherwise specified, weighted averages mentioned in Step 7.16 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.

7.16.1 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 using a cost/script scaling factor, a frequency scaling factor, and a scripts PMPY scaling factor:

$$\text{Cost/Script Scaling Factor} = \frac{[\text{AWP/Script} \times (1 - \text{Discount}) \times \text{Cost Trend}] + \text{Dispensing Fee}}{\text{AWP/Script}}$$

$$\begin{aligned} & \text{Frequency Scaling Factor} \\ & = \text{Area Factor} \times \text{Industry Load} \times \text{Demographic Factor} \times \text{Utilization Dampening Adjustment} \end{aligned}$$

$$\text{Scripts PMPY Factor} = [\text{AWP/Script} \times (1 - \text{Discount}) \times \text{Cost Trend}] + \text{Dispensing Fee}$$

7.16.2 Calculate Annual Cost

Determine the annual cost for each row and tier using the scaled pharmacy CPD from Step 7.16.1. In addition, the tiers should be further split into preventive and non-preventive using *Table 42 – Pharmacy: CPD (% Preventive)*:

$$\begin{aligned} & \text{Preventive Gross Trended PMPY} \\ & = \text{Scaled Cost per Script (Step 7.16.1)} \times \text{Scaled Script Count PMPY (Step 7.16.1)} \\ & \times \% \text{ Preventive} \end{aligned}$$

$$\begin{aligned} &\text{Non-Preventive Gross Trended PMPY} \\ &= \text{Scaled Cost per Script (Step 7.16.1)} \times \text{Scaled Script Count PMPY (Step 7.16.1)} \\ &\times (1 - \% \text{ Preventive}) \end{aligned}$$

If specialty drugs are rated on a 4th tier, all specialty utilization is assumed to be non-preventive.

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

$$\text{Total Annual Cost} = \text{Sum}(\text{Preventive Gross Trended PMPY}, \text{Non-Preventive Gross Trended PMPY})$$

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

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

7.16.3 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, and/or certain channels do not include those costs in the applicable annual cost for each row:

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

where

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

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.

7.16.4 Calculate Percentage of Cost Remaining after Applying Deductible

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

$$\text{Percentage of Cost Remaining} = 1 - \frac{\text{Deductible Applied (Step 7.16.3)}}{\text{Applicable Annual Cost (Step 7.16.3)}}$$

7.16.5 Calculate the effective value of copays and coinsurance

Define the effective copay as the member cost per script after copays, coinsurance, maximum copays, minimum copays and the cost per script are considered. If the copay or coinsurance is waived for preventive drugs, certain tiers, and/or certain channels, do not include those costs in the value of copay/coinsurance calculation.

For tiers with copays:

$$\begin{aligned} &\text{Effective copay} \\ &= \text{Min}[\text{Copay}, \text{Scaled Cost per Script (Step 7.16.1)}] \end{aligned}$$

For tiers with coinsurance:

Effective copay

$$= \text{Min}\{ \text{Max}[\text{Member Coinsurance} \times \text{Scaled Cost per Script (Step 7.16.1)}, \text{Minimum Copay}] , \text{Maximum Copay}\}$$

7.16.6 Adjust Copays for Costs Covered by the Deductible

For each cell of the CPD, multiply the effective value of copays by the portion of costs remaining after the deductible has been applied.

$$\text{Member Copay Value} = \text{Percentage of Cost Remaining (Step 7.16.2)} \times \text{Effective Copay (Step 7.16.5)}$$

7.16.7 Calculate Annual Member Cost Share

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

$$\begin{aligned} \text{Annual Member Cost Share} \\ &= \text{Sum}(\text{Member Copay Value (Step 7.16.6)} \times \text{Scaled Script Count PMPY (Step 7.16.2)}) \\ &+ \text{Deductible Applied (Step 7.16.3)} \end{aligned}$$

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

Adjust the annual member cost share calculated in Step 7.16.7 for each row to reflect the impact of an OOP maximum, if applicable:

$$\text{Member Cost Share after OOP Max} = \text{Min}[\text{OOP Max}, \text{Annual Member Cost Share (Step 7.16.7)}]$$

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.

7.16.9 Adjust for Plan Maximum

Adjust the member cost share after OOP max calculated in Step 7.16.8 for each row to reflect the impact of a plan maximum, if applicable:

$$\begin{aligned} \text{Member Cost Share after OOP Max \& Plan Max} \\ &= \text{Max}[\text{Member Cost Share after OOP Max (Step 7.16.8)}, \text{Total Annual Cost (Step 7.16.2)} - \text{Plan Max}] \end{aligned}$$

7.16.10 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:

$$\begin{aligned} \text{Regular Member Cost Share} \\ &= \frac{\text{Weighted Average}(\text{Member Cost Share after OOP Max \& Plan Max (Step 7.16.9)})}{\text{Estimated Annual Cost (Step 7.16.2)}} \end{aligned}$$

7.16.11 Calculate Effective Member Cost Share

For plans with a combined deductible and/or combined OOP maximum, the regular member cost share calculated in Step 7.16.10 is used in Step 2.10 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 7.16.10.

7.17 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 apply the effective member cost share from Step 7.16.11:

$$\text{Net Pharmacy PMPM} = \text{Gross Area-Adjusted PMPM} \times (1 - \text{Effective Member Cost Share (Step 7.16.11)})$$

7.18 Calculate Aggregate Metrics

Sum the net pharmacy PMPM across all channels and drug classes.

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

7.19 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 45 – Pharmacy: Clinical Management Programs*

Apply the clinical program factor to the net pharmacy rate from Step 7.18:

$$\text{Clinical-Adjusted Net Pharmacy PMPM} = \text{Net Pharmacy PMPM (Step 7.18)} \times (1 - \text{Clinical Program Factor})$$

7.20 Apply Miscellaneous Pharmacy Adjustments

Clients may elect additional benefits found in *Table 50 – Pharmacy: Additional Benefit Adjustments*. For each benefit a client elects, a multiplicative adjustment is applied to the total benefit pharmacy CRC calculated in Step 7.19 to arrive at the adjusted total benefit pharmacy PMPM:

$$\begin{aligned} \text{Adjusted Total Benefit Pharmacy PMPM} \\ &= \text{Clinical-Adjusted Net Pharmacy PMPM (Step 7.19)} \times (1 + \text{Benefit Adjustment 1}) \\ &\times (1 + \text{Benefit Adjustment 2}) \times (1 + \text{Benefit Adjustment 3}) \dots \\ &\times (1 + \text{Rx Clinical Management Adjustment (Step 7.20.1)}) \end{aligned}$$

7.20.1 Rx Clinical Management Adjustment

Clients that elect a bundled clinical management offering receive a claim adjustment varying by the package they elect in lieu of applying the pricing adjustments outlined in Step 7.6 (step therapy), and Step 7.19 (clinical modules).

$$\begin{aligned} &\text{Rx Clinical Management Adjustment Factor} \\ &= (\text{Rx NonSpecialty Management Program Factor} + \text{Rx Specialty Management Program Factor}) \\ &* (1 - \text{Rx Grandfathering Prior Authorization Factor} - \text{Rx Grandfathering Step Therapy Factor}) \end{aligned}$$

The clinical management assumption can be found in the following table:

Table 49 – Pharmacy: Clinical Management Adjustment Assumption

7.21 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 4 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 pharmacy multiple offering load and the additional pharmacy adjustment from *Table 48 – 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 7.20:

$$\begin{aligned} \text{Final Pharmacy PMPM} \\ = \text{Adjusted Total Benefit Pharmacy PMPM (Step 7.20)} \times \text{Pharmacy Community Rate Load} \end{aligned}$$

7.22 Aggregate Individual Claim Costs

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

$$\text{Aggregate Pharmacy PMPM} = \frac{\text{Sum of Step 7.21 Final Pharmacy PMPM for all members}}{\text{Sum of the number of members}}$$

Final Rate

8 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.

$$\text{Final PMPM Rate} = \frac{[\text{Step 6 Aggregate Medical Claim PMPM}] + [\text{Step 7.22 Aggregate Pharmacy PMPM}]}{[\text{Applied Loss Ratio}]}$$

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

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

Appendix A: 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. 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. A risk charge may be added for funding arrangements that allow clients to share in favorable experience.

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

The resulting formulaic claims may be blended with a claim adjustment developed by a proprietary predictive model that considers individual member's prior claims experience and risk characteristics.

The blended claims and retention may be adjusted for underwriting discretion and/or other actuarially justified adjustments. The weights used to blend the claims are based on the credibility of the group. A retention charge is then added for administrative expenses (inclusive of network access fees), taxes, commissions, and profit. The premium is then adjusted for the pooling charge where applicable. PPACA fees, state assessments, and taxes are subject to change with regulations.

Actuarially justified adjustments are used to establish the best estimate of claims for a group at the time of quoting that can be justified by actuarial analysis. These adjustments are required to capture changes in fundamental cost or affordability not known or captured at the time of the rate filing. The adjustment is equivalent to the difference between a group's estimated claim costs at the time a quoted rate is developed vs. the estimated claim cost at the time of the last approved filing. These adjustments are appropriate for creating a rate that is not excessive or inadequate and is consistently applied across all groups of similar characteristics to avoid unfair discrimination.

Producer compensation that is the contractual responsibility of the policyholder (eg. benefit advisory fees agreed to by the policyholder and its benefit advisor to compensate the benefit advisor for the performance of services solely on the policyholder's behalf) are excluded from CHLIC's premium rate buildup. Producer compensation that is the contractual responsibility of CHLIC (eg. commissions) is included in CHLIC's premium rate buildup.

For inforce Guaranteed cost and IDE policies, the experience rate is blended with a trended inforce rate.

Description of Prospective Experience Rating Methodology

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, as well as if the account is a presale or a renewal. Partial credibility (blending experience with manual) would be reflected using the following formulas, depending on whether or not a certain boundary is reached:

$$\text{Formula A: Credibility} = \frac{(k + \frac{\text{Member Month}}{3})}{(1000 + \frac{\text{Member Month}}{3})}$$

$$\text{Formula B: Credibility} = \sqrt{\frac{\text{Member Months}}{36,000}}$$

Formula A is run for any amount of member months less than the formula bound, while any amount of member months greater than or equal to the formula bound causes Formula B to be run to determine preliminary credibility. Constant k and the formula bound vary by both the pooling point for the account as well as if it is a presale or a renewal. Shown below is a chart detailing these values for presale and renewal accounts by pooling point:

| Pooling Point Range | Formula Bound (Presale) | k (Presale) | Formula Bound (Renewal) | k (Renewal) |
|---------------------|-------------------------|-------------|-------------------------|-------------|
| \$0 - \$24999 | 33500 | 425 | 33200 | 525 |
| \$25000 - \$49999 | 31700 | 300 | 32400 | 400 |
| \$50000 - \$89999 | 31200 | 225 | 31900 | 325 |
| \$90000 - \$139999 | 30500 | 125 | 31000 | 200 |
| \$140000 + | 30000 | 50 | 30300 | 100 |

There is a minimum of 5 months of claims experience as well as a minimum overall of 100 member months to have any credibility. If member months are greater than or equal to 36k, credibility is 100%.

Experience is taken from the most recent twelve-month incurred period, with two months of run-out. The claims are put on a fully incurred basis by dividing by an average completion factor. To prevent the irregular nature of large claims from distorting the experience, claim amounts in excess of a threshold (pooling point) on an individual are excluded from the experience. All accounts have an average amount of these claims (pooling fee) added to their experience as part of this smoothing process.

Experience, once completed and smoothed, is trended to the rate projection period using the same anticipated medical cost trend used for the commercial pooled rate development. Capitation is added in separately. Claims may be further adjusted, if necessary, for expected changes in the account from the experience period to the rating period. These projected claims are divided by the commercial loss ratio to get a required revenue number (including administrative expense and profit) for the rate period.

Appendix B: 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 | \$143.36 | \$175.21 | \$16.68 | \$32.84 | \$70.18 | \$7.47 | \$20.64 |
| Experience-Rated Out-of-Network | \$2.77 | \$7.30 | \$1.38 | \$0.09 | \$5.23 | \$0.72 | \$0.41 |

Table 2 – MSC Weighting by SCC

| Sub-Cost Categories | Major Service Categories | | | | | | |
|--------------------------|--------------------------|-----------------------|--------|-------|-------|--------|------------|
| | Inpatient (Hospital) | Outpatient (Hospital) | ER | PCP | SCP | Other | Preventive |
| Facility | 67.3% | 56.6% | 100.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| Professional | 32.7% | 11.2% | 0.0% | 97.1% | 77.8% | 0.0% | 100.0% |
| Lab | 0.0% | 14.0% | 0.0% | 1.1% | 6.5% | 0.0% | 0.0% |
| Radiology | 0.0% | 8.1% | 0.0% | 1.8% | 9.7% | 0.0% | 0.0% |
| Advanced Radiology (ARI) | 0.0% | 10.0% | 0.0% | 0.0% | 6.1% | 0.0% | 0.0% |

Table 3 – Preventive Care Child Age Adjustment

| Elected Child Age | Portion of Preventive Care Base Claim Cost |
|-------------------|--|
| 0 | 0.0307 |

| | |
|----|--------|
| 1 | 0.0635 |
| 2 | 0.0972 |
| 3 | 0.1316 |
| 4 | 0.167 |
| 5 | 0.2039 |
| 6 | 0.2414 |
| 7 | 0.2794 |
| 8 | 0.3176 |
| 9 | 0.3561 |
| 10 | 0.3954 |
| 11 | 0.4357 |
| 12 | 0.4771 |
| 13 | 0.5202 |
| 14 | 0.5636 |
| 15 | 0.607 |
| 16 | 0.6509 |
| 17 | 0.6955 |
| 18 | 0.7393 |
| 19 | 0.7821 |
| 20 | 0.8249 |
| 21 | 0.8661 |
| 22 | 0.9048 |
| 23 | 0.9401 |
| 24 | 0.9719 |
| 25 | 1 |

Table 4 –Medical OON Trend

| 2022/2021 | 2023/2022 | 2024+/2023 |
|------------------|------------------|-------------------|
| 3.25% | 7.70% | 7.62% |

Table 5 – Medical Effective Deductible Adjustment

| | | Plan Deductible | | | | | | | | | | | | | | | |
|--|------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 0 | 50 | 100 | 150 | 200 | 300 | 400 | 500 | 750 | 1000 | 1500 | 2000 | 2250 | 2500 | 3000 | |
| Ratio of Family to Individual Deductible | 1 | 1.000 | 0.445 | 0.434 | 0.435 | 0.436 | 0.438 | 0.440 | 0.444 | 0.454 | 0.462 | 0.479 | 0.499 | 0.506 | 0.514 | 0.528 | |
| | 1.25 | 1.000 | 0.505 | 0.518 | 0.518 | 0.517 | 0.517 | 0.521 | 0.538 | 0.554 | 0.568 | 0.593 | 0.614 | 0.623 | 0.632 | 0.649 | |
| | 1.5 | 1.000 | 0.610 | 0.610 | 0.610 | 0.610 | 0.614 | 0.621 | 0.629 | 0.647 | 0.670 | 0.693 | 0.716 | 0.725 | 0.735 | 0.751 | |
| | 1.75 | 1.000 | 0.697 | 0.697 | 0.697 | 0.700 | 0.705 | 0.713 | 0.722 | 0.740 | 0.756 | 0.782 | 0.805 | 0.815 | 0.825 | 0.840 | |
| | 2 | 1.000 | 0.799 | 0.799 | 0.799 | 0.801 | 0.802 | 0.804 | 0.807 | 0.817 | 0.834 | 0.854 | 0.874 | 0.883 | 0.890 | 0.905 | |
| | 2.25 | 1.000 | 0.826 | 0.832 | 0.831 | 0.836 | 0.838 | 0.844 | 0.854 | 0.870 | 0.885 | 0.907 | 0.925 | 0.932 | 0.939 | 0.950 | |
| | 2.5 | 1.000 | 0.890 | 0.890 | 0.872 | 0.877 | 0.884 | 0.892 | 0.900 | 0.916 | 0.928 | 0.945 | 0.961 | 0.966 | 0.970 | 0.978 | |
| | 2.75 | 1.000 | 0.945 | 0.945 | 0.945 | 0.945 | 0.945 | 0.945 | 0.945 | 0.953 | 0.962 | 0.974 | 0.983 | 0.986 | 0.990 | 0.995 | |
| | 3 | 1.000 | 0.955 | 0.955 | 0.956 | 0.956 | 0.962 | 0.967 | 0.971 | 0.979 | 0.985 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 3.25 | 1.000 | 0.973 | 0.973 | 0.973 | 0.973 | 0.978 | 0.983 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 3.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 3.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 4 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | | | 3500 | 4000 | 4500 | 5000 | 5500 | 6000 | 6500 | 6850 | 7000 | 7500 | 8000 | 8500 | 9000 | 9500 | 10000 |
| | | 1 | 0.540 | 0.550 | 0.561 | 0.572 | 0.581 | 0.591 | 0.599 | 0.607 | 0.615 | 0.615 | 0.623 | 0.630 | 0.638 | 0.645 | 0.648 |
| | | 1.25 | 0.665 | 0.680 | 0.692 | 0.705 | 0.710 | 0.715 | 0.735 | 0.745 | 0.745 | 0.753 | 0.760 | 0.769 | 0.780 | 0.786 | 0.793 |
| | | 1.5 | 0.767 | 0.782 | 0.796 | 0.807 | 0.818 | 0.828 | 0.837 | 0.846 | 0.846 | 0.854 | 0.863 | 0.869 | 0.874 | 0.879 | 0.889 |
| | | 1.75 | 0.857 | 0.868 | 0.878 | 0.884 | 0.893 | 0.901 | 0.909 | 0.913 | 0.915 | 0.922 | 0.927 | 0.935 | 0.937 | 0.941 | 0.947 |
| | | 2 | 0.916 | 0.928 | 0.935 | 0.943 | 0.949 | 0.957 | 0.960 | 0.965 | 0.967 | 0.972 | 0.975 | 0.977 | 0.982 | 0.984 | 0.986 |
| | | 2.25 | 0.956 | 0.968 | 0.973 | 0.977 | 0.982 | 0.986 | 0.989 | 0.991 | 0.992 | 0.995 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 |
| | | 2.5 | 0.983 | 0.989 | 0.995 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | | 2.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | | 3 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | | 3.25 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 3.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | 4 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |

| | 10500 | 11000 | 11500 | 12000 | 12500 | 13000 | 13500 | 14000 | 14500 | 15000 | 17000 | 20000 | Unlimited |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| 1 | 0.656 | 0.663 | 0.669 | 0.674 | 0.680 | 0.685 | 0.690 | 0.696 | 0.700 | 0.705 | 0.723 | 0.746 | 1.000 |
| 1.25 | 0.800 | 0.807 | 0.812 | 0.818 | 0.823 | 0.829 | 0.834 | 0.839 | 0.844 | 0.849 | 0.867 | 0.888 | 1.000 |
| 1.5 | 0.894 | 0.896 | 0.902 | 0.907 | 0.911 | 0.916 | 0.920 | 0.924 | 0.927 | 0.933 | 0.943 | 0.958 | 1.000 |
| 1.75 | 0.951 | 0.954 | 0.958 | 0.962 | 0.966 | 0.968 | 0.971 | 0.973 | 0.978 | 0.980 | 0.988 | 1.000 | 1.000 |
| 2 | 0.990 | 0.992 | 0.995 | 0.995 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.25 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.25 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 4 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

Table 6 - Medical Effective Maximum OOP Adjustment

| | | Plan OOP Max | | | | | | | | | | | | | | |
|---------------------------------------|-------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 250 | 500 | 1000 | 1500 | 2000 | 2500 | 3000 | 4000 | 5000 | 5500 | 6000 | 6500 | 7000 | 8000 | 9000 |
| Ratio of Family to Individual OOP Max | 1 | 0.484 | 0.484 | 0.484 | 0.484 | 0.507 | 0.529 | 0.561 | 0.579 | 0.591 | 0.603 | 0.618 | 0.621 | 0.623 | 0.625 | 0.626 |
| | 1.25 | 0.529 | 0.529 | 0.529 | 0.529 | 0.550 | 0.571 | 0.612 | 0.637 | 0.654 | 0.665 | 0.672 | 0.678 | 0.684 | 0.711 | 0.720 |
| | 1.5 | 0.627 | 0.627 | 0.629 | 0.628 | 0.645 | 0.669 | 0.705 | 0.728 | 0.740 | 0.748 | 0.770 | 0.779 | 0.784 | 0.791 | 0.804 |
| | 1.75 | 0.731 | 0.731 | 0.734 | 0.736 | 0.756 | 0.777 | 0.800 | 0.817 | 0.831 | 0.834 | 0.845 | 0.852 | 0.855 | 0.863 | 0.870 |
| | 2 | 0.790 | 0.790 | 0.793 | 0.796 | 0.811 | 0.824 | 0.842 | 0.853 | 0.861 | 0.864 | 0.871 | 0.876 | 0.878 | 0.883 | 0.886 |
| | 2.25 | 0.871 | 0.871 | 0.873 | 0.876 | 0.886 | 0.896 | 0.905 | 0.912 | 0.917 | 0.921 | 0.925 | 0.929 | 0.933 | 0.937 | 0.940 |
| | 2.5 | 0.897 | 0.897 | 0.901 | 0.905 | 0.907 | 0.909 | 0.939 | 0.943 | 0.946 | 0.947 | 0.950 | 0.960 | 0.970 | 0.980 | 0.990 |
| | 2.75 | 0.990 | 0.990 | 0.990 | 0.990 | 0.992 | 0.993 | 0.994 | 0.996 | 0.997 | 0.998 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.997 | 0.998 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.25 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.997 | 0.998 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.5 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.996 | 0.997 | 0.998 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.75 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 4 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | |
| | | 10000 | 11000 | 12000 | 13000 | 14000 | 15000 | 16000 | 17000 | 18000 | 19000 | 20000 | 25000 | 30000 | 35000 | 40000 |

| | | | | | | | | | | | | | | | |
|------|-------|-------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 | 0.630 | 0.639 | 0.641 | 0.654 | 0.665 | 0.677 | 0.686 | 0.701 | 0.710 | 0.716 | 0.727 | 0.771 | 0.800 | 0.924 | 0.946 |
| 1.25 | 0.739 | 0.756 | 0.774 | 0.791 | 0.809 | 0.827 | 0.840 | 0.853 | 0.866 | 0.879 | 0.892 | 0.917 | 1.000 | 1.000 | 1.000 |
| 1.5 | 0.813 | 0.821 | 0.826 | 0.840 | 0.852 | 0.862 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 1.75 | 0.879 | 0.883 | 0.887 | 0.891 | 0.894 | 0.898 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2 | 0.890 | 0.894 | 0.898 | 0.901 | 0.905 | 0.909 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.25 | 0.944 | 0.948 | 0.952 | 0.955 | 0.959 | 0.963 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.25 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.5 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 3.75 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 4 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 45000 | 50000 | Unlimited | | | | | | | | | | | | |
| 1 | 0.966 | 0.981 | 1.000 | | | | | | | | | | | | |
| 1.25 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 1.5 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 1.75 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 2 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 2.25 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 2.5 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 2.75 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 3 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 3.25 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 3.5 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 3.75 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |
| 4 | 1.000 | 1.000 | 1.000 | | | | | | | | | | | | |

Table 7 - Medical Claims Probability Distribution

| Annual Frequency | Total Annual Claims | In-Network | | | | | | | Out-of-Network |
|------------------|---------------------|------------|------------|---------|----------|----------|---------|-----------------|----------------|
| | | Inpatient | Outpatient | PCP | ER | SCP | Other | Preventive Care | Out-of-Network |
| 0.144246666 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 0.025603100 | \$15.64 | \$0.01 | \$0.88 | \$0.68 | \$0.16 | \$0.81 | \$0.00 | \$12.97 | \$0.12 |
| 0.018354946 | \$51.38 | \$0.04 | \$3.16 | \$1.83 | \$1.99 | \$28.90 | \$0.01 | \$14.38 | \$1.06 |
| 0.025614958 | \$99.11 | \$0.07 | \$5.07 | \$3.04 | \$12.15 | \$45.45 | \$0.01 | \$31.59 | \$1.71 |
| 0.027935991 | \$141.51 | \$0.10 | \$9.30 | \$4.77 | \$21.33 | \$52.79 | \$0.02 | \$51.00 | \$2.22 |
| 0.025530502 | \$179.84 | \$0.14 | \$14.76 | \$6.33 | \$22.93 | \$68.12 | \$0.02 | \$64.96 | \$2.58 |
| 0.023790600 | \$218.18 | \$0.17 | \$19.81 | \$7.75 | \$25.16 | \$83.52 | \$0.04 | \$78.63 | \$3.11 |
| 0.022072791 | \$254.77 | \$0.21 | \$25.13 | \$9.26 | \$26.76 | \$99.22 | \$0.04 | \$90.52 | \$3.61 |
| 0.020720925 | \$292.82 | \$0.29 | \$29.40 | \$10.51 | \$28.45 | \$113.34 | \$0.05 | \$106.48 | \$4.31 |
| 0.019806348 | \$329.18 | \$0.41 | \$34.68 | \$11.75 | \$30.32 | \$126.79 | \$0.16 | \$120.32 | \$4.75 |
| 0.018603813 | \$365.04 | \$0.39 | \$39.82 | \$13.36 | \$34.24 | \$140.65 | \$0.19 | \$131.08 | \$5.31 |
| 0.017573634 | \$400.89 | \$0.47 | \$45.01 | \$14.71 | \$36.93 | \$154.71 | \$0.20 | \$143.20 | \$5.67 |
| 0.016739650 | \$436.05 | \$0.61 | \$50.91 | \$15.52 | \$39.85 | \$168.30 | \$0.31 | \$154.42 | \$6.13 |
| 0.018789798 | \$477.32 | \$0.65 | \$57.47 | \$17.29 | \$42.27 | \$184.44 | \$0.45 | \$168.01 | \$6.73 |
| 0.017564408 | \$517.90 | \$0.77 | \$64.25 | \$18.01 | \$47.14 | \$203.08 | \$0.54 | \$176.61 | \$7.51 |
| 0.016313113 | \$558.41 | \$0.93 | \$73.50 | \$18.89 | \$52.17 | \$219.60 | \$0.84 | \$184.57 | \$7.91 |
| 0.015264680 | \$596.59 | \$0.87 | \$81.74 | \$21.11 | \$55.69 | \$239.63 | \$1.04 | \$188.08 | \$8.43 |
| 0.016588844 | \$639.07 | \$1.04 | \$90.73 | \$22.68 | \$61.64 | \$258.20 | \$1.06 | \$194.22 | \$9.51 |
| 0.015323871 | \$685.73 | \$1.58 | \$100.48 | \$24.46 | \$69.33 | \$279.14 | \$1.26 | \$198.78 | \$10.69 |
| 0.014238560 | \$732.29 | \$1.58 | \$111.14 | \$26.71 | \$77.80 | \$298.30 | \$1.19 | \$204.67 | \$10.90 |
| 0.015380085 | \$778.40 | \$1.77 | \$124.28 | \$25.88 | \$83.79 | \$316.97 | \$1.31 | \$212.48 | \$11.91 |
| 0.014241635 | \$830.44 | \$1.96 | \$136.55 | \$28.97 | \$91.25 | \$340.88 | \$1.33 | \$216.62 | \$12.89 |
| 0.016324971 | \$889.98 | \$2.44 | \$150.89 | \$29.69 | \$103.90 | \$363.84 | \$1.35 | \$224.32 | \$13.56 |
| 0.015123124 | \$956.75 | \$2.64 | \$166.92 | \$34.37 | \$116.95 | \$389.27 | \$1.74 | \$230.05 | \$14.80 |
| 0.013995623 | \$1,018.51 | \$3.59 | \$183.89 | \$34.76 | \$130.36 | \$411.14 | \$2.31 | \$236.10 | \$16.36 |
| 0.019219509 | \$1,096.41 | \$4.17 | \$207.98 | \$37.57 | \$147.02 | \$438.79 | \$2.20 | \$241.35 | \$17.32 |
| 0.017393847 | \$1,194.82 | \$5.06 | \$235.59 | \$41.10 | \$173.29 | \$470.41 | \$2.60 | \$246.61 | \$20.15 |
| 0.020825112 | \$1,304.02 | \$7.19 | \$274.92 | \$42.60 | \$194.80 | \$501.84 | \$3.31 | \$258.88 | \$20.48 |
| 0.018652597 | \$1,429.95 | \$9.67 | \$317.52 | \$46.66 | \$226.21 | \$533.12 | \$4.40 | \$267.64 | \$24.72 |
| 0.020475601 | \$1,579.07 | \$11.97 | \$370.54 | \$50.85 | \$254.47 | \$575.09 | \$5.52 | \$283.85 | \$26.78 |
| 0.017875442 | \$1,744.63 | \$16.13 | \$438.29 | \$53.88 | \$291.95 | \$612.46 | \$7.11 | \$294.74 | \$30.06 |
| 0.015858678 | \$1,909.75 | \$21.77 | \$508.86 | \$60.92 | \$328.39 | \$646.65 | \$9.59 | \$301.75 | \$31.83 |
| 0.014110338 | \$2,077.00 | \$26.52 | \$584.57 | \$64.88 | \$367.36 | \$681.81 | \$11.32 | \$304.46 | \$36.08 |
| 0.015116900 | \$2,243.83 | \$32.97 | \$672.89 | \$65.52 | \$393.56 | \$719.15 | \$12.58 | \$307.66 | \$39.50 |
| 0.013499267 | \$2,448.78 | \$41.69 | \$768.84 | \$76.52 | \$437.10 | \$753.19 | \$16.64 | \$311.46 | \$43.33 |
| 0.011998785 | \$2,655.02 | \$51.20 | \$880.89 | \$80.01 | \$473.07 | \$792.27 | \$18.78 | \$310.38 | \$48.42 |
| 0.010808403 | \$2,835.60 | \$58.45 | \$986.32 | \$81.83 | \$499.02 | \$826.09 | \$19.44 | \$312.60 | \$51.85 |
| 0.009679819 | \$3,055.71 | \$72.05 | \$1,107.62 | \$87.61 | \$534.08 | \$861.64 | \$22.65 | \$315.70 | \$54.36 |
| 0.009164373 | \$3,254.80 | \$82.38 | \$1,213.21 | \$99.85 | \$566.72 | \$885.13 | \$25.54 | \$318.94 | \$63.03 |
| 0.008395583 | \$3,456.72 | \$90.00 | \$1,362.24 | \$96.62 | \$599.41 | \$903.57 | \$27.39 | \$313.85 | \$63.64 |

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|-------------|-------------|------------|------------|----------|------------|------------|----------|----------|----------|
| 0.007840282 | \$3,681.98 | \$103.79 | \$1,490.06 | \$104.61 | \$616.15 | \$954.86 | \$29.63 | \$312.71 | \$70.17 |
| 0.007227809 | \$3,893.24 | \$109.44 | \$1,628.42 | \$113.94 | \$646.26 | \$968.90 | \$31.74 | \$318.69 | \$75.86 |
| 0.006702694 | \$4,075.48 | \$117.51 | \$1,763.83 | \$121.19 | \$661.95 | \$990.36 | \$31.63 | \$312.48 | \$76.54 |
| 0.006213916 | \$4,308.72 | \$117.87 | \$1,912.64 | \$132.70 | \$689.06 | \$1,030.34 | \$35.62 | \$309.85 | \$80.64 |
| 0.005785731 | \$4,541.79 | \$136.55 | \$2,064.18 | \$131.70 | \$711.57 | \$1,064.44 | \$36.16 | \$310.68 | \$86.51 |
| 0.005385025 | \$4,715.34 | \$145.80 | \$2,171.48 | \$135.90 | \$721.07 | \$1,090.02 | \$38.78 | \$312.11 | \$100.19 |
| 0.004983852 | \$4,960.15 | \$166.38 | \$2,313.97 | \$149.76 | \$754.13 | \$1,112.28 | \$41.41 | \$317.60 | \$104.62 |
| 0.004662534 | \$5,212.34 | \$193.14 | \$2,506.46 | \$155.33 | \$746.81 | \$1,143.43 | \$43.54 | \$312.57 | \$111.07 |
| 0.004426067 | \$5,449.99 | \$215.68 | \$2,644.36 | \$168.42 | \$777.27 | \$1,177.09 | \$45.71 | \$308.43 | \$113.03 |
| 0.004160151 | \$5,660.73 | \$252.23 | \$2,771.40 | \$167.45 | \$787.09 | \$1,215.07 | \$43.48 | \$300.67 | \$123.33 |
| 0.003936722 | \$5,881.08 | \$269.29 | \$2,910.34 | \$187.41 | \$825.21 | \$1,223.60 | \$50.06 | \$296.36 | \$118.81 |
| 0.003683551 | \$6,155.54 | \$297.67 | \$3,091.02 | \$184.43 | \$841.46 | \$1,255.46 | \$50.44 | \$305.13 | \$129.93 |
| 0.003549474 | \$6,337.94 | \$336.75 | \$3,196.47 | \$197.70 | \$844.31 | \$1,285.08 | \$50.13 | \$302.81 | \$124.69 |
| 0.003372984 | \$6,594.12 | \$397.98 | \$3,353.59 | \$210.04 | \$866.61 | \$1,274.32 | \$51.11 | \$303.65 | \$136.82 |
| 0.003158067 | \$6,834.85 | \$454.70 | \$3,485.95 | \$218.73 | \$870.50 | \$1,310.70 | \$58.21 | \$296.26 | \$139.81 |
| 0.003013756 | \$7,093.66 | \$538.04 | \$3,630.71 | \$210.15 | \$891.31 | \$1,310.17 | \$62.35 | \$296.27 | \$154.66 |
| 0.002897786 | \$7,307.10 | \$642.72 | \$3,667.75 | \$245.52 | \$913.70 | \$1,340.73 | \$62.13 | \$288.18 | \$146.39 |
| 0.002767989 | \$7,636.27 | \$730.40 | \$3,911.41 | \$238.36 | \$906.08 | \$1,340.08 | \$62.61 | \$293.93 | \$153.39 |
| 0.002635118 | \$7,826.71 | \$802.26 | \$4,010.29 | \$251.44 | \$886.29 | \$1,359.26 | \$72.49 | \$283.15 | \$161.53 |
| 0.002532063 | \$8,184.04 | \$901.51 | \$4,166.32 | \$278.73 | \$911.15 | \$1,392.52 | \$64.22 | \$286.13 | \$183.46 |
| 0.002439341 | \$8,451.41 | \$1,031.98 | \$4,317.14 | \$266.98 | \$897.60 | \$1,409.49 | \$64.28 | \$279.91 | \$184.02 |
| 0.002364430 | \$8,659.32 | \$1,104.61 | \$4,399.66 | \$276.06 | \$927.42 | \$1,408.71 | \$70.84 | \$278.03 | \$194.00 |
| 0.002234953 | \$8,978.47 | \$1,197.75 | \$4,544.49 | \$300.64 | \$936.47 | \$1,445.23 | \$73.65 | \$282.37 | \$197.87 |
| 0.002170301 | \$9,366.21 | \$1,314.02 | \$4,763.03 | \$308.13 | \$990.60 | \$1,441.78 | \$72.47 | \$288.99 | \$187.19 |
| 0.002100778 | \$9,617.68 | \$1,528.53 | \$4,750.57 | \$323.73 | \$950.49 | \$1,503.18 | \$73.51 | \$275.54 | \$212.14 |
| 0.002001634 | \$9,844.55 | \$1,546.62 | \$4,945.36 | \$337.36 | \$966.19 | \$1,502.60 | \$75.66 | \$282.15 | \$188.60 |
| 0.001980059 | \$10,042.32 | \$1,751.59 | \$4,886.43 | \$351.25 | \$944.08 | \$1,545.85 | \$70.78 | \$275.58 | \$216.75 |
| 0.001905148 | \$10,356.02 | \$1,859.31 | \$5,107.45 | \$311.94 | \$968.37 | \$1,516.29 | \$78.10 | \$271.44 | \$243.11 |
| 0.001868837 | \$10,630.13 | \$1,997.70 | \$5,168.11 | \$388.12 | \$953.59 | \$1,553.01 | \$79.97 | \$272.68 | \$216.96 |
| 0.001820889 | \$10,815.81 | \$2,127.94 | \$5,303.24 | \$350.62 | \$936.70 | \$1,537.84 | \$78.30 | \$268.06 | \$213.10 |
| 0.001726346 | \$11,250.45 | \$2,278.08 | \$5,374.55 | \$378.03 | \$1,015.59 | \$1,593.89 | \$85.33 | \$267.27 | \$257.72 |
| 0.001674388 | \$11,616.99 | \$2,470.52 | \$5,484.73 | \$407.35 | \$1,053.61 | \$1,617.51 | \$89.76 | \$259.11 | \$234.40 |
| 0.001626834 | \$11,993.25 | \$2,652.97 | \$5,705.87 | \$395.66 | \$1,010.34 | \$1,631.41 | \$91.26 | \$252.68 | \$253.06 |
| 0.001561296 | \$12,123.24 | \$2,779.67 | \$5,685.02 | \$478.50 | \$992.72 | \$1,565.05 | \$88.19 | \$268.95 | \$265.14 |
| 0.001571186 | \$12,573.37 | \$2,807.81 | \$5,938.06 | \$498.06 | \$1,037.84 | \$1,680.91 | \$101.25 | \$254.19 | \$255.23 |
| 0.001476348 | \$12,920.95 | \$2,922.78 | \$6,118.01 | \$439.57 | \$1,014.01 | \$1,780.35 | \$92.90 | \$265.23 | \$288.11 |
| 0.001416985 | \$13,130.59 | \$3,040.50 | \$6,169.85 | \$524.44 | \$984.88 | \$1,757.58 | \$94.18 | \$260.81 | \$298.34 |
| 0.001379542 | \$13,520.50 | \$3,284.26 | \$6,247.68 | \$542.57 | \$1,056.73 | \$1,729.97 | \$108.13 | \$259.80 | \$291.36 |
| 0.001354498 | \$13,877.44 | \$3,563.90 | \$6,488.41 | \$413.49 | \$1,044.33 | \$1,741.21 | \$93.92 | \$262.87 | \$269.32 |
| 0.001305492 | \$14,051.98 | \$3,673.83 | \$6,317.81 | \$540.48 | \$1,069.81 | \$1,778.32 | \$103.75 | \$259.33 | \$308.64 |
| 0.001301752 | \$14,654.29 | \$3,784.63 | \$6,745.31 | \$645.01 | \$1,013.98 | \$1,819.39 | \$95.81 | \$272.44 | \$277.72 |
| 0.001249204 | \$14,578.86 | \$3,711.49 | \$6,745.88 | \$571.66 | \$1,082.15 | \$1,765.10 | \$115.04 | \$245.51 | \$342.04 |
| 0.001167749 | \$14,956.20 | \$4,042.52 | \$6,732.70 | \$620.98 | \$1,052.19 | \$1,852.83 | \$106.20 | \$250.34 | \$298.44 |
| 0.001153038 | \$15,277.36 | \$4,259.58 | \$6,767.03 | \$553.09 | \$1,076.18 | \$1,905.78 | \$129.63 | \$255.97 | \$330.11 |

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|-------------|--------------|--------------|--------------|-------------|------------|-------------|-------------|----------|------------|
| 0.001167011 | \$15,657.81 | \$4,424.24 | \$6,968.59 | \$493.72 | \$1,141.67 | \$1,912.59 | \$118.20 | \$253.06 | \$345.74 |
| 0.001083293 | \$15,654.36 | \$4,337.28 | \$7,124.91 | \$614.59 | \$1,075.62 | \$1,838.10 | \$114.36 | \$244.07 | \$305.43 |
| 0.001079431 | \$16,575.90 | \$4,648.99 | \$7,273.32 | \$745.78 | \$1,163.29 | \$1,970.11 | \$141.71 | \$268.64 | \$364.08 |
| 0.001052960 | \$16,712.54 | \$4,630.16 | \$7,486.20 | \$643.61 | \$1,076.71 | \$2,148.27 | \$110.78 | \$257.69 | \$359.11 |
| 0.000983805 | \$16,971.46 | \$4,591.31 | \$7,774.90 | \$682.35 | \$1,145.76 | \$2,017.86 | \$119.13 | \$259.87 | \$380.29 |
| 0.000982034 | \$17,422.58 | \$5,069.57 | \$7,736.77 | \$706.26 | \$1,097.97 | \$2,068.44 | \$115.57 | \$252.00 | \$376.00 |
| 0.000936546 | \$17,832.90 | \$5,244.93 | \$7,977.27 | \$664.83 | \$1,126.32 | \$2,015.45 | \$136.10 | \$265.50 | \$402.49 |
| 0.000900186 | \$18,425.70 | \$5,416.92 | \$8,158.30 | \$635.03 | \$1,202.36 | \$2,169.10 | \$154.75 | \$258.88 | \$430.36 |
| 0.000871648 | \$18,515.59 | \$5,356.79 | \$8,188.03 | \$701.84 | \$1,235.57 | \$2,153.33 | \$166.32 | \$251.68 | \$462.02 |
| 0.000835755 | \$19,080.12 | \$5,685.28 | \$8,502.29 | \$657.47 | \$1,213.61 | \$2,185.51 | \$156.35 | \$257.28 | \$422.32 |
| 0.000814918 | \$19,216.88 | \$5,582.25 | \$8,600.19 | \$725.29 | \$1,237.39 | \$2,185.50 | \$173.48 | \$263.48 | \$449.31 |
| 0.000801879 | \$19,481.84 | \$5,856.33 | \$8,442.54 | \$778.53 | \$1,200.53 | \$2,330.52 | \$168.23 | \$267.24 | \$437.93 |
| 0.000794056 | \$20,217.03 | \$6,424.61 | \$8,669.94 | \$790.44 | \$1,214.60 | \$2,228.66 | \$182.67 | \$262.73 | \$443.38 |
| 0.000763624 | \$20,371.55 | \$6,305.59 | \$8,812.88 | \$761.36 | \$1,237.68 | \$2,381.87 | \$185.24 | \$261.98 | \$424.94 |
| 0.000759639 | \$20,366.01 | \$6,352.60 | \$8,714.69 | \$853.31 | \$1,245.35 | \$2,343.63 | \$154.49 | \$250.20 | \$451.74 |
| 0.000725320 | \$20,953.20 | \$6,528.26 | \$9,047.33 | \$818.96 | \$1,236.28 | \$2,470.63 | \$159.65 | \$254.68 | \$437.40 |
| 0.000723696 | \$21,282.76 | \$6,998.19 | \$9,121.50 | \$723.27 | \$1,219.91 | \$2,339.06 | \$194.69 | \$253.35 | \$432.79 |
| 0.001323279 | \$21,497.66 | \$6,789.51 | \$9,303.70 | \$769.48 | \$1,293.90 | \$2,395.30 | \$198.49 | \$275.71 | \$471.57 |
| 0.002369104 | \$22,629.11 | \$7,376.26 | \$9,649.26 | \$767.44 | \$1,301.59 | \$2,554.45 | \$215.45 | \$269.06 | \$495.59 |
| 0.003183898 | \$24,094.39 | \$7,828.61 | \$10,393.11 | \$885.58 | \$1,301.64 | \$2,658.84 | \$208.85 | \$259.11 | \$558.65 |
| 0.003495646 | \$26,176.69 | \$8,921.01 | \$10,813.23 | \$1,014.69 | \$1,349.75 | \$2,939.89 | \$282.64 | \$259.93 | \$595.56 |
| 0.003566030 | \$29,016.61 | \$10,626.03 | \$11,234.12 | \$1,078.17 | \$1,410.70 | \$3,330.42 | \$389.77 | \$261.16 | \$686.24 |
| 0.003295022 | \$32,417.87 | \$12,541.12 | \$12,265.33 | \$1,197.84 | \$1,393.25 | \$3,506.17 | \$435.04 | \$263.76 | \$815.35 |
| 0.002955500 | \$36,948.44 | \$14,667.94 | \$13,736.54 | \$1,432.77 | \$1,487.00 | \$3,872.89 | \$593.17 | \$269.49 | \$888.63 |
| 0.002728652 | \$39,286.29 | \$16,134.16 | \$14,148.46 | \$1,446.34 | \$1,479.66 | \$4,105.82 | \$842.83 | \$264.76 | \$864.26 |
| 0.002276382 | \$45,249.27 | \$18,699.30 | \$16,340.23 | \$1,718.77 | \$1,619.64 | \$4,658.21 | \$974.31 | \$270.60 | \$968.21 |
| 0.001862440 | \$53,810.94 | \$23,543.90 | \$18,178.99 | \$2,002.96 | \$1,680.68 | \$5,693.24 | \$1,199.14 | \$285.87 | \$1,226.16 |
| 0.001552095 | \$60,484.82 | \$27,424.52 | \$20,500.02 | \$2,455.08 | \$1,675.77 | \$5,574.79 | \$1,371.72 | \$286.05 | \$1,196.86 |
| 0.001279882 | \$70,070.11 | \$32,936.41 | \$23,281.55 | \$2,544.99 | \$2,046.23 | \$5,490.72 | \$1,838.59 | \$273.78 | \$1,657.83 |
| 0.001058446 | \$82,827.13 | \$39,571.00 | \$27,075.61 | \$2,953.61 | \$1,983.37 | \$6,928.04 | \$2,142.36 | \$297.23 | \$1,875.92 |
| 0.000851131 | \$92,260.62 | \$45,185.66 | \$29,990.79 | \$3,509.02 | \$2,034.83 | \$7,227.27 | \$1,993.70 | \$273.82 | \$2,045.53 |
| 0.000668245 | \$107,367.41 | \$53,475.92 | \$33,983.66 | \$4,476.16 | \$1,954.21 | \$8,798.40 | \$2,317.99 | \$282.01 | \$2,079.05 |
| 0.000558572 | \$119,193.80 | \$58,464.97 | \$40,635.74 | \$3,856.81 | \$2,171.58 | \$8,370.60 | \$2,605.95 | \$277.03 | \$2,811.13 |
| 0.000462996 | \$135,783.08 | \$69,247.90 | \$43,082.57 | \$5,104.64 | \$2,307.32 | \$9,297.09 | \$3,508.70 | \$313.79 | \$2,921.07 |
| 0.000407447 | \$148,234.40 | \$72,143.63 | \$49,712.73 | \$6,713.21 | \$2,220.07 | \$10,665.76 | \$3,866.53 | \$320.62 | \$2,591.85 |
| 0.000342622 | \$169,644.87 | \$82,436.32 | \$60,103.61 | \$5,418.83 | \$2,321.26 | \$12,111.74 | \$2,777.78 | \$334.09 | \$4,141.25 |
| 0.000272385 | \$189,096.50 | \$95,194.23 | \$62,482.03 | \$6,036.94 | \$2,524.26 | \$13,477.31 | \$4,924.55 | \$342.98 | \$4,114.20 |
| 0.000242421 | \$208,129.63 | \$101,349.47 | \$70,807.28 | \$8,520.93 | \$2,691.76 | \$15,003.67 | \$6,314.04 | \$308.78 | \$3,133.70 |
| 0.000208373 | \$230,612.57 | \$110,606.20 | \$85,768.44 | \$6,451.03 | \$3,105.21 | \$13,341.21 | \$6,557.44 | \$356.22 | \$4,426.83 |
| 0.000192185 | \$250,432.43 | \$121,444.24 | \$92,498.20 | \$7,765.73 | \$2,672.57 | \$17,271.40 | \$5,567.11 | \$327.12 | \$2,886.07 |
| 0.000132601 | \$271,296.87 | \$131,709.28 | \$108,674.45 | \$6,056.00 | \$3,028.79 | \$10,851.57 | \$7,101.48 | \$355.76 | \$3,519.53 |
| 0.000121481 | \$289,117.29 | \$131,735.51 | \$115,325.45 | \$15,740.50 | \$3,238.71 | \$10,881.71 | \$7,384.60 | \$397.11 | \$4,413.70 |
| 0.000105466 | \$318,432.44 | \$147,981.46 | \$123,325.81 | \$12,759.07 | \$3,192.11 | \$15,684.52 | \$9,897.11 | \$380.57 | \$5,211.79 |
| 0.000079831 | \$337,089.13 | \$175,129.23 | \$110,086.41 | \$12,118.30 | \$3,325.88 | \$13,738.69 | \$16,698.94 | \$350.31 | \$5,641.37 |

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|-------------|----------------|----------------|--------------|-------------|------------|-------------|-------------|----------|-------------|
| 0.000071737 | \$352,782.87 | \$183,539.05 | \$121,122.00 | \$13,755.69 | \$3,177.67 | \$12,678.18 | \$11,125.00 | \$346.70 | \$7,038.59 |
| 0.000058625 | \$381,374.01 | \$188,205.65 | \$135,396.00 | \$20,137.54 | \$3,002.20 | \$14,829.78 | \$11,452.69 | \$293.09 | \$8,057.05 |
| 0.000051097 | \$417,557.30 | \$228,830.15 | \$135,747.55 | \$23,370.77 | \$3,711.08 | \$11,430.32 | \$11,218.31 | \$345.71 | \$2,903.41 |
| 0.000035992 | \$425,571.12 | \$236,116.75 | \$132,130.50 | \$15,632.62 | \$5,278.81 | \$19,192.32 | \$10,863.01 | \$279.07 | \$6,078.03 |
| 0.000034491 | \$458,506.28 | \$284,725.33 | \$124,670.24 | \$13,365.63 | \$2,726.10 | \$11,766.80 | \$16,835.97 | \$350.06 | \$4,066.14 |
| 0.000056952 | \$476,732.22 | \$279,497.36 | \$133,491.50 | \$21,556.81 | \$3,199.06 | \$14,225.14 | \$13,866.39 | \$419.33 | \$10,476.61 |
| 0.000047382 | \$546,273.61 | \$299,468.30 | \$179,773.56 | \$14,325.16 | \$3,573.77 | \$23,770.06 | \$16,642.55 | \$322.12 | \$8,398.09 |
| 0.000028931 | \$609,310.63 | \$349,397.20 | \$171,798.68 | \$15,227.80 | \$2,828.17 | \$33,284.61 | \$28,167.48 | \$393.46 | \$8,213.22 |
| 0.000025389 | \$623,910.18 | \$344,492.54 | \$188,416.74 | \$15,167.43 | \$2,272.50 | \$18,321.75 | \$41,881.79 | \$259.41 | \$13,098.02 |
| 0.000019238 | \$649,028.23 | \$382,066.95 | \$167,413.98 | \$40,091.92 | \$5,302.07 | \$23,179.52 | \$25,830.50 | \$399.18 | \$4,744.11 |
| 0.000014367 | \$747,256.23 | \$478,601.47 | \$137,975.07 | \$12,826.01 | \$5,758.61 | \$16,863.08 | \$55,723.93 | \$574.26 | \$38,933.81 |
| 0.000016360 | \$782,467.73 | \$490,597.48 | \$171,153.82 | \$34,875.95 | \$2,251.12 | \$12,706.83 | \$58,482.17 | \$360.11 | \$12,040.24 |
| 0.000090004 | \$866,880.62 | \$512,555.92 | \$276,484.45 | \$21,950.13 | \$3,026.75 | \$12,900.05 | \$18,993.19 | \$408.47 | \$20,561.66 |
| 0.000088856 | \$853,597.71 | \$573,187.58 | \$209,530.75 | \$0.00 | \$3,311.63 | \$3,711.21 | \$34,231.26 | \$444.72 | \$29,180.56 |
| 0.000007134 | \$939,036.19 | \$706,647.18 | \$197,236.29 | \$0.00 | \$2,943.17 | \$12,947.33 | \$3,124.25 | \$638.34 | \$15,499.62 |
| 0.000043028 | \$1,400,272.78 | \$1,096,444.10 | \$168,619.78 | \$18,847.41 | \$3,089.85 | \$7,651.22 | \$68,566.41 | \$439.33 | \$36,614.68 |

Table 8 - Medical Utilization Dampening

| Copay or Coinsurance | Medical Combined with Rx | Deductible | Coinsurance | Copay | Utilization Dampening by MSC | | | | | | |
|----------------------|--------------------------|------------|-------------|-------|------------------------------|------------|-------|-------|-------|-------|-----------------|
| | | | | | Inpatient | Outpatient | PCP | ER | SCP | Other | Preventive Care |
| Coins | None | 0 | 0.6 | 0 | 0.909 | 0.909 | 1.161 | 0.959 | 1.262 | 0.858 | 1.000 |
| Coins | None | 0 | 0.7 | 0 | 0.933 | 0.952 | 1.209 | 0.998 | 1.401 | 0.959 | 1.000 |
| Coins | None | 0 | 0.8 | 0 | 1.029 | 1.039 | 1.211 | 1.012 | 1.407 | 1.060 | 1.000 |
| Coins | None | 0 | 0.9 | 0 | 1.090 | 1.099 | 1.211 | 1.032 | 1.413 | 1.171 | 1.000 |
| Coins | None | 0 | 1 | 0 | 1.172 | 1.179 | 1.211 | 1.072 | 1.413 | 1.262 | 1.000 |
| Coins | None | 500 | 0.6 | 0 | 0.904 | 0.886 | 0.999 | 0.949 | 0.820 | 0.858 | 1.000 |
| Coins | None | 500 | 0.7 | 0 | 0.933 | 0.951 | 1.084 | 0.973 | 0.986 | 0.959 | 1.000 |
| Coins | None | 500 | 0.8 | 0 | 1.002 | 0.991 | 1.154 | 0.995 | 1.178 | 1.028 | 1.000 |
| Coins | None | 500 | 0.9 | 0 | 1.053 | 1.042 | 1.198 | 1.010 | 1.300 | 1.088 | 1.000 |
| Coins | None | 500 | 1 | 0 | 1.129 | 1.109 | 1.211 | 1.068 | 1.413 | 1.262 | 1.000 |
| Coins | None | 1000 | 0.6 | 0 | 0.904 | 0.886 | 0.989 | 0.947 | 0.808 | 0.858 | 1.000 |
| Coins | None | 1000 | 0.7 | 0 | 0.922 | 0.909 | 1.014 | 0.966 | 0.895 | 0.912 | 1.000 |
| Coins | None | 1000 | 0.8 | 0 | 0.979 | 0.959 | 1.049 | 0.980 | 0.990 | 0.975 | 1.000 |
| Coins | None | 1000 | 0.9 | 0 | 1.032 | 1.006 | 1.119 | 0.994 | 1.107 | 1.045 | 1.000 |
| Coins | None | 1000 | 1 | 0 | 1.101 | 1.054 | 1.211 | 1.013 | 1.136 | 1.262 | 1.000 |
| Coins | None | 1500 | 0.6 | 0 | 0.882 | 0.867 | 0.953 | 0.942 | 0.808 | 0.858 | 1.000 |
| Coins | None | 1500 | 0.7 | 0 | 0.891 | 0.874 | 0.956 | 0.950 | 0.836 | 0.878 | 1.000 |
| Coins | None | 1500 | 0.8 | 0 | 0.953 | 0.927 | 1.003 | 0.972 | 0.914 | 0.946 | 1.000 |
| Coins | None | 1500 | 0.9 | 0 | 0.983 | 0.972 | 1.044 | 0.993 | 1.029 | 1.004 | 1.000 |
| Coins | None | 1500 | 1 | 0 | 1.077 | 1.040 | 1.211 | 0.999 | 1.072 | 1.262 | 1.000 |
| Coins | None | 2000 | 0.6 | 0 | 0.882 | 0.842 | 0.953 | 0.907 | 0.808 | 0.858 | 1.000 |
| Coins | None | 2000 | 0.7 | 0 | 0.891 | 0.872 | 0.956 | 0.946 | 0.831 | 0.868 | 1.000 |
| Coins | None | 2000 | 0.8 | 0 | 0.920 | 0.898 | 0.984 | 0.961 | 0.854 | 0.908 | 1.000 |
| Coins | None | 2000 | 0.9 | 0 | 0.983 | 0.962 | 1.019 | 0.985 | 0.976 | 0.985 | 1.000 |
| Coins | None | 2000 | 1 | 0 | 1.041 | 0.990 | 1.211 | 0.999 | 0.997 | 1.261 | 1.000 |

| | | | | | | | | | | | |
|-------|----------|------|-----|-----|-------|-------|-------|-------|-------|-------|-------|
| Coins | None | 2500 | 0.6 | 0 | 0.811 | 0.793 | 0.909 | 0.907 | 0.807 | 0.784 | 1.000 |
| Coins | None | 2500 | 0.7 | 0 | 0.891 | 0.871 | 0.923 | 0.946 | 0.819 | 0.804 | 1.000 |
| Coins | None | 2500 | 0.8 | 0 | 0.920 | 0.897 | 0.984 | 0.961 | 0.846 | 0.890 | 1.000 |
| Coins | None | 2500 | 0.9 | 0 | 0.981 | 0.962 | 1.000 | 0.981 | 0.933 | 0.947 | 1.000 |
| Coins | None | 2500 | 1 | 0 | 1.035 | 0.982 | 1.211 | 0.999 | 0.997 | 1.259 | 1.000 |
| Coins | None | 3000 | 0.6 | 0 | 0.811 | 0.793 | 0.883 | 0.907 | 0.645 | 0.784 | 1.000 |
| Coins | None | 3000 | 0.7 | 0 | 0.869 | 0.846 | 0.923 | 0.939 | 0.747 | 0.804 | 1.000 |
| Coins | None | 3000 | 0.8 | 0 | 0.920 | 0.897 | 0.984 | 0.961 | 0.846 | 0.890 | 1.000 |
| Coins | None | 3000 | 0.9 | 0 | 0.959 | 0.962 | 1.000 | 0.981 | 0.933 | 0.947 | 1.000 |
| Coins | None | 3000 | 1 | 0 | 1.010 | 0.962 | 1.211 | 0.999 | 0.996 | 1.259 | 1.000 |
| Coins | None | 4000 | 0.6 | 0 | 0.803 | 0.785 | 0.874 | 0.898 | 0.638 | 0.776 | 1.000 |
| Coins | None | 4000 | 0.7 | 0 | 0.860 | 0.838 | 0.914 | 0.930 | 0.739 | 0.796 | 1.000 |
| Coins | None | 4000 | 0.8 | 0 | 0.902 | 0.880 | 0.964 | 0.942 | 0.829 | 0.872 | 1.000 |
| Coins | None | 4000 | 0.9 | 0 | 0.930 | 0.933 | 0.970 | 0.952 | 0.905 | 0.919 | 1.000 |
| Coins | None | 4000 | 1 | 0 | 0.964 | 0.933 | 1.157 | 0.954 | 0.952 | 1.202 | 1.000 |
| Copay | None | | | 0 | 1.200 | 1.218 | 1.037 | 1.071 | 1.183 | 1.000 | 1.000 |
| Copay | None | | | 5 | 1.195 | 1.218 | 1.032 | 1.069 | 1.171 | 1.000 | 1.000 |
| Copay | None | | | 10 | 1.190 | 1.218 | 1.026 | 1.068 | 1.159 | 1.000 | 1.000 |
| Copay | None | | | 15 | 1.186 | 1.218 | 1.021 | 1.067 | 1.147 | 1.000 | 1.000 |
| Copay | None | | | 20 | 1.181 | 1.202 | 1.016 | 1.065 | 1.135 | 1.000 | 1.000 |
| Copay | None | | | 25 | 1.171 | 1.202 | 1.007 | 1.065 | 1.117 | 1.000 | 1.000 |
| Copay | None | | | 30 | 1.161 | 1.202 | 0.997 | 1.065 | 1.098 | 1.000 | 1.000 |
| Copay | None | | | 35 | 1.151 | 1.202 | 0.986 | 1.063 | 1.083 | 1.000 | 1.000 |
| Copay | None | | | 40 | 1.141 | 1.202 | 0.974 | 1.059 | 1.068 | 1.000 | 1.000 |
| Copay | None | | | 45 | 1.140 | 1.202 | 0.965 | 1.051 | 1.051 | 1.000 | 1.000 |
| Copay | None | | | 50 | 1.139 | 1.169 | 0.956 | 1.042 | 1.034 | 1.000 | 1.000 |
| Copay | None | | | 60 | 1.124 | 1.152 | 0.929 | 1.038 | 0.991 | 1.000 | 1.000 |
| Copay | None | | | 70 | 1.109 | 1.136 | 0.907 | 1.034 | 0.958 | 1.000 | 1.000 |
| Copay | None | | | 80 | 1.080 | 1.090 | 0.899 | 1.030 | 0.926 | 1.000 | 1.000 |
| Copay | None | | | 90 | 1.070 | 1.060 | 0.868 | 1.030 | 0.878 | 1.000 | 1.000 |
| Copay | None | | | 100 | 1.064 | 1.049 | 0.857 | 1.025 | 0.836 | 1.000 | 1.000 |
| Copay | None | | | 150 | 1.062 | 1.030 | 0.828 | 1.024 | 0.808 | 1.000 | 1.000 |
| Copay | None | | | 200 | 1.061 | 1.011 | 0.808 | 1.010 | 0.787 | 1.000 | 1.000 |
| Coins | Combined | 0 | 0.6 | 0 | 0.863 | 0.863 | 1.103 | 0.911 | 1.199 | 0.815 | 1.000 |
| Coins | Combined | 0 | 0.7 | 0 | 0.886 | 0.904 | 1.148 | 0.948 | 1.331 | 0.911 | 1.000 |
| Coins | Combined | 0 | 0.8 | 0 | 0.977 | 0.987 | 1.151 | 0.961 | 1.337 | 1.007 | 1.000 |
| Coins | Combined | 0 | 0.9 | 0 | 1.035 | 1.044 | 1.151 | 0.980 | 1.342 | 1.112 | 1.000 |
| Coins | Combined | 0 | 1 | 0 | 1.114 | 1.120 | 1.151 | 1.019 | 1.343 | 1.199 | 1.000 |
| Coins | Combined | 500 | 0.6 | 0 | 0.859 | 0.841 | 0.949 | 0.902 | 0.779 | 0.815 | 1.000 |
| Coins | Combined | 500 | 0.7 | 0 | 0.886 | 0.903 | 1.030 | 0.924 | 0.937 | 0.911 | 1.000 |
| Coins | Combined | 500 | 0.8 | 0 | 0.952 | 0.941 | 1.096 | 0.945 | 1.119 | 0.976 | 1.000 |
| Coins | Combined | 500 | 0.9 | 0 | 1.000 | 0.990 | 1.138 | 0.959 | 1.235 | 1.034 | 1.000 |
| Coins | Combined | 500 | 1 | 0 | 1.073 | 1.054 | 1.151 | 1.015 | 1.343 | 1.199 | 1.000 |
| Coins | Combined | 1000 | 0.6 | 0 | 0.859 | 0.841 | 0.940 | 0.900 | 0.767 | 0.815 | 1.000 |
| Coins | Combined | 1000 | 0.7 | 0 | 0.876 | 0.864 | 0.964 | 0.917 | 0.850 | 0.866 | 1.000 |
| Coins | Combined | 1000 | 0.8 | 0 | 0.930 | 0.912 | 0.997 | 0.931 | 0.941 | 0.926 | 1.000 |

| | | | | | | | | | | | |
|-------|----------|------|-----|-----|-------|-------|-------|-------|-------|-------|-------|
| Coins | Combined | 1000 | 0.9 | 0 | 0.981 | 0.956 | 1.063 | 0.944 | 1.051 | 0.993 | 1.000 |
| Coins | Combined | 1000 | 1 | 0 | 1.046 | 1.001 | 1.151 | 0.962 | 1.080 | 1.199 | 1.000 |
| Coins | Combined | 1500 | 0.6 | 0 | 0.838 | 0.823 | 0.906 | 0.895 | 0.767 | 0.815 | 1.000 |
| Coins | Combined | 1500 | 0.7 | 0 | 0.846 | 0.830 | 0.908 | 0.903 | 0.794 | 0.834 | 1.000 |
| Coins | Combined | 1500 | 0.8 | 0 | 0.906 | 0.881 | 0.953 | 0.923 | 0.868 | 0.898 | 1.000 |
| Coins | Combined | 1500 | 0.9 | 0 | 0.934 | 0.923 | 0.991 | 0.943 | 0.978 | 0.954 | 1.000 |
| Coins | Combined | 1500 | 1 | 0 | 1.023 | 0.988 | 1.151 | 0.949 | 1.019 | 1.199 | 1.000 |
| Coins | Combined | 2000 | 0.6 | 0 | 0.838 | 0.800 | 0.905 | 0.861 | 0.767 | 0.815 | 1.000 |
| Coins | Combined | 2000 | 0.7 | 0 | 0.846 | 0.828 | 0.908 | 0.899 | 0.789 | 0.825 | 1.000 |
| Coins | Combined | 2000 | 0.8 | 0 | 0.874 | 0.853 | 0.935 | 0.913 | 0.812 | 0.862 | 1.000 |
| Coins | Combined | 2000 | 0.9 | 0 | 0.934 | 0.914 | 0.968 | 0.935 | 0.927 | 0.936 | 1.000 |
| Coins | Combined | 2000 | 1 | 0 | 0.989 | 0.941 | 1.151 | 0.949 | 0.947 | 1.198 | 1.000 |
| Coins | Combined | 2500 | 0.6 | 0 | 0.770 | 0.753 | 0.863 | 0.861 | 0.767 | 0.745 | 1.000 |
| Coins | Combined | 2500 | 0.7 | 0 | 0.846 | 0.827 | 0.877 | 0.898 | 0.778 | 0.764 | 1.000 |
| Coins | Combined | 2500 | 0.8 | 0 | 0.874 | 0.853 | 0.935 | 0.913 | 0.803 | 0.845 | 1.000 |
| Coins | Combined | 2500 | 0.9 | 0 | 0.932 | 0.914 | 0.950 | 0.932 | 0.886 | 0.900 | 1.000 |
| Coins | Combined | 2500 | 1 | 0 | 0.984 | 0.933 | 1.151 | 0.949 | 0.947 | 1.196 | 1.000 |
| Coins | Combined | 3000 | 0.6 | 0 | 0.770 | 0.753 | 0.839 | 0.861 | 0.612 | 0.745 | 1.000 |
| Coins | Combined | 3000 | 0.7 | 0 | 0.825 | 0.804 | 0.877 | 0.892 | 0.710 | 0.764 | 1.000 |
| Coins | Combined | 3000 | 0.8 | 0 | 0.874 | 0.853 | 0.935 | 0.913 | 0.803 | 0.845 | 1.000 |
| Coins | Combined | 3000 | 0.9 | 0 | 0.911 | 0.914 | 0.950 | 0.932 | 0.886 | 0.900 | 1.000 |
| Coins | Combined | 3000 | 1 | 0 | 0.959 | 0.914 | 1.151 | 0.949 | 0.947 | 1.196 | 1.000 |
| Coins | Combined | 4000 | 0.6 | 0 | 0.763 | 0.746 | 0.830 | 0.853 | 0.606 | 0.737 | 1.000 |
| Coins | Combined | 4000 | 0.7 | 0 | 0.817 | 0.796 | 0.868 | 0.883 | 0.702 | 0.756 | 1.000 |
| Coins | Combined | 4000 | 0.8 | 0 | 0.857 | 0.836 | 0.916 | 0.895 | 0.787 | 0.828 | 1.000 |
| Coins | Combined | 4000 | 0.9 | 0 | 0.884 | 0.887 | 0.921 | 0.904 | 0.860 | 0.873 | 1.000 |
| Coins | Combined | 4000 | 1 | 0 | 0.916 | 0.887 | 1.099 | 0.906 | 0.904 | 1.142 | 1.000 |
| Copay | Combined | | | 0 | 1.140 | 1.157 | 0.985 | 1.017 | 1.124 | 1.000 | 1.000 |
| Copay | Combined | | | 5 | 1.135 | 1.157 | 0.980 | 1.016 | 1.113 | 1.000 | 1.000 |
| Copay | Combined | | | 10 | 1.131 | 1.157 | 0.975 | 1.015 | 1.101 | 1.000 | 1.000 |
| Copay | Combined | | | 15 | 1.127 | 1.157 | 0.970 | 1.013 | 1.090 | 1.000 | 1.000 |
| Copay | Combined | | | 20 | 1.122 | 1.142 | 0.965 | 1.012 | 1.079 | 1.000 | 1.000 |
| Copay | Combined | | | 25 | 1.113 | 1.142 | 0.956 | 1.012 | 1.061 | 1.000 | 1.000 |
| Copay | Combined | | | 30 | 1.103 | 1.142 | 0.947 | 1.012 | 1.044 | 1.000 | 1.000 |
| Copay | Combined | | | 35 | 1.093 | 1.142 | 0.937 | 1.010 | 1.029 | 1.000 | 1.000 |
| Copay | Combined | | | 40 | 1.084 | 1.142 | 0.926 | 1.006 | 1.014 | 1.000 | 1.000 |
| Copay | Combined | | | 45 | 1.083 | 1.142 | 0.917 | 0.998 | 0.998 | 1.000 | 1.000 |
| Copay | Combined | | | 50 | 1.082 | 1.111 | 0.909 | 0.990 | 0.982 | 1.000 | 1.000 |
| Copay | Combined | | | 60 | 1.068 | 1.095 | 0.883 | 0.986 | 0.941 | 1.000 | 1.000 |
| Copay | Combined | | | 70 | 1.054 | 1.079 | 0.862 | 0.982 | 0.910 | 1.000 | 1.000 |
| Copay | Combined | | | 80 | 1.026 | 1.036 | 0.854 | 0.978 | 0.879 | 1.000 | 1.000 |
| Copay | Combined | | | 90 | 1.017 | 1.007 | 0.825 | 0.978 | 0.834 | 1.000 | 1.000 |
| Copay | Combined | | | 100 | 1.011 | 0.997 | 0.814 | 0.974 | 0.794 | 1.000 | 1.000 |
| Copay | Combined | | | 150 | 1.009 | 0.978 | 0.787 | 0.973 | 0.767 | 1.000 | 1.000 |
| Copay | Combined | | | 200 | 1.008 | 0.960 | 0.767 | 0.959 | 0.748 | 1.000 | 1.000 |

Table 9 - Effective Deductible - Collective Adjustment

| Deductible | Avg. Family Size: 2 | Avg. Family Size: 3 | Avg. Family Size: 4 | Avg. Family Size: 5 |
|------------|---------------------|---------------------|---------------------|---------------------|
| 0 | 1 | 1 | 1 | 1 |
| 50 | 0.635 | 0.441 | 0.352 | 0.352 |
| 100 | 0.63 | 0.437 | 0.335 | 0.335 |
| 150 | 0.633 | 0.437 | 0.334 | 0.334 |
| 200 | 0.633 | 0.439 | 0.335 | 0.335 |
| 300 | 0.635 | 0.441 | 0.338 | 0.338 |
| 400 | 0.639 | 0.444 | 0.339 | 0.339 |
| 500 | 0.644 | 0.447 | 0.342 | 0.342 |
| 750 | 0.657 | 0.459 | 0.349 | 0.349 |
| 1000 | 0.663 | 0.47 | 0.358 | 0.358 |
| 1500 | 0.688 | 0.489 | 0.369 | 0.369 |
| 2000 | 0.708 | 0.508 | 0.389 | 0.389 |
| 2250 | 0.714 | 0.518 | 0.396 | 0.396 |
| 2500 | 0.719 | 0.528 | 0.404 | 0.404 |
| 3000 | 0.731 | 0.54 | 0.421 | 0.421 |
| 3500 | 0.744 | 0.552 | 0.431 | 0.431 |
| 4000 | 0.754 | 0.565 | 0.441 | 0.441 |
| 4500 | 0.762 | 0.577 | 0.452 | 0.452 |
| 5000 | 0.772 | 0.588 | 0.463 | 0.463 |
| 5500 | 0.78 | 0.597 | 0.474 | 0.474 |
| 6000 | 0.787 | 0.608 | 0.484 | 0.484 |
| 6500 | 0.795 | 0.616 | 0.492 | 0.492 |
| 6850 | 0.8 | 0.625 | 0.502 | 0.502 |
| 7000 | 0.807 | 0.632 | 0.511 | 0.511 |
| 7500 | 0.807 | 0.632 | 0.511 | 0.511 |
| 8000 | 0.813 | 0.641 | 0.519 | 0.519 |
| 8500 | 0.818 | 0.648 | 0.527 | 0.527 |
| 9000 | 0.824 | 0.656 | 0.535 | 0.535 |
| 9500 | 0.828 | 0.66 | 0.545 | 0.545 |
| 10000 | 0.829 | 0.666 | 0.549 | 0.549 |
| 10500 | 0.833 | 0.674 | 0.559 | 0.559 |
| 11000 | 0.838 | 0.681 | 0.566 | 0.566 |
| 11500 | 0.843 | 0.69 | 0.572 | 0.572 |
| 12000 | 0.846 | 0.69 | 0.579 | 0.579 |
| 12500 | 0.851 | 0.7 | 0.584 | 0.584 |
| 13000 | 0.854 | 0.706 | 0.59 | 0.59 |
| 13500 | 0.857 | 0.712 | 0.596 | 0.596 |
| 14000 | 0.861 | 0.718 | 0.602 | 0.602 |
| 14500 | 0.864 | 0.723 | 0.607 | 0.607 |
| 15000 | 0.867 | 0.727 | 0.613 | 0.613 |
| 17000 | 0.879 | 0.744 | 0.634 | 0.634 |

Table 10 - Effective OOP Maximum - Collective Adjustment

| OOP Max. | Avg. Family Size: 2 | Avg. Family Size: 3 | Avg. Family Size: 4 | Avg. Family Size: 5 |
|-----------|---------------------|---------------------|---------------------|---------------------|
| 500 | 0.675 | 0.498 | 0.382 | 0.382 |
| 1000 | 0.675 | 0.498 | 0.382 | 0.382 |
| 1500 | 0.675 | 0.498 | 0.382 | 0.382 |
| 2000 | 0.700 | 0.520 | 0.404 | 0.404 |
| 2500 | 0.725 | 0.542 | 0.424 | 0.424 |
| 3000 | 0.767 | 0.588 | 0.444 | 0.444 |
| 4000 | 0.778 | 0.609 | 0.464 | 0.464 |
| 5000 | 0.784 | 0.612 | 0.484 | 0.484 |
| 5500 | 0.790 | 0.615 | 0.504 | 0.504 |
| 6000 | 0.801 | 0.623 | 0.524 | 0.524 |
| 6500 | 0.806 | 0.628 | 0.524 | 0.524 |
| 7000 | 0.811 | 0.632 | 0.524 | 0.524 |
| 8000 | 0.818 | 0.632 | 0.524 | 0.524 |
| 9000 | 0.824 | 0.632 | 0.524 | 0.524 |
| 10000 | 0.828 | 0.637 | 0.527 | 0.527 |
| 11000 | 0.836 | 0.644 | 0.537 | 0.537 |
| 12000 | 0.836 | 0.647 | 0.541 | 0.541 |
| 13000 | 0.852 | 0.657 | 0.553 | 0.553 |
| 14000 | 0.868 | 0.662 | 0.564 | 0.564 |
| 15000 | 0.890 | 0.672 | 0.572 | 0.572 |
| 16000 | 0.893 | 0.690 | 0.581 | 0.581 |
| 17000 | 0.914 | 0.700 | 0.595 | 0.595 |
| 18000 | 0.928 | 0.711 | 0.601 | 0.601 |
| 19000 | 0.931 | 0.716 | 0.608 | 0.608 |
| 20000 | 0.950 | 0.726 | 0.616 | 0.616 |
| 25000 | 1.000 | 0.785 | 0.649 | 0.649 |
| 30000 | 1.000 | 0.819 | 0.690 | 0.690 |
| 35000 | 1.000 | 0.945 | 0.875 | 0.875 |
| 40000 | 1.000 | 0.973 | 0.905 | 0.905 |
| 45000 | 1.000 | 1.000 | 0.931 | 0.931 |
| 50000 | 1.000 | 1.000 | 0.962 | 0.962 |
| Unlimited | 1.000 | 1.000 | 1.000 | 1.000 |

Table 11 - Community Rate Loads

| Category | Load | Detail |
|-----------------------------------|----------------|---------------------------|
| Modular Medical Management | 1.013 to 1.023 | Basic Medical Management |
| | 0.973 to 0.993 | Buy-up Medical Management |

| | | |
|---|--|-----------------------------------|
| One Guide Adjustment | 0.995 | |
| | | |
| Gatekeeper Credit | 0.99 | |
| | | |
| CarryOver Deductible Adjustment | | Deductible |
| | 1 | 0 |
| | 1.013 | 250 |
| | 1.019 | 500 |
| | 1.023 | 750 |
| | 1.03 | 1000 |
| | | |
| Consumerism Adjustment | 0.985 | |
| | | |
| Breast Pump Supplies | 1.0005 | Covered at 100% |
| | 1 | Covered at Deductible/Coinsurance |
| | 0.998 | Not Covered |
| | | |
| Criteria-Based Network Adjustment | 0.82 | Minimum |
| | 1 | Maximum |
| | | |
| Cigna Pathwell Specialty | 0.979 | Minimum |
| | 1.004 | Maximum |
| | | |
| Pathwell Bone & Joint | 1 | |
| | | |
| Pharmacy Indicators | Pharmacy indicators may be used to perform additional risk assessment of the group | |
| | 0.88 | Minimum |
| | 1.21 | Maximum |
| | | |
| Improved Affordability for Integration | | Integrated Product |
| | 0.990 | Dental |
| | 0.995 | Disability |
| | 1.015 | Pharmacy Carve-out |
| | 0.985 to 1.000 | Behavioral |
| | | |
| Tiered Benefits | Adjustments for tiering cost sharing, deductible, and OOP maximum. | |
| Coinsurance & Copay | 0.95 | Minimum |

| | | |
|----------------------|------|---------|
| | 1.06 | Maximum |
| Deductible & OOP Max | 0.96 | Minimum |
| | 1.01 | Maximum |

Table 11 – Community Rate Loads (Continued)

ER/UC Steerage Adjustment

Using the applicable copay and/or coinsurance per the plan design and the average steerable visit cost below, calculate the average actual visit cost to a member for an ER visit and Urgent Care facility visit. Look up the load on the table based on visit cost differential and the Effective ER deductible from Step 2.9. No load is applied if Urgent Care is subject to the deductible or if the calculated Urgent Care facility visit cost is \$0.

| Average Steerable visit cost | | | | | | |
|------------------------------|--------|-------------------------|--------|--------|--------|--|
| ER | 1150 | | | | | |
| Urgent Care | 180 | | | | | |
| | | Effective ER Deductible | | | | |
| Visit Cost Difference | 0 | 500 | 1000 | 3000 | 6000 | |
| 0 | 1.0000 | 0.9987 | 0.9973 | 0.9933 | 0.9920 | |
| 100 | 0.9987 | 0.9971 | 0.9957 | 0.9931 | 0.9920 | |
| 200 | 0.9973 | 0.9957 | 0.9944 | 0.9928 | 0.9920 | |
| 300 | 0.996 | 0.9947 | 0.9933 | 0.9925 | 0.992 | |
| 400 | 0.9947 | 0.9936 | 0.9925 | 0.9923 | 0.992 | |
| 500 | 0.9933 | 0.9927 | 0.992 | 0.992 | 0.992 | |

Medical Specialty Drugs Steerage Adjustment

The following adjustments apply for plan designs where the deductible applies to medical specialty drugs administered in outpatient facilities, the deductible does not apply to medical specialty drugs administered in either (or both of) the home or at a physician's office, and the member coinsurance for those services is greater than 0%.

| Deductible | Deductible Waiver by Place of Administration | | |
|------------|--|--------|----------------------------------|
| | Physician's office | Home | Both Home and Physician's Office |
| 0 | 1 | 1 | 1 |
| 1000 | 0.9997 | 0.9999 | 0.9996 |
| 2000 | 0.9994 | 0.9998 | 0.9992 |
| 3000 | 0.9991 | 0.9997 | 0.9988 |
| 4000 | 0.9988 | 0.9996 | 0.9984 |
| 5000 | 0.9985 | 0.9995 | 0.998 |

Independent Lab Steerage Adjustment

The following adjustments apply for plan designs where the deductible does not apply to independent lab facility services, the deductible does apply to either (or both of) physician's office lab services or outpatient facility lab services, and the member coinsurance for those services is greater than 0%.

| Deductible | Deductible Waiver by Place of Service | | |
|------------|---------------------------------------|--------------------|---|
| | Outpatient Facility | Physician's Office | Both OP Facility and Physician's Office |
| 0 | 1.0000 | 1.0000 | 1.0000 |
| 1000 | 0.9998 | 0.9998 | 0.9996 |
| 2000 | 0.9996 | 0.9996 | 0.9992 |
| 3000 | 0.9994 | 0.9994 | 0.9988 |

| | | | |
|------|--------|--------|--------|
| 4000 | 0.9992 | 0.9992 | 0.9984 |
| 5000 | 0.9990 | 0.9990 | 0.9980 |

Table 12 - Medical OON Program Savings Factor

| | Percent | Factor | |
|----------------------------------|---------|---------|-----------|
| | | Stacked | Unstacked |
| Medicare | 0.80 | 0.959 | 0.630 |
| | 0.90 | 0.972 | 0.665 |
| | 0.95 | 0.986 | 0.683 |
| | 1.00 | 0.999 | 0.700 |
| | 1.10 | 0.998 | 0.735 |
| | 1.15 | 1.010 | 0.752 |
| | 1.20 | 1.011 | 0.770 |
| | 1.25 | 1.018 | 0.787 |
| | 1.30 | 1.024 | 0.805 |
| | 1.35 | 1.035 | 0.822 |
| | 1.40 | 1.037 | 0.840 |
| | 1.50 | 1.050 | 0.875 |
| | 1.75 | 1.082 | 0.962 |
| | 1.80 | 1.089 | 0.979 |
| | 1.90 | 1.102 | 1.014 |
| | 2.00 | 1.115 | 1.049 |
| | 2.25 | 1.147 | 1.136 |
| | 2.30 | 1.156 | 1.154 |
| | 2.50 | 1.179 | 1.224 |
| | 2.75 | 1.212 | 1.311 |
| | 2.90 | 1.231 | 1.363 |
| | 3.00 | 1.244 | 1.398 |
| | 3.25 | 1.286 | 1.485 |
| | 4.00 | 1.374 | 1.747 |
| | 5.00 | 1.537 | 2.096 |
| Usual and Customary (Percentile) | 0.70 | 1.344 | 1.700 |
| | 0.75 | 1.367 | 1.714 |
| | 0.80 | 1.391 | 1.729 |
| | 0.85 | 1.415 | 1.743 |
| | 0.90 | 1.439 | 1.757 |
| | 0.95 | 1.463 | 1.771 |
| | 1.00 | 1.487 | 1.786 |

Table 13 - Industry Load

| Industry | Minimum | Maximum | Median |
|--------------|---------|---------|--------|
| Agriculture | 0.875 | 1.075 | 0.975 |
| Mining | 0.950 | 1.125 | 1.075 |
| Construction | 0.900 | 1.125 | 0.988 |

| | | | |
|--|-------|-------|-------|
| Manufacturing | 0.825 | 1.075 | 0.950 |
| Transportation, Communication, & Utilities | 0.800 | 1.100 | 1.000 |
| Wholesale Trade | 0.875 | 1.050 | 0.938 |
| Retail Trade | 0.850 | 1.100 | 0.975 |
| Finance, Insurance and Real Estate | 0.900 | 1.050 | 0.975 |
| Services | 0.850 | 1.100 | 0.975 |
| Public Administration | 0.900 | 1.050 | 0.975 |

Table 14 – Medical Demographic Factors

| Age Band | Male | | | Female | | | Unisex |
|----------|----------|--------|-------|----------|--------|-------|--------|
| | Employee | Spouse | Child | Employee | Spouse | Child | All |
| 00 - 19 | 0.533 | 0.533 | 0.533 | 0.525 | 0.525 | 0.525 | 0.530 |
| 20 - 24 | 0.382 | 0.501 | 0.634 | 0.918 | 1.418 | 0.812 | 0.587 |
| 25 - 29 | 0.477 | 0.563 | 0.737 | 0.941 | 1.596 | 1.027 | 0.655 |
| 30 - 34 | 0.498 | 0.625 | 0.688 | 1.273 | 1.585 | 1.744 | 0.785 |
| 35 - 39 | 0.573 | 0.696 | 0.765 | 1.389 | 1.363 | 1.499 | 0.857 |
| 40 - 44 | 0.759 | 0.747 | 0.822 | 1.334 | 1.348 | 1.483 | 0.956 |
| 45 - 49 | 1.021 | 1.024 | 1.126 | 1.378 | 1.452 | 1.597 | 1.148 |
| 50 - 54 | 1.268 | 1.436 | 1.580 | 1.584 | 1.722 | 1.894 | 1.378 |
| 55 - 59 | 1.624 | 1.912 | 2.103 | 1.741 | 1.901 | 2.091 | 1.667 |
| 60 - 64 | 2.191 | 2.363 | 2.599 | 2.133 | 2.235 | 2.459 | 2.169 |
| 65 - 69 | 3.624 | 3.209 | 3.530 | 2.922 | 2.805 | 3.085 | 3.390 |
| 70 + | 4.204 | 3.723 | 4.095 | 3.409 | 3.272 | 3.599 | 3.971 |

Table 15 – Demographic Aging Factor

| |
|---------------|
| Factor |
| 0.004 |

Table 16 – Infertility Rider Demographic Factors

| Age Band | Male | Female | 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 17 – Health Management Program Savings

| Health Management Program | Savings |
|----------------------------------|----------------|
| Your Health First | -1.00% |
| Integrated Diabetes Program | -0.25% |
| Comprehensive Oncology | -0.05% |
| Healthy Pregnancy Healthy Babies | -0.10% |
| Personal Health Team – Non-CCF | -\$5.04 |
| Personal Health Team – CCF | -\$2.19 |
| Health-Advisor | -\$3.94 |

Table 18 – Medical Riders

| Rider | Methodology |
|--------------------------------------|--|
| Bariatric Surgery | 1.90 for limited coverage 2.49 for unlimited coverage |
| Durable Medical Equipment (DME) | Base Cost PMPM = Max * 1445040357 3.91 cap on coverage |
| External Prosthetic Appliances (EPA) | Base Cost PMPM = Max * 1445040357 1.28 cap on coverage |
| DME and EPA Combined | Base Cost PMPM = Max * 1445040357 5.05 cap on coverage |
| Routine Foot Disorders Buy Up | 1.68 for a maximum less than \$1000 2.13 for a maximum \$1000 or greater |
| Organ Transplants OON | 0.38 base PMPM |
| Home Health Care | -1.94 when annual maximum days are set to zero. Slope of 0.0235 per day. 2.11 cap on coverage. |
| Infertility Treatment – Buy Up #1 | 4.20 base PMPM |
| Infertility Treatment – Buy Up #2 | "Base Cost PMPM"=4.66×[" Max" /57896.14]^0.1 6.16 cap on coverage |
| Infertility Only | Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1 |
| Infertility Only OON | IN PMPM multiplied by OON to IN claims ratio |

| | | | | |
|--|--|------------|-----------------------|-------|
| Complex Psych Program Savings | -0.28 base PMPM | | | |
| TMJ | 0.57 base PMPM | | | |
| Narcotics Therapy Program Savings | -0.28 base PMPM | | | |
| Alternative Care (Acupuncture, Naturopathy, Massage) | <p>Naturopathy and Acupuncture are available with massage up to a dollar limit.</p> <p>0 - Up to \$300 limit 2.81 - \$301 to \$600 limit 5.31 - For \$600+ limit.</p> | | | |
| Acupuncture | <p>This doesn't apply if an Alternative Care election is made.</p> <p>0.75 – 1 to 10 visits 0.92 – 11 to 12 visits 1.14 – 13 to 15 visits 1.63 – For 16 or more visits.</p> | | | |
| Family Planning Preventive Care Exemption | Apply a factor of 0.96 to the preventive care base rate in Step 2.1. | | | |
| Embarc Benefit Protection | <p>Cap Adj: \$0.69 PMPM FFS Adj: -\$0.34 PMPM</p> | | | |
| <p>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.</p> <p>For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:</p> <p>If Cardiac and Pulmonary Rehab is included with these benefits, it does not have a pricing impact.</p> | | | | |
| Therapy | 1 st slope | Breakpoint | 2 nd slope | Cap |
| Speech Therapy (ST) | 0.0116 | 20 days | 0.0026 | 0.62 |
| Outpatient Speech, Hearing, and Occupational Therapy (OSHOT) | 0.0193 | 20 days | 0.0048 | 0.72 |
| Chiropractic Therapy (Chiro) | 0.0934 | 60 days | 0.0254 | 7.11 |
| Physical Therapy (PT) | 0.1786 | 20 days | 0.0429 | 6.25 |
| PT and Occupational Therapy (OT) | 0.1891 | 20 days | 0.0445 | 6.42 |
| PT and OSHOT | 0.0195 | 20 days | 0.0069 | 5.22 |
| PT, OSHOT, and Chiro | 0.2446 | 30 days | 0.1009 | 13.84 |
| <p>The following riders are not standardly offered but are frequently requested. If elected, they are multiplicative adjustments applied to total expected medical and pharmacy claims as calculated in Step 6 and Step 7.22. If the coverage is mandated, then the adjustment is already embedded in the rating area factor and does not apply separately.</p> | | | | |
| Hearing Aids | 1.001 | | | |

| | |
|------------------|-------|
| Wigs | 1 |
| Varicose Veins | 1.001 |
| Macromastia | 1.001 |
| Abdominoplasty | 1 |
| Massage Therapy | 1.002 |
| Cryopreservation | 1 |

Table 19 – Multiple Offering Load - Medical Load

| Plan Cost | | Medical Load |
|--|-------------|--------------|
| Lower Bound | Upper Bound | |
| 0.0% | 2.5% | 1.00 |
| 2.5% | 7.5% | 1.005 |
| 7.5% | 12.5% | 1.010 |
| 12.5% | 17.5% | 1.015 |
| 17.5% | 100.0% | 1.020 |
| The multiple offering load does not apply for Tennessee LocalPlus when offered with OAP or PPO | | |

Appendix C: Medical Tables by Rating Area

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

Table 20 – Medical Area Factors

| Area Description | Rating Area | Product | Area Factor |
|------------------|-------------|---------|-------------|
| VT, VERMONT | VTNWK1 | NWK | 0.94 |
| VT, VERMONT | VTOAP1 | OAP | 0.94 |
| VT, VERMONT | VTPPO1 | PPO | 0.98 |

Table 21 – Medical Area Factor Summary

| State | Minimum Area Factor | Maximum Area Factor | State | Minimum Area Factor | Maximum Area Factor |
|-------|---------------------|---------------------|-------|---------------------|---------------------|
| AK | 1.68 | 1.68 | NC | 0.81 | 1.11 |
| AL | 0.66 | 0.87 | ND | 1.19 | 1.19 |
| AR | 0.69 | 0.86 | NE | 1.04 | 1.24 |
| AZ | 0.63 | 1.21 | NH | 0.98 | 1.14 |
| CA* | 0.00 | 0.00 | NJ | 0.75 | 1.04 |
| CO | 0.69 | 1.24 | NM | 0.76 | 1.36 |
| CT | 0.97 | 1.25 | NV | 0.74 | 0.97 |
| DC | 0.69 | 0.83 | NY | 0.67 | 1.33 |
| DE | 0.91 | 0.91 | OH | 0.74 | 1.21 |
| FL | 0.79 | 1.61 | OK | 0.87 | 1.00 |
| GA | 0.69 | 1.28 | OR | 0.80 | 1.11 |
| HI | 0.65 | 0.65 | PA | 0.76 | 1.09 |
| IA | 1.11 | 1.26 | PR | 0.79 | 0.79 |
| ID | 1.03 | 1.06 | RI | 0.66 | 0.75 |
| IL | 0.69 | 1.46 | SC | 0.82 | 1.16 |
| IN | 0.81 | 1.43 | SD | 1.42 | 1.42 |
| KS | 0.76 | 1.04 | TN | 0.62 | 1.18 |
| KY | 0.79 | 1.32 | TX | 0.81 | 1.45 |
| LA | 0.88 | 0.99 | UT | 0.70 | 1.02 |
| MA | 0.74 | 0.96 | VA | 0.70 | 1.18 |
| MD | 0.65 | 0.82 | VI | 0.72 | 0.82 |
| ME | 0.92 | 1.10 | VT | 0.94 | 0.98 |
| MI | 0.77 | 1.21 | WA | 0.77 | 1.00 |
| MN | 0.90 | 1.22 | WI | 1.17 | 1.57 |
| MO | 0.78 | 1.38 | WV | 0.93 | 1.34 |
| MS | 0.69 | 0.93 | WY | 1.08 | 1.08 |
| MT | 0.91 | 0.91 | | | |

*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 22 – Medical Trend and Capitation

| Area Description | Rating Area | Product | In-Network Cost Trend | | |
|--|-------------|---------|-----------------------|-----------|------------|
| | | | 2022/2021 | 2023/2022 | 2024+/2023 |
| VT, VERMONT | VTNWK1 | NWK | 5.69% | 10.78% | 8.11% |
| VT, VERMONT | VTOAP1 | OAP | 5.69% | 10.78% | 8.11% |
| VT, VERMONT | VTPPO1 | PPO | 5.69% | 10.78% | 8.11% |
| OON Cost Trend is 3.25% for 2022/2021, 7.7% for 2023/2022, and 7.62% for 2024+/2023 for all rating areas | | | | | |

Table 23 – Medical Trend Summary

| State | 2022/2021 | | 2023/2022 | | 2024+/2023 | |
|-------|-----------|---------|-----------|---------|------------|---------|
| | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum |
| AK | 3.58% | 3.58% | 8.30% | 8.30% | 7.59% | 8.39% |
| AL | 2.06% | 5.23% | 6.32% | 10.83% | 6.05% | 9.51% |
| AR | 0.17% | 3.19% | 6.65% | 8.85% | 6.70% | 8.66% |
| AZ | 2.37% | 4.82% | 6.51% | 8.87% | 6.22% | 8.45% |
| CA | 0.73% | 4.01% | 5.83% | 9.12% | 5.76% | 9.90% |
| CO | -0.45% | 3.39% | 6.38% | 7.82% | 5.60% | 9.04% |
| CT | 3.74% | 4.17% | 7.34% | 8.00% | 7.06% | 8.33% |
| DC | 3.58% | 3.73% | 7.85% | 8.00% | 7.48% | 8.43% |
| DE | 4.01% | 4.01% | 8.71% | 8.71% | 7.77% | 8.57% |
| FL | -0.26% | 6.29% | 5.33% | 8.88% | 6.25% | 9.02% |
| GA | 2.07% | 12.36% | 5.84% | 16.45% | 7.11% | 11.76% |
| HI | 3.18% | 3.18% | 7.60% | 7.60% | 7.33% | 8.13% |
| IA | 3.47% | 3.86% | 8.02% | 8.43% | 7.76% | 8.97% |
| ID | 3.19% | 3.31% | 7.61% | 7.74% | 7.34% | 8.27% |
| IL | 1.30% | 6.11% | 6.44% | 11.98% | 6.79% | 9.85% |
| IN | -0.49% | 5.52% | 5.82% | 8.85% | 5.84% | 9.91% |
| KS | 2.07% | 6.10% | 7.06% | 11.09% | 6.62% | 10.44% |
| KY | 0.95% | 3.84% | 6.48% | 8.73% | 5.25% | 8.48% |
| LA | 1.86% | 3.03% | 7.11% | 7.64% | 6.64% | 8.40% |
| MA | 2.82% | 4.77% | 6.45% | 8.33% | 6.44% | 9.08% |
| MD | 2.51% | 3.51% | 7.25% | 8.13% | 7.07% | 8.55% |
| ME | 3.94% | 5.75% | 6.93% | 8.56% | 6.09% | 8.59% |
| MI | 3.47% | 3.72% | 8.01% | 8.28% | 7.75% | 8.81% |
| MN | 3.63% | 3.70% | 8.18% | 8.26% | 7.92% | 8.80% |
| MO | 2.96% | 6.99% | 6.83% | 12.98% | 6.58% | 12.84% |
| MS | -0.82% | 4.61% | 6.66% | 7.72% | 6.46% | 8.26% |
| MT | 3.07% | 3.07% | 7.50% | 7.50% | 7.23% | 8.03% |

| | | | | | | |
|---|--------|-------|--------|--------|-------|--------|
| NC | 1.23% | 3.77% | 6.93% | 8.67% | 6.08% | 8.95% |
| ND | 3.58% | 3.58% | 8.13% | 8.13% | 7.86% | 8.66% |
| NE | 3.39% | 3.64% | 7.94% | 8.19% | 7.67% | 8.73% |
| NH | 3.78% | 4.32% | 8.31% | 9.40% | 8.40% | 9.81% |
| NJ | 2.68% | 4.22% | 6.97% | 8.36% | 7.11% | 8.89% |
| NM | 1.31% | 3.27% | 6.01% | 8.01% | 5.64% | 8.49% |
| NV | 0.47% | 2.77% | 5.58% | 6.27% | 6.02% | 7.40% |
| NY | 2.51% | 4.87% | 7.21% | 8.73% | 6.94% | 9.31% |
| OH | 2.69% | 4.83% | 6.73% | 9.32% | 6.38% | 9.94% |
| OK | 2.49% | 3.44% | 6.60% | 7.63% | 6.17% | 8.37% |
| OR | 2.78% | 3.50% | 7.12% | 7.93% | 6.76% | 8.51% |
| PA | 2.64% | 4.84% | 7.25% | 8.34% | 6.97% | 9.31% |
| PR | 8.28% | 8.28% | 9.12% | 9.12% | 8.32% | 9.12% |
| RI | 1.28% | 1.28% | 5.91% | 5.91% | 5.57% | 6.37% |
| SC | -0.03% | 4.37% | 6.42% | 14.95% | 6.38% | 10.99% |
| SD | 3.76% | 3.76% | 8.33% | 8.33% | 8.06% | 8.86% |
| TN | 1.82% | 4.82% | 6.63% | 8.83% | 6.17% | 9.20% |
| TX | -2.15% | 5.21% | 5.92% | 9.67% | 5.47% | 10.27% |
| UT | 2.74% | 3.39% | 7.05% | 8.09% | 6.97% | 8.91% |
| VA | 1.38% | 4.90% | 6.12% | 9.49% | 6.30% | 10.23% |
| VI | 3.63% | 3.63% | 7.72% | 7.72% | 7.46% | 8.26% |
| VT | 5.69% | 5.69% | 10.78% | 10.78% | 7.84% | 8.64% |
| WA | 0.74% | 2.98% | 6.22% | 7.59% | 5.94% | 8.44% |
| WI | 3.08% | 4.79% | 7.66% | 8.07% | 6.68% | 9.32% |
| WV | 2.91% | 4.98% | 7.43% | 9.55% | 7.16% | 10.20% |
| WY | 0.33% | 0.33% | 6.86% | 6.86% | 7.32% | 8.12% |
| OON and Indemnity Trend is 3.25% for 2022/2021, 7.7% for 2023/2022, and 7.62% for 2024+/2023 for all rating areas | | | | | | |

Table 24 – Network Utilization Adjustment

| Area Description | Rating Area | Product | Min IN Spend % | Max IN Spend % |
|------------------|-------------|---------|----------------|----------------|
| VT, VERMONT | VTNWK1 | NWK | 0.98 | 0.99 |
| VT, VERMONT | VTOAP1 | OAP | 0.98 | 0.99 |
| VT, VERMONT | VTPPO1 | PPO | 0.98 | 0.99 |

Table 25 – Network Utilization Adjustment Summary

| POS Region | Product | Min IN Spend % | Max IN Spend % |
|------------|---------|----------------|----------------|
| Arizona | OAP | 94.25% | 96.60% |
| Arizona | LCP | 93.34% | 96.07% |
| Carolinas | OAP | 97.67% | 98.73% |
| Colorado | LCP | 95.90% | 97.20% |
| Colorado | OAP | 97.26% | 98.83% |

| | | | |
|----------------------|-----|--------|--------|
| Connecticut | OAP | 95.87% | 98.37% |
| FL Orlando/Tampa | LCP | 98.13% | 98.61% |
| FL South | LCP | 96.23% | 97.41% |
| GA/SC | LCP | 96.21% | 97.51% |
| GA-X TN Outlier | LCP | 96.21% | 97.51% |
| GEORGIA-ALABAMA | OAP | 96.49% | 97.69% |
| IL Chicago | LCP | 93.94% | 98.88% |
| IL Chicago | OAP | 95.84% | 97.44% |
| KS Wichita | LCP | 98.27% | 98.33% |
| LIBERTY VALLEY | OAP | 97.82% | 98.43% |
| MA | LCP | 97.63% | 98.53% |
| Maryland/DC | OAP | 96.23% | 97.37% |
| Maryland/DC | LCP | 96.06% | 97.25% |
| MIDAMERICA | OAP | 98.27% | 98.33% |
| MIDATLANTIC | OAP | 98.86% | 99.16% |
| MID-SOUTH | OAP | 98.06% | 98.36% |
| MIDWEST | OAP | 96.86% | 98.11% |
| MOUNTAIN | OAP | 96.12% | 97.34% |
| NEW ENGLAND | OAP | 97.63% | 98.53% |
| NJ/RA-S | LCP | 94.25% | 98.45% |
| NJ/RA-S | OAP | 94.98% | 98.64% |
| NOCAL | LCP | 93.13% | 96.72% |
| NOCAL | OAP | 94.00% | 97.13% |
| NORTH FLORIDA | OAP | 98.16% | 98.63% |
| NORTH TEXAS | LCP | 97.32% | 98.10% |
| NORTH TEXAS | OAP | 97.32% | 98.10% |
| NV Las Vegas | LCP | 91.21% | 96.21% |
| NY/NJ Metro | LCP | 90.64% | 96.32% |
| NY/NJ Metro | OAP | 90.64% | 96.32% |
| PAC NW | LCP | 97.00% | 98.08% |
| PAC NW | OAP | 97.15% | 98.18% |
| SOCAL | LCP | 92.23% | 96.65% |
| SOCAL | OAP | 92.72% | 96.86% |
| SOUTH FLORIDA | OAP | 96.31% | 97.46% |
| SOUTH TEXAS | LCP | 97.09% | 97.59% |
| SOUTH TEXAS | OAP | 97.16% | 97.65% |
| St Louis/Kansas City | LCP | 98.27% | 98.33% |
| TN | LCP | 97.91% | 98.24% |
| TRI-STATE | OAP | 94.92% | 98.42% |
| USVI | OAP | 98.39% | 98.90% |

Mental Health/Substance Use Disorders

Table 26 - MH/SUD: Trend and Adjustments

| | 2022/2021 | 2023/2022 | 2024+/2023 |
|-----------------------|-----------|-----------|------------|
| MH/SUD Facets Trend | 11.5% | 14.0% | 14.0% |
| MH/SUD Proclaim Trend | N/A | 12.5% | 7.0% |

| | |
|--------------------------------|------|
| FFS Adjustment (if applicable) | 1.0% |
|--------------------------------|------|

Table 27 – MH/SUD: OAP/PPO Rates

| Proclaim Cap Rate | | Facets Rate | | State | Proclaim Cap Rate | | Facets Rate | |
|-------------------|---------|-------------|---------|-------|-------------------|---------|-------------|---------|
| Minimum | Maximum | Minimum | Maximum | | Minimum | Maximum | Minimum | Maximum |
| 20.07 | \$35.45 | \$12.02 | \$25.54 | MT | \$21.23 | \$37.51 | \$12.62 | \$27.13 |
| 17.14 | \$30.28 | \$3.77 | \$14.25 | NC | \$17.68 | \$31.23 | \$4.98 | \$16.81 |
| 16.44 | \$29.04 | \$5.42 | \$16.55 | ND | \$19.53 | \$34.50 | \$12.64 | \$26.00 |
| 19.10 | \$33.74 | \$8.42 | \$21.38 | NE | \$20.09 | \$35.50 | \$9.91 | \$23.57 |
| \$0.00 | \$0.00 | \$6.25 | \$21.25 | NH | \$22.56 | \$39.86 | \$10.80 | \$26.61 |
| 19.91 | \$35.17 | \$9.16 | \$22.67 | NJ | \$20.77 | \$36.69 | \$7.87 | \$22.57 |
| 23.39 | \$41.32 | \$13.33 | \$30.53 | NM | \$16.77 | \$29.63 | \$5.33 | \$16.92 |
| 19.69 | \$34.79 | \$8.74 | \$22.42 | NV | \$17.34 | \$30.63 | \$7.17 | \$18.87 |
| 18.83 | \$33.27 | \$4.97 | \$17.73 | NY | \$21.29 | \$37.62 | \$11.30 | \$26.40 |
| 18.27 | \$32.28 | \$6.44 | \$18.99 | OH | \$17.59 | \$31.07 | \$5.77 | \$17.71 |
| 16.66 | \$29.43 | \$4.83 | \$16.05 | OK | \$17.89 | \$31.60 | \$3.77 | \$14.49 |
| 22.20 | \$39.22 | \$6.25 | \$21.25 | OR | \$19.03 | \$33.62 | \$8.39 | \$21.27 |
| 18.72 | \$33.07 | \$11.10 | \$23.72 | PA | \$18.11 | \$31.98 | \$6.49 | \$18.74 |
| 18.99 | \$33.55 | \$6.98 | \$19.87 | PR | \$18.85 | \$33.31 | \$3.77 | \$8.28 |
| 18.96 | \$33.49 | \$11.82 | \$24.57 | RI | \$22.11 | \$39.06 | \$13.88 | \$29.28 |
| 20.48 | \$36.18 | \$9.76 | \$23.65 | SC | \$16.82 | \$29.72 | \$4.03 | \$15.38 |
| 17.91 | \$31.64 | \$10.34 | \$22.25 | SD | \$19.68 | \$34.76 | \$8.13 | \$21.64 |

| | | | | | | | | | |
|----|---------|---------|---------|---------|----|---------|---------|---------|---------|
| LA | \$17.69 | \$31.25 | \$3.77 | \$15.41 | UT | \$19.47 | \$34.39 | \$8.59 | \$21.88 |
| MA | \$21.34 | \$37.69 | \$11.72 | \$26.63 | VA | \$19.16 | \$33.85 | \$7.25 | \$20.15 |
| MD | \$20.20 | \$35.69 | \$8.53 | \$22.98 | VI | \$18.32 | \$32.36 | \$3.77 | \$13.72 |
| ME | \$21.66 | \$38.26 | \$10.34 | \$25.49 | VT | \$21.89 | \$38.67 | \$8.62 | \$23.55 |
| MI | \$18.00 | \$31.80 | \$6.29 | \$18.52 | WA | \$19.07 | \$33.69 | \$9.41 | \$22.34 |
| MN | \$22.65 | \$40.02 | \$21.69 | \$37.15 | WI | \$19.77 | \$34.92 | \$10.71 | \$24.23 |
| MO | \$17.50 | \$30.91 | \$6.12 | \$18.02 | WV | \$17.70 | \$31.27 | \$4.72 | \$16.69 |
| MS | \$16.73 | \$29.56 | \$4.22 | \$16.07 | WY | \$19.31 | \$34.11 | \$5.83 | \$18.89 |

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 28 – MH/SUD: NWK Rates

| Rider | Outpatient Copay | | | | | | | | | | |
|---|-------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Mental Health | 0 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 |
| | \$36.05 | \$34.39 | \$32.80 | \$31.29 | \$29.72 | \$28.14 | \$26.56 | \$24.92 | \$23.41 | \$21.83 | \$20.25 |
| Substance Use Disorder | 0 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 |
| | \$6.83 | \$6.71 | \$6.60 | \$6.49 | \$6.37 | \$6.25 | \$6.13 | \$6.01 | \$5.89 | \$5.77 | \$5.65 |
| Mental Health and Substance Use Disorder | 0 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 |
| | \$40.62 | \$38.82 | \$37.10 | \$35.45 | \$33.73 | \$32.01 | \$30.29 | \$28.50 | \$26.85 | \$25.13 | \$23.41 |
| Non-Standard | Base Cost | | | | | | | | | | |
| | \$35.45 | | | | | | | | | | |

Appendix E: Vision Riders

Table 29 – Vision: Average Costs

| State | Exam | Lenses | | | | | Frames | Contact Lenses | | Materials |
|----------|----------|---------------|----------|----------|------------|-------------|----------|----------------|-------------|-----------|
| | | Single Vision | Bifocal | Trifocal | Lenticular | Progressive | | Elective | Therapeutic | |
| National | \$163.61 | \$87.85 | \$127.54 | \$160.67 | \$215.00 | \$349.79 | \$204.56 | \$230.95 | \$596.53 | \$150.00 |
| AK | \$269.43 | \$103.50 | \$142.47 | \$158.55 | \$215.00 | \$340.52 | \$200.94 | \$173.27 | \$596.53 | \$150.00 |
| AL | \$143.28 | \$89.48 | \$106.40 | \$144.49 | \$215.00 | \$336.20 | \$190.33 | \$188.26 | \$596.53 | \$150.00 |
| AR | \$169.83 | \$77.30 | \$90.57 | \$143.28 | \$215.00 | \$287.83 | \$173.84 | \$168.95 | \$596.53 | \$150.00 |
| AZ | \$201.15 | \$82.75 | \$120.06 | \$149.21 | \$215.00 | \$349.83 | \$200.07 | \$226.54 | \$596.53 | \$150.00 |
| CA | \$161.22 | \$83.80 | \$125.18 | \$152.72 | \$215.00 | \$356.99 | \$202.74 | \$266.54 | \$596.53 | \$150.00 |
| CO | \$168.15 | \$93.73 | \$144.64 | \$165.08 | \$215.00 | \$370.86 | \$208.46 | \$243.03 | \$596.53 | \$150.00 |
| CT | \$195.87 | \$105.97 | \$153.51 | \$187.20 | \$215.00 | \$363.65 | \$220.23 | \$264.69 | \$596.53 | \$150.00 |
| DC | \$187.40 | \$117.63 | \$159.25 | \$173.16 | \$215.00 | \$423.71 | \$272.42 | \$302.55 | \$596.53 | \$150.00 |
| DE | \$168.51 | \$100.79 | \$135.01 | \$167.63 | \$215.00 | \$352.54 | \$196.24 | \$249.15 | \$596.53 | \$150.00 |
| FL | \$153.41 | \$83.60 | \$121.54 | \$148.86 | \$215.00 | \$363.54 | \$204.64 | \$217.51 | \$596.53 | \$150.00 |
| GA | \$159.74 | \$91.49 | \$136.32 | \$161.94 | \$215.00 | \$357.01 | \$205.25 | \$217.48 | \$596.53 | \$150.00 |
| HI | \$161.37 | \$80.93 | \$134.70 | \$175.22 | \$215.00 | \$334.81 | \$181.35 | \$220.30 | \$596.53 | \$150.00 |
| IA | \$172.45 | \$87.79 | \$143.88 | \$166.27 | \$215.00 | \$327.07 | \$198.57 | \$245.43 | \$596.53 | \$150.00 |
| ID | \$169.67 | \$86.80 | \$133.47 | \$166.87 | \$215.00 | \$322.76 | \$184.51 | \$224.43 | \$596.53 | \$150.00 |
| IL | \$144.10 | \$94.26 | \$136.50 | \$160.47 | \$215.00 | \$341.84 | \$215.74 | \$243.70 | \$596.53 | \$150.00 |
| IN | \$146.53 | \$87.20 | \$128.03 | \$157.74 | \$215.00 | \$326.71 | \$193.53 | \$218.24 | \$596.53 | \$150.00 |
| KS | \$166.59 | \$85.74 | \$122.45 | \$157.85 | \$215.00 | \$327.10 | \$189.59 | \$226.36 | \$596.53 | \$150.00 |
| KY | \$123.24 | \$91.56 | \$127.10 | \$175.28 | \$215.00 | \$316.19 | \$168.56 | \$218.63 | \$596.53 | \$150.00 |
| LA | \$161.86 | \$78.45 | \$113.97 | \$139.23 | \$215.00 | \$353.96 | \$186.91 | \$194.64 | \$596.53 | \$150.00 |
| MA | \$197.81 | \$109.74 | \$157.86 | \$175.49 | \$215.00 | \$409.24 | \$236.46 | \$246.59 | \$596.53 | \$150.00 |
| MD | \$169.81 | \$100.68 | \$147.32 | \$170.51 | \$215.00 | \$384.99 | \$222.14 | \$246.26 | \$596.53 | \$150.00 |
| ME | \$177.77 | \$88.91 | \$126.20 | \$149.52 | \$215.00 | \$347.28 | \$198.43 | \$202.89 | \$596.53 | \$150.00 |
| MI | \$112.04 | \$90.49 | \$131.03 | \$164.83 | \$215.00 | \$340.69 | \$211.08 | \$239.05 | \$596.53 | \$150.00 |
| MN | \$229.88 | \$109.11 | \$155.07 | \$176.56 | \$215.00 | \$356.38 | \$219.96 | \$230.37 | \$596.53 | \$150.00 |
| MO | \$155.78 | \$86.37 | \$121.66 | \$155.25 | \$215.00 | \$337.48 | \$188.43 | \$229.80 | \$596.53 | \$150.00 |
| MS | \$159.06 | \$68.72 | \$99.43 | \$134.07 | \$215.00 | \$263.87 | \$166.95 | \$186.51 | \$596.53 | \$150.00 |
| MT | \$152.49 | \$83.32 | \$139.01 | \$170.70 | \$215.00 | \$287.41 | \$176.48 | \$169.61 | \$596.53 | \$150.00 |
| NC | \$178.71 | \$92.29 | \$139.20 | \$170.23 | \$215.00 | \$354.79 | \$198.44 | \$240.18 | \$596.53 | \$150.00 |
| ND | \$164.70 | \$89.13 | \$141.67 | \$171.63 | \$215.00 | \$315.77 | \$186.37 | \$220.59 | \$596.53 | \$150.00 |
| NE | \$166.01 | \$85.43 | \$154.06 | \$169.74 | \$215.00 | \$355.70 | \$200.68 | \$255.19 | \$596.53 | \$150.00 |
| NH | \$176.93 | \$100.54 | \$134.17 | \$195.13 | \$215.00 | \$355.00 | \$214.36 | \$232.39 | \$596.53 | \$150.00 |
| NJ | \$177.57 | \$93.82 | \$143.70 | \$161.75 | \$215.00 | \$355.68 | \$219.15 | \$242.42 | \$596.53 | \$150.00 |
| NM | \$176.91 | \$81.50 | \$131.19 | \$153.73 | \$215.00 | \$347.68 | \$198.62 | \$206.71 | \$596.53 | \$150.00 |
| NV | \$171.01 | \$82.49 | \$130.05 | \$171.56 | \$215.00 | \$347.03 | \$201.13 | \$237.88 | \$596.53 | \$150.00 |
| NY | \$162.30 | \$92.27 | \$137.15 | \$167.72 | \$215.00 | \$387.65 | \$238.47 | \$249.69 | \$596.53 | \$150.00 |
| OH | \$136.72 | \$90.46 | \$131.82 | \$163.23 | \$215.00 | \$319.90 | \$194.01 | \$217.19 | \$596.53 | \$150.00 |
| OK | \$148.58 | \$75.16 | \$113.47 | \$140.62 | \$215.00 | \$295.57 | \$174.97 | \$201.40 | \$596.53 | \$150.00 |
| OR | \$204.21 | \$98.66 | \$137.05 | \$168.62 | \$215.00 | \$357.15 | \$222.76 | \$220.34 | \$596.53 | \$150.00 |
| PA | \$126.75 | \$86.96 | \$120.98 | \$157.25 | \$215.00 | \$313.56 | \$203.42 | \$226.75 | \$596.53 | \$150.00 |
| PR | \$100.23 | \$109.96 | \$87.43 | \$145.19 | \$215.00 | \$249.36 | \$225.80 | \$130.46 | \$596.53 | \$150.00 |
| RI | \$201.62 | \$92.47 | \$128.19 | \$176.71 | \$215.00 | \$330.57 | \$187.83 | \$231.65 | \$596.53 | \$150.00 |
| SC | \$163.17 | \$87.01 | \$122.93 | \$165.61 | \$215.00 | \$329.94 | \$181.22 | \$195.06 | \$596.53 | \$150.00 |
| SD | \$155.86 | \$89.20 | \$127.13 | \$203.78 | \$215.00 | \$325.34 | \$189.85 | \$216.25 | \$596.53 | \$150.00 |
| TN | \$147.24 | \$81.26 | \$111.36 | \$157.17 | \$215.00 | \$312.16 | \$189.87 | \$216.26 | \$596.53 | \$150.00 |
| TX | \$161.74 | \$84.21 | \$127.72 | \$162.15 | \$215.00 | \$394.08 | \$208.65 | \$223.14 | \$596.53 | \$150.00 |
| UT | \$162.77 | \$78.61 | \$118.55 | \$148.37 | \$215.00 | \$337.30 | \$184.30 | \$224.69 | \$596.53 | \$150.00 |
| VA | \$180.20 | \$95.66 | \$142.26 | \$170.95 | \$215.00 | \$365.99 | \$234.29 | \$269.64 | \$596.53 | \$150.00 |

| | | | | | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| VT | \$159.84 | \$90.15 | \$141.01 | \$168.68 | \$215.00 | \$308.19 | \$195.71 | \$213.54 | \$596.53 | \$150.00 |
| WA | \$223.81 | \$101.96 | \$152.11 | \$169.82 | \$215.00 | \$356.81 | \$215.94 | \$219.58 | \$596.53 | \$150.00 |
| WI | \$148.67 | \$90.29 | \$129.96 | \$161.54 | \$215.00 | \$322.69 | \$196.77 | \$226.85 | \$596.53 | \$150.00 |
| WV | \$140.94 | \$80.13 | \$131.16 | \$134.84 | \$215.00 | \$287.42 | \$176.05 | \$204.95 | \$596.53 | \$150.00 |
| WY | \$149.74 | \$87.32 | \$127.62 | \$156.70 | \$215.00 | \$314.10 | \$180.16 | \$215.26 | \$596.53 | \$150.00 |

Table 30 – Vision: Frequency Factors

| Service | Frequency Factor | |
|-----------------------------|-------------------------|-----------------|
| | 12 month | 24 month |
| Exam (Exam Only Plans) | 1.00 | 0.70 |
| Exam (Comprehensive Plans) | 1.00 | 0.635 |
| Lenses: Single Vision | 1.00 | 0.78 |
| Lenses: Bifocal | 1.00 | 0.78 |
| Lenses: Trifocal | 1.00 | 0.78 |
| Lenses: Lenticular | 1.00 | 0.78 |
| Lenses: Progressive | 1.00 | 0.78 |
| Frames | 1.00 | 0.78 |
| Contact Lenses: Elective | 1.00 | 0.67 |
| Contact Lenses: Therapeutic | 1.00 | 0.67 |
| Materials | 1.00 | 0.78 |

Table 31 – Vision: Service Utilization

| Service | Utilization |
|-----------------------------|--------------------|
| Exam (Exam Only Plans) | 33.33% |
| Exam (Comprehensive Plans) | 58.33% |
| Lenses: Single Vision | 18.06% |
| Lenses: Bifocal | 2.25% |
| Lenses: Trifocal | 0.23% |
| Lenses: Lenticular | 0.00% |
| Lenses: Progressive | 11.23% |
| Frames | 37.37% |
| Contact Lenses: Elective | 12.01% |
| Contact Lenses: Therapeutic | 0.20% |
| Materials | 49.38% |

Table 32 – Vision: Trend and Adjustments

| Industry Factor | | Case Size Adjustment | | Vision Trend |
|------------------------|---------------|-----------------------------|---------------|---------------------|
| SIC Code | Factor | Number of Employees | Factor | Annual |
| 0 | 0.983 | Less than 50 | 1.20 | 3.00% |
| 1000 | 1.016 | Greater than or equal to 50 | 1.00 | |
| 1500 | 0.979 | | | |
| 2000 | 1.032 | | | |
| 4000 | 1.015 | | | |
| 5000 | 1.008 | | | |
| 5200 | 0.945 | | | |

| | |
|------|-------|
| 6000 | 0.993 |
| 7000 | 0.966 |
| 7200 | 0.961 |
| 7300 | 1.043 |
| 7500 | 1.010 |
| 7600 | 1.003 |
| 7800 | 1.013 |
| 7900 | 0.985 |
| 8000 | 1.019 |
| 8100 | 1.011 |
| 8200 | 0.986 |
| 8300 | 0.996 |
| 8400 | 1.015 |
| 8600 | 1.028 |
| 8900 | 1.005 |
| 9100 | 0.952 |
| 9999 | 0.989 |

Appendix F: General Pharmacy Tables

Table 33 – Retail AWP per Script Assumptions

| Formulary | Category | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands |
|--------------|--------------------------------|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Advantage | All else | \$111.97 | \$154.14 | \$697.49 | \$494.75 | \$574.43 | \$313.47 |
| | Antihistamines | \$0.00 | \$99.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$69.07 | \$0.00 | \$203.80 | \$0.00 | \$289.27 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$109.49 | \$0.00 | \$934.98 | \$0.00 | \$921.53 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$489.05 | \$0.00 | \$581.63 | \$0.00 | \$719.17 |
| | PPIs | \$0.00 | \$205.69 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$199.96 | \$0.00 | \$599.60 | \$0.00 | \$546.28 |
| | Specialty | \$378.83 | \$2,064.22 | \$0.00 | \$7,422.96 | \$0.00 | \$6,983.25 |
| Vitamins | \$0.00 | \$8.34 | \$0.00 | \$194.79 | \$0.00 | \$155.47 | |
| AdvantageDRT | All else | \$101.00 | \$139.00 | \$636.40 | \$621.64 | \$460.11 | \$248.99 |
| | Antihistamines | \$0.00 | \$88.41 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$61.48 | \$0.00 | \$187.33 | \$0.00 | \$291.50 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$100.45 | \$0.00 | \$857.78 | \$0.00 | \$845.44 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$448.67 | \$0.00 | \$533.60 | \$0.00 | \$659.79 |
| | PPIs | \$0.00 | \$190.31 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$183.45 | \$0.00 | \$550.09 | \$0.00 | \$501.17 |

| | | | | | | | |
|--------------------------------|--------------------------------|----------|------------|----------|------------|----------|------------|
| | Specialty | \$302.75 | \$1,883.64 | \$0.00 | \$6,929.20 | \$0.00 | \$6,101.99 |
| | Vitamins | \$0.00 | \$7.65 | \$0.00 | \$178.71 | \$0.00 | \$142.63 |
| Performance | All else | \$102.73 | \$141.41 | \$639.90 | \$453.90 | \$527.00 | \$287.59 |
| | Antihistamines | \$0.00 | \$91.48 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$63.37 | \$0.00 | \$186.97 | \$0.00 | \$265.38 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$100.45 | \$0.00 | \$857.78 | \$0.00 | \$845.44 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$448.67 | \$0.00 | \$533.60 | \$0.00 | \$659.79 |
| | PPIs | \$0.00 | \$188.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$183.45 | \$0.00 | \$550.09 | \$0.00 | \$501.17 |
| | Specialty | \$347.55 | \$1,893.78 | \$0.00 | \$6,810.05 | \$0.00 | \$6,406.65 |
| | Vitamins | \$0.00 | \$7.65 | \$0.00 | \$178.71 | \$0.00 | \$142.63 |
| | Performance_4Tier | All else | \$102.73 | \$141.41 | \$639.90 | \$453.90 | \$527.00 |
| Antihistamines | | \$0.00 | \$91.48 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Contraceptives | | \$0.00 | \$63.37 | \$0.00 | \$186.97 | \$0.00 | \$265.38 |
| Diet Drugs | | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| Fertility - Oral | | \$0.00 | \$100.45 | \$0.00 | \$857.78 | \$0.00 | \$845.44 |
| Lifestyle, drugs w/OTC options | | \$0.00 | \$448.67 | \$0.00 | \$533.60 | \$0.00 | \$659.79 |
| PPIs | | \$0.00 | \$188.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Smoking Cessation | | \$0.00 | \$183.45 | \$0.00 | \$550.09 | \$0.00 | \$501.17 |
| Specialty | | \$347.55 | \$1,893.78 | \$0.00 | \$6,810.05 | \$0.00 | \$6,406.65 |
| Vitamins | | \$0.00 | \$7.65 | \$0.00 | \$178.71 | \$0.00 | \$142.63 |

| | | | | | | | |
|-----------------|--------------------------------|----------|------------|----------|------------|----------|------------|
| Advantage_4Tier | All else | \$111.97 | \$154.14 | \$697.49 | \$494.75 | \$574.43 | \$313.47 |
| | Antihistamines | \$0.00 | \$99.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$69.07 | \$0.00 | \$203.80 | \$0.00 | \$289.27 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$109.49 | \$0.00 | \$934.98 | \$0.00 | \$921.53 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$489.05 | \$0.00 | \$581.63 | \$0.00 | \$719.17 |
| | PPIs | \$0.00 | \$205.69 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$199.96 | \$0.00 | \$599.60 | \$0.00 | \$546.28 |
| | Specialty | \$378.83 | \$2,064.22 | \$0.00 | \$7,422.96 | \$0.00 | \$6,983.25 |
| | Vitamins | \$0.00 | \$8.34 | \$0.00 | \$194.79 | \$0.00 | \$155.47 |
| Generics Only | All else | \$111.97 | \$154.14 | \$697.49 | \$494.75 | \$574.43 | \$313.47 |
| | Antihistamines | \$0.00 | \$99.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$69.07 | \$0.00 | \$203.80 | \$0.00 | \$289.27 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$109.49 | \$0.00 | \$934.98 | \$0.00 | \$921.53 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$489.05 | \$0.00 | \$581.63 | \$0.00 | \$719.17 |
| | PPIs | \$0.00 | \$205.69 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$199.96 | \$0.00 | \$599.60 | \$0.00 | \$546.28 |

| | | | | | | | |
|----------|--------------------------------|----------|------------|----------|------------|----------|------------|
| | Specialty | \$378.83 | \$2,064.22 | \$0.00 | \$7,422.96 | \$0.00 | \$6,983.25 |
| | Vitamins | \$0.00 | \$8.34 | \$0.00 | \$194.79 | \$0.00 | \$155.47 |
| Legacy | All else | \$111.97 | \$154.14 | \$697.49 | \$494.75 | \$574.43 | \$313.47 |
| | Antihistamines | \$0.00 | \$99.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$69.07 | \$0.00 | \$203.80 | \$0.00 | \$289.27 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$109.49 | \$0.00 | \$934.98 | \$0.00 | \$921.53 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$489.05 | \$0.00 | \$581.63 | \$0.00 | \$719.17 |
| | PPIs | \$0.00 | \$205.69 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$199.96 | \$0.00 | \$599.60 | \$0.00 | \$546.28 |
| | Specialty | \$378.83 | \$2,064.22 | \$0.00 | \$7,422.96 | \$0.00 | \$6,983.25 |
| | Vitamins | \$0.00 | \$8.34 | \$0.00 | \$194.79 | \$0.00 | \$155.47 |
| Standard | All else | \$102.73 | \$141.41 | \$639.90 | \$453.90 | \$527.00 | \$287.59 |
| | Antihistamines | \$0.00 | \$91.48 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$63.37 | \$0.00 | \$186.97 | \$0.00 | \$265.38 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$100.45 | \$0.00 | \$857.78 | \$0.00 | \$845.44 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$448.67 | \$0.00 | \$533.60 | \$0.00 | \$659.79 |
| | PPIs | \$0.00 | \$188.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|----------|--------------------------------|----------|------------|----------|------------|----------|------------|
| | Smoking Cessation | \$0.00 | \$183.45 | \$0.00 | \$550.09 | \$0.00 | \$501.17 |
| | Specialty | \$347.55 | \$1,893.78 | \$0.00 | \$6,810.05 | \$0.00 | \$6,406.65 |
| | Vitamins | \$0.00 | \$7.65 | \$0.00 | \$178.71 | \$0.00 | \$142.63 |
| Value | All else | \$111.97 | \$154.14 | \$697.49 | \$494.75 | \$574.43 | \$313.47 |
| | Antihistamines | \$0.00 | \$99.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$69.07 | \$0.00 | \$203.80 | \$0.00 | \$289.27 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$109.49 | \$0.00 | \$934.98 | \$0.00 | \$921.53 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$489.05 | \$0.00 | \$581.63 | \$0.00 | \$719.17 |
| | PPIs | \$0.00 | \$205.69 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$199.96 | \$0.00 | \$599.60 | \$0.00 | \$546.28 |
| | Specialty | \$378.83 | \$2,064.22 | \$0.00 | \$7,422.96 | \$0.00 | \$6,983.25 |
| | Vitamins | \$0.00 | \$8.34 | \$0.00 | \$194.79 | \$0.00 | \$155.47 |
| ValueDRT | All else | \$101.00 | \$139.00 | \$636.40 | \$621.64 | \$460.11 | \$248.99 |
| | Antihistamines | \$0.00 | \$88.41 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$61.48 | \$0.00 | \$187.33 | \$0.00 | \$291.50 |
| | Diet Drugs | \$0.00 | \$34.67 | \$0.00 | \$1,466.11 | \$0.00 | \$1,022.51 |
| | Fertility - Oral | \$0.00 | \$100.45 | \$0.00 | \$857.78 | \$0.00 | \$845.44 |

| | | | | | | | |
|------------------------------|--------------------------------|----------|------------|------------|------------|----------|------------|
| | Lifestyle, drugs w/OTC options | \$0.00 | \$448.67 | \$0.00 | \$533.60 | \$0.00 | \$659.79 |
| | PPIs | \$0.00 | \$190.31 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$183.45 | \$0.00 | \$550.09 | \$0.00 | \$501.17 |
| | Specialty | \$302.75 | \$1,883.64 | \$0.00 | \$6,929.20 | \$0.00 | \$6,101.99 |
| | Vitamins | \$0.00 | \$7.65 | \$0.00 | \$178.71 | \$0.00 | \$142.63 |
| National Preferred Formulary | All else | \$108.32 | \$139.25 | \$608.03 | \$407.95 | \$164.04 | \$355.07 |
| | Antihistamines | \$0.00 | \$172.40 | \$0.00 | \$29.20 | \$0.00 | \$349.27 |
| | Contraceptives | \$0.00 | \$61.64 | \$0.00 | \$226.53 | \$0.00 | \$267.74 |
| | Diet Drugs | \$0.00 | \$32.35 | \$0.00 | \$1,290.48 | \$0.00 | \$900.02 |
| | Fertility - Oral | \$0.00 | \$110.72 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$432.77 | \$0.00 | \$707.29 | \$0.00 | \$605.86 |
| | PPIs | \$0.00 | \$233.46 | \$0.00 | \$491.43 | \$0.00 | \$408.70 |
| | Smoking Cessation | \$108.82 | \$50.01 | \$69.63 | \$0.00 | \$644.72 | \$0.00 |
| | Specialty | \$0.00 | \$1,187.89 | \$2,443.25 | \$9,422.00 | \$0.00 | \$7,956.34 |
| Vitamins | \$7.78 | \$10.92 | \$0.00 | \$757.10 | \$192.63 | \$140.75 | |

Table 34 – Retail Script Count PMPY Assumptions

| Formulary | Category | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands |
|-----------|----------------|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Advantage | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|--------------|--------------------------------|--------|--------|--------|--------|--------|--------|
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| AdvantageDRT | All else | \$4.40 | \$5.16 | \$0.45 | \$0.18 | \$0.01 | \$0.41 |
| | Antihistamines | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.61 | \$0.00 | \$0.04 | \$0.00 | \$0.01 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.09 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Performance | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|-------------------|--------------------------------|--------|--------|--------|--------|--------|--------|
| Performance_4Tier | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Advantage_4Tier | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Generics Only | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|----------|--------------------------------|--------|--------|--------|--------|--------|--------|
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Legacy | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Standard | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Value | All else | \$4.27 | \$5.00 | \$0.45 | \$0.37 | \$0.01 | \$0.31 |
| | Antihistamines | \$0.00 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.59 | \$0.00 | \$0.04 | \$0.00 | \$0.02 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|------------------------------|--------------------------------|--------|--------|--------|--------|--------|--------|
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.10 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| ValueDRT | All else | \$4.40 | \$5.16 | \$0.45 | \$0.18 | \$0.01 | \$0.41 |
| | Antihistamines | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.61 | \$0.00 | \$0.04 | \$0.00 | \$0.01 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.02 | \$0.00 | \$0.01 |
| | Fertility - Oral | \$0.00 | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Smoking Cessation | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.05 | \$0.00 | \$0.09 | \$0.00 | \$0.04 |
| | Vitamins | \$0.00 | \$0.12 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| National Preferred Formulary | All else | \$3.90 | \$5.28 | \$0.38 | \$0.45 | \$0.10 | \$0.44 |
| | Antihistamines | \$0.00 | \$0.07 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Contraceptives | \$0.00 | \$0.53 | \$0.00 | \$0.08 | \$0.00 | \$0.01 |
| | Diet Drugs | \$0.00 | \$0.03 | \$0.00 | \$0.01 | \$0.00 | \$0.00 |
| | Fertility - Oral | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Lifestyle, drugs w/OTC options | \$0.00 | \$0.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | PPIs | \$0.00 | \$0.26 | \$0.00 | \$0.00 | \$0.00 | \$0.01 |
| | Smoking Cessation | \$0.01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | Specialty | \$0.00 | \$0.07 | \$0.01 | \$0.09 | \$0.00 | \$0.01 |
| | Vitamins | \$0.03 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Table 35 – Script Channel Distribution Assumptions

| | | | R30 | | | | | | |
|-----------|---------|---------|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------|
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |
| R90 | Broad | N | 23% | 59% | 46% | 68% | 46% | 56% | 47% |
| | | M1 | 12% | 54% | 24% | 60% | 19% | 44% | 30% |
| | | M2 | 13% | 56% | 25% | 62% | 20% | 45% | 30% |
| | | M3 | 15% | 58% | 26% | 64% | 20% | 47% | 30% |
| | | M0 | 11% | 52% | 23% | 58% | 18% | 42% | 30% |
| | Narrow | N | 46% | 71% | 56% | 78% | 67% | 71% | 43% |
| | | M1 | 12% | 52% | 23% | 59% | 28% | 38% | 33% |
| | | M2 | 13% | 53% | 24% | 61% | 29% | 40% | 33% |
| | | M3 | 14% | 55% | 25% | 63% | 30% | 41% | 33% |
| | | M0 | 10% | 50% | 23% | 57% | 27% | 37% | 33% |
| NONE | Broad | N | 80% | 91% | 80% | 92% | 77% | 85% | 57% |
| | | | R90 | | | | | | |
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |
| R90 | Broad | N | 68% | 35% | 42% | 28% | 43% | 37% | 0% |
| | | M1 | 72% | 37% | 64% | 34% | 72% | 44% | 0% |
| | | M2 | 70% | 35% | 63% | 32% | 72% | 43% | 0% |
| | | M3 | 70% | 34% | 63% | 31% | 71% | 42% | 0% |
| | | M0 | 73% | 38% | 65% | 36% | 73% | 45% | 0% |
| | Narrow | N | 42% | 23% | 32% | 18% | 25% | 22% | 0% |
| | | M1 | 64% | 35% | 53% | 32% | 48% | 45% | 0% |
| | | M2 | 62% | 34% | 52% | 30% | 48% | 44% | 0% |
| | | M3 | 62% | 33% | 52% | 29% | 47% | 43% | 0% |
| | | M0 | 64% | 37% | 54% | 33% | 49% | 45% | 0% |
| NONE | Broad | N | 0% | 0% | 0% | 0% | 0% | 0% | |
| | | | MOD | | | | | | |
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |

| | | | | | | | | | |
|------|--------|----|-----|-----|-----|-----|-----|-----|-----|
| R90 | Broad | N | 10% | 5% | 12% | 4% | 11% | 7% | 53% |
| | | M1 | 16% | 9% | 12% | 6% | 9% | 12% | 70% |
| | | M2 | 16% | 9% | 12% | 6% | 9% | 12% | 70% |
| | | M3 | 16% | 8% | 11% | 5% | 8% | 11% | 70% |
| | | M0 | 17% | 10% | 12% | 6% | 9% | 13% | 70% |
| | Narrow | N | 12% | 6% | 12% | 4% | 7% | 7% | 57% |
| | | M1 | 25% | 13% | 24% | 9% | 23% | 17% | 67% |
| | | M2 | 25% | 13% | 23% | 9% | 23% | 17% | 67% |
| | | M3 | 24% | 12% | 23% | 8% | 23% | 16% | 67% |
| | | M0 | 25% | 13% | 24% | 10% | 24% | 18% | 67% |
| NONE | Broad | N | 20% | 9% | 20% | 8% | 23% | 15% | 43% |

Table 36 – AWP Channel Distribution Assumptions

| | | | R30 | | | | | | |
|-----------|---------|---------|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------|
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |
| R90 | Broad | N | 22% | 61% | 47% | 63% | 46% | 65% | 38% |
| | | M1 | 10% | 54% | 21% | 53% | 16% | 48% | 23% |
| | | M2 | 12% | 56% | 21% | 54% | 17% | 50% | 23% |
| | | M3 | 13% | 58% | 21% | 54% | 17% | 51% | 23% |
| | | M0 | 9% | 52% | 21% | 52% | 16% | 47% | 23% |
| | Narrow | N | 45% | 72% | 59% | 75% | 68% | 76% | 34% |
| | | M1 | 10% | 50% | 21% | 54% | 24% | 52% | 25% |
| | | M2 | 11% | 52% | 22% | 54% | 24% | 53% | 25% |
| | | M3 | 13% | 54% | 22% | 55% | 25% | 54% | 25% |
| | | M0 | 9% | 48% | 21% | 53% | 23% | 50% | 25% |
| NONE | Broad | N | 79% | 90% | 81% | 90% | 75% | 87% | 47% |

| | | | R90 | | | | | | |
|-----------|---------|---------|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------|
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |
| R90 | Broad | N | 68% | 33% | 41% | 31% | 42% | 28% | 0% |
| | | M1 | 72% | 36% | 67% | 38% | 80% | 45% | 0% |
| | | M2 | 71% | 34% | 67% | 37% | 80% | 44% | 0% |
| | | M3 | 70% | 33% | 67% | 37% | 80% | 43% | 0% |
| | | M0 | 73% | 38% | 68% | 38% | 81% | 45% | 0% |

| | | | | | | | | | |
|------------------|----------------|----------------|----------------------------|--------------------------------|------------------------------------|--|--|--|------------------|
| | | N | 42% | 20% | 27% | 18% | 24% | 17% | 0% |
| | | M1 | 65% | 35% | 55% | 34% | 53% | 35% | 0% |
| | | M2 | 63% | 33% | 54% | 34% | 53% | 34% | 0% |
| | | M3 | 63% | 32% | 54% | 33% | 53% | 33% | 0% |
| | | M0 | 65% | 37% | 55% | 35% | 54% | 35% | 0% |
| NONE | Broad | N | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | MOD | | | | | | |
| Retail 90 | Network | Program | Preventive Generics | Non-Preventive Generics | Preventive Preferred Brands | Non-Preventive Preferred Brands | Preventive Non-Preferred Brands | Non-Preventive Non-Preferred Brands | Specialty |
| R90 | Broad | N | 10% | 6% | 12% | 6% | 13% | 7% | 62% |
| | | M1 | 18% | 10% | 12% | 10% | 3% | 7% | 77% |
| | | M2 | 17% | 9% | 12% | 9% | 3% | 7% | 77% |
| | | M3 | 17% | 9% | 12% | 9% | 3% | 6% | 77% |
| | | M0 | 18% | 10% | 12% | 10% | 4% | 8% | 77% |
| | Narrow | N | 13% | 7% | 14% | 7% | 8% | 8% | 66% |
| | | M1 | 25% | 15% | 24% | 12% | 23% | 14% | 75% |
| | | M2 | 25% | 15% | 24% | 12% | 23% | 13% | 75% |
| | | M3 | 25% | 14% | 24% | 12% | 23% | 13% | 75% |
| | | M0 | 26% | 16% | 24% | 12% | 23% | 14% | 75% |
| NONE | Broad | N | 21% | 10% | 19% | 10% | 25% | 13% | 53% |

Table 37 – Intra-Channel Non-Preferred Brand Shift Assumptions

| Type | Program | 2021 |
|---------------------|-----------------------------|--------|
| Generic Requirement | Mandatory Generic | -8.00% |
| | Dispense as Written | -4.00% |
| Global Step Therapy | High Cholesterol | -0.80% |
| | Stomach Acid | -1.00% |
| | High Blood Pressure | -0.80% |
| | Overactive Bladder | -0.30% |
| | Bone Loss | -0.30% |
| | Sleep Disorders | -0.40% |
| | Allergy | -0.30% |
| | Anti Depressants | -0.50% |
| | Skin Treatment | -1.30% |
| | Non-Narcotic Pain Relievers | -0.50% |
| | Hyperactivity Disorder | -0.50% |
| Mental Health | -0.60% | |

| | | |
|--|--------|--------|
| | Asthma | -0.40% |
|--|--------|--------|

Table 38 – Intra-Channel Distribution Assumptions

| Type | Program | Preventive Generics | Non-Preventive Generics |
|---------------------|-----------------------------|---------------------|-------------------------|
| Generic Requirement | Mandatory Generic | 50% | 50% |
| | Dispense as Written | 50% | 50% |
| Global Step Therapy | High Cholesterol | 100% | 0% |
| | Stomach Acid | 30% | 70% |
| | High Blood Pressure | 100% | 0% |
| | Overactive Bladder | 30% | 70% |
| | Bone Loss | 100% | 0% |
| | Sleep Disorders | 30% | 70% |
| | Allergy | 30% | 70% |
| | Anti Depressants | 30% | 70% |
| | Skin Treatment | 30% | 70% |
| | Non-Narcotic Pain Relievers | 30% | 70% |
| | Hyperactivity Disorder | 30% | 70% |
| | Mental Health | 30% | 70% |
| | Asthma | 100% | 0% |

Table 39 – Pharmacy: Cost Trend

| Drug List | Generic/Brand/Specialty | 2020/2019 | 2021/2020 | 2022/2021 | 2023+/2022 |
|-----------------|-------------------------|-----------|-----------|-----------|------------|
| Advantage | G | 6.20% | 3.50% | 8.60% | 3.70% |
| | B | 7.90% | 5.10% | 3.70% | 11.80% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Advantage_4Tier | G | 6.20% | 3.50% | 8.60% | 3.70% |
| | B | 7.90% | 5.10% | 3.70% | 11.80% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| AdvantageDRT | G | 5.40% | 2.50% | 3.20% | 4.10% |
| | B | 7.10% | 4.20% | 12.10% | 8.20% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Generics Only | G | 6.20% | 3.50% | 8.60% | 3.70% |
| | B | 7.90% | 5.10% | 3.70% | 11.80% |

| | | | | | |
|-------------------|---|--------|-------|--------|--------|
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Legacy | G | 6.20% | 3.50% | 8.60% | 3.70% |
| | B | 7.90% | 5.10% | 3.70% | 11.80% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| NationalPreferred | G | 5.30% | 2.60% | 7.60% | 2.90% |
| | B | 7.20% | 4.20% | 2.80% | 10.90% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Performance | G | 5.30% | 1.70% | 3.20% | 4.10% |
| | B | 7.20% | 6.00% | 12.10% | 8.20% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Performance_4Tier | G | 5.30% | 1.70% | 3.20% | 4.10% |
| | B | 7.20% | 6.00% | 12.10% | 8.20% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Standard | G | 5.30% | 1.70% | 3.20% | 4.10% |
| | B | 7.20% | 6.00% | 12.10% | 8.20% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| Value | G | 6.20% | 3.50% | 8.60% | 3.70% |
| | B | 7.90% | 5.10% | 3.70% | 11.80% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |
| ValueDRT | G | 5.40% | 2.50% | 3.20% | 4.10% |
| | B | 7.10% | 4.20% | 12.10% | 8.20% |
| | S | 30.70% | 9.50% | 8.50% | 7.60% |

Table 40 – Pharmacy: Utilization Trend

| Drug List | Generic/Brand/ Specialty | 2020/2019 | 2021/2020 | 2022/2021 | 2023+/2022 |
|------------------|-------------------------------------|------------------|------------------|------------------|-------------------|
| Advantage | G | 1.00% | 2.80% | 2.30% | 3.30% |
| | B | 5.10% | 10.30% | 1.20% | 0.50% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Advantage_4Tier | G | 1.00% | 2.80% | 2.30% | 3.30% |
| | B | 5.10% | 10.30% | 1.20% | 0.50% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| AdvantageDRT | G | 0.70% | 2.40% | 2.10% | 2.60% |
| | B | 2.90% | 8.50% | -0.90% | -0.90% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Generics Only | G | 1.00% | 2.80% | 2.30% | 3.30% |
| | B | 5.10% | 10.30% | 1.20% | 0.50% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Legacy | G | 1.00% | 2.80% | 2.30% | 3.30% |

| | | | | | |
|-------------------|---|--------|--------|--------|--------|
| | B | 5.10% | 10.30% | 1.20% | 0.50% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| NationalPreferred | G | 0.90% | 3.90% | 1.30% | 2.40% |
| | B | 3.00% | 5.50% | 0.90% | -0.40% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Performance | G | 0.90% | 2.70% | 2.10% | 2.60% |
| | B | 3.00% | 8.30% | -0.90% | -0.90% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Performance_4Tier | G | 0.90% | 2.70% | 2.10% | 2.60% |
| | B | 3.00% | 8.30% | -0.90% | -0.90% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Standard | G | 0.90% | 2.70% | 2.10% | 2.60% |
| | B | 3.00% | 8.30% | -0.90% | -0.90% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| Value | G | 1.00% | 2.80% | 2.30% | 3.30% |
| | B | 5.10% | 10.30% | 1.20% | 0.50% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |
| ValueDRT | G | 0.70% | 2.40% | 2.10% | 2.60% |
| | B | 2.90% | 8.50% | -0.90% | -0.90% |
| | S | -9.30% | 6.50% | 7.10% | 8.10% |

Table 41 – Pharmacy: Area Factor

| State | Minimum Area Factor | Maximum Area Factor | State | Minimum Area Factor | Maximum Area Factor |
|-------|---------------------|---------------------|-------|---------------------|---------------------|
| AK | 0.82 | 0.82 | NC | 1.12 | 1.12 |
| AL | 1.12 | 1.12 | ND | 0.92 | 0.92 |
| AR | 1.00 | 1.00 | NE | 0.92 | 0.92 |
| AZ | 0.89 | 0.89 | NH | 1.09 | 1.09 |
| CA | 0.85 | 0.97 | NJ | 1.09 | 1.09 |
| CO | 0.93 | 0.93 | NM | 0.78 | 0.78 |
| CT | 1.21 | 1.21 | NV | 0.84 | 0.84 |
| DC | 1.34 | 1.34 | NY | 1.26 | 1.26 |
| DE | 1.13 | 1.13 | OH | 1.03 | 1.03 |
| FL | 0.97 | 1.10 | OK | 1.11 | 1.11 |
| GA | 1.11 | 1.11 | OR | 0.82 | 0.82 |
| GU | 1.22 | 1.22 | PA | 1.10 | 1.10 |
| HI | 0.80 | 0.80 | PR | 1.22 | 1.22 |
| IA | 0.94 | 0.94 | RI | 0.94 | 0.94 |
| ID | 0.93 | 0.93 | SC | 1.15 | 1.15 |

| | | | | | |
|----|------|------|----|------|------|
| IL | 1.04 | 1.04 | SD | 0.91 | 0.91 |
| IN | 1.03 | 1.03 | TX | 0.98 | 1.12 |
| KS | 1.15 | 1.15 | TN | 1.13 | 1.13 |
| KY | 1.19 | 1.19 | UN | 1.18 | 1.18 |
| LA | 1.20 | 1.20 | UT | 0.89 | 0.89 |
| MA | 1.03 | 1.03 | VA | 1.08 | 1.08 |
| MD | 1.16 | 1.16 | VI | 0.92 | 0.92 |
| ME | 1.07 | 1.07 | VT | 0.91 | 0.91 |
| MI | 0.98 | 0.98 | WA | 0.89 | 0.89 |
| MN | 0.93 | 0.93 | WI | 0.97 | 0.97 |
| MO | 1.12 | 1.12 | WV | 1.10 | 1.10 |
| MS | 1.01 | 1.01 | WY | 0.76 | 0.76 |
| MT | 0.86 | 0.86 | | | |

Table 42 – Pharmacy: CPD (% Preventive)

| Buckets | | Probability | Generic | Preferred Brand | Non-Preferred Brand |
|---------|-------|-------------|---------|-----------------|---------------------|
| Lower | Upper | | | | |
| 0 | 0 | 14.42% | 0.00% | 0.00% | 0.00% |
| 0 | 1 | 2.56% | 12.59% | 3.66% | 0.32% |
| 1 | 50 | 1.84% | 15.79% | 86.49% | 2.37% |
| 50 | 100 | 2.56% | 14.10% | 74.03% | 5.16% |
| 100 | 150 | 2.79% | 13.86% | 68.90% | 4.91% |
| 150 | 200 | 2.55% | 13.47% | 72.47% | 5.71% |
| 200 | 250 | 2.38% | 13.89% | 61.76% | 8.22% |
| 250 | 300 | 2.21% | 14.75% | 55.91% | 5.48% |
| 300 | 350 | 2.07% | 14.99% | 54.73% | 6.37% |
| 350 | 400 | 1.98% | 14.94% | 57.10% | 4.13% |
| 400 | 450 | 1.86% | 15.36% | 52.56% | 5.00% |
| 450 | 500 | 1.76% | 15.74% | 48.86% | 4.99% |
| 500 | 550 | 1.67% | 16.40% | 48.67% | 6.48% |
| 550 | 600 | 1.88% | 16.06% | 43.29% | 5.56% |
| 600 | 650 | 1.76% | 16.39% | 44.99% | 5.18% |
| 650 | 700 | 1.63% | 16.68% | 43.70% | 6.56% |
| 700 | 750 | 1.53% | 16.95% | 42.79% | 5.91% |
| 750 | 800 | 1.66% | 16.89% | 44.43% | 5.98% |
| 800 | 850 | 1.53% | 17.17% | 41.48% | 7.26% |
| 850 | 900 | 1.42% | 17.26% | 40.87% | 6.26% |
| 900 | 950 | 1.54% | 17.69% | 43.17% | 5.72% |
| 950 | 1,000 | 1.42% | 17.83% | 42.80% | 7.17% |

| | | | | | |
|--------|--------|-------|--------|--------|--------|
| 1,000 | 1,100 | 1.63% | 18.25% | 41.07% | 6.60% |
| 1,100 | 1,200 | 1.51% | 18.10% | 42.69% | 7.95% |
| 1,200 | 1,300 | 1.40% | 17.60% | 40.76% | 6.46% |
| 1,300 | 1,400 | 1.92% | 17.88% | 40.86% | 5.85% |
| 1,400 | 1,500 | 1.74% | 17.47% | 41.64% | 7.86% |
| 1,500 | 1,600 | 2.08% | 17.77% | 38.73% | 6.90% |
| 1,600 | 1,700 | 1.87% | 17.70% | 39.59% | 8.17% |
| 1,700 | 1,800 | 2.05% | 17.53% | 40.34% | 8.10% |
| 1,800 | 1,900 | 1.79% | 17.05% | 42.11% | 9.12% |
| 1,900 | 2,000 | 1.59% | 17.60% | 44.60% | 8.81% |
| 2,000 | 2,500 | 1.41% | 18.07% | 44.58% | 10.31% |
| 2,500 | 3,000 | 1.51% | 17.93% | 46.22% | 10.71% |
| 3,000 | 3,500 | 1.35% | 17.40% | 46.60% | 11.11% |
| 3,500 | 4,000 | 1.20% | 17.60% | 48.40% | 10.90% |
| 4,000 | 4,500 | 1.08% | 17.53% | 49.61% | 12.01% |
| 4,500 | 5,000 | 0.97% | 17.80% | 51.66% | 12.08% |
| 5,000 | 5,500 | 0.92% | 17.62% | 54.31% | 12.72% |
| 5,500 | 6,000 | 0.84% | 18.49% | 57.15% | 12.38% |
| 6,000 | 6,500 | 0.78% | 18.02% | 58.78% | 12.37% |
| 6,500 | 7,000 | 0.72% | 18.24% | 60.88% | 11.20% |
| 7,000 | 7,500 | 0.67% | 19.16% | 61.35% | 12.66% |
| 7,500 | 8,000 | 0.62% | 19.00% | 61.62% | 13.56% |
| 8,000 | 8,500 | 0.58% | 19.32% | 63.71% | 14.41% |
| 8,500 | 9,000 | 0.54% | 18.91% | 62.88% | 11.41% |
| 9,000 | 9,500 | 0.50% | 19.24% | 61.49% | 13.19% |
| 9,500 | 10,000 | 0.47% | 20.29% | 64.49% | 13.07% |
| 10,000 | 10,500 | 0.44% | 18.85% | 64.74% | 11.64% |
| 10,500 | 11,000 | 0.42% | 20.28% | 65.42% | 14.70% |
| 11,000 | 11,500 | 0.39% | 18.93% | 66.58% | 13.77% |
| 11,500 | 12,000 | 0.37% | 19.82% | 65.78% | 14.29% |
| 12,000 | 12,500 | 0.35% | 19.87% | 66.82% | 11.94% |
| 12,500 | 13,000 | 0.34% | 20.82% | 66.98% | 13.16% |
| 13,000 | 13,500 | 0.32% | 20.82% | 69.12% | 12.10% |
| 13,500 | 14,000 | 0.30% | 19.41% | 68.70% | 11.86% |
| 14,000 | 14,500 | 0.29% | 19.61% | 70.03% | 12.98% |
| 14,500 | 15,000 | 0.28% | 19.08% | 69.26% | 11.35% |
| 15,000 | 15,500 | 0.26% | 20.28% | 69.36% | 10.93% |
| 15,500 | 16,000 | 0.25% | 20.47% | 71.20% | 14.28% |
| 16,000 | 16,500 | 0.24% | 20.08% | 71.16% | 13.29% |

| | | | | | |
|---------|---------|-------|--------|--------|--------|
| 16,500 | 17,000 | 0.24% | 21.13% | 71.76% | 12.22% |
| 17,000 | 17,500 | 0.22% | 20.95% | 71.02% | 9.93% |
| 17,500 | 18,000 | 0.22% | 20.38% | 71.03% | 11.85% |
| 18,000 | 18,500 | 0.21% | 19.26% | 69.24% | 12.40% |
| 18,500 | 19,000 | 0.20% | 19.95% | 72.19% | 10.29% |
| 19,000 | 19,500 | 0.20% | 20.06% | 71.54% | 11.12% |
| 19,500 | 20,000 | 0.19% | 20.76% | 73.10% | 11.55% |
| 20,000 | 21,000 | 0.19% | 19.92% | 72.38% | 14.42% |
| 21,000 | 22,000 | 0.18% | 20.58% | 73.80% | 11.16% |
| 22,000 | 23,000 | 0.17% | 20.33% | 73.79% | 12.36% |
| 23,000 | 24,000 | 0.17% | 18.99% | 73.41% | 10.53% |
| 24,000 | 25,000 | 0.16% | 20.91% | 73.78% | 10.49% |
| 25,000 | 26,000 | 0.16% | 20.87% | 73.66% | 8.72% |
| 26,000 | 27,000 | 0.16% | 22.32% | 73.07% | 13.33% |
| 27,000 | 28,000 | 0.15% | 20.98% | 73.71% | 12.35% |
| 28,000 | 29,000 | 0.14% | 21.00% | 73.61% | 10.58% |
| 29,000 | 30,000 | 0.14% | 20.50% | 73.81% | 10.56% |
| 30,000 | 40,000 | 0.14% | 20.72% | 73.77% | 13.47% |
| 40,000 | 50,000 | 0.13% | 19.78% | 75.42% | 10.63% |
| 50,000 | 60,000 | 0.13% | 22.63% | 74.99% | 12.05% |
| 60,000 | 70,000 | 0.12% | 19.79% | 73.40% | 10.70% |
| 70,000 | 80,000 | 0.12% | 22.22% | 72.72% | 11.76% |
| 80,000 | 90,000 | 0.12% | 19.35% | 70.85% | 14.09% |
| 90,000 | 91,000 | 0.12% | 18.82% | 73.90% | 10.24% |
| 91,000 | 92,000 | 0.11% | 19.99% | 73.72% | 10.56% |
| 92,000 | 93,000 | 0.11% | 20.63% | 73.35% | 10.67% |
| 93,000 | 94,000 | 0.11% | 22.15% | 74.93% | 10.51% |
| 94,000 | 95,000 | 0.10% | 20.58% | 71.84% | 10.59% |
| 95,000 | 96,000 | 0.10% | 20.36% | 74.07% | 9.40% |
| 96,000 | 97,000 | 0.09% | 19.32% | 71.75% | 13.07% |
| 97,000 | 98,000 | 0.09% | 21.16% | 74.74% | 14.31% |
| 98,000 | 99,000 | 0.09% | 21.24% | 75.96% | 11.91% |
| 99,000 | 100,000 | 0.08% | 20.03% | 73.81% | 8.42% |
| 100,000 | 100,000 | 0.08% | 22.50% | 73.77% | 11.99% |
| 100,000 | 100,000 | 0.08% | 19.82% | 75.75% | 11.25% |
| 100,000 | 100,000 | 0.08% | 19.32% | 70.40% | 14.44% |
| 100,000 | 100,000 | 0.08% | 19.33% | 73.09% | 10.89% |
| 100,000 | 100,000 | 0.08% | 17.31% | 74.64% | 9.15% |
| 100,000 | 100,000 | 0.07% | 20.63% | 72.33% | 9.00% |

| | | | | | |
|---------|---------|-------|--------|--------|--------|
| 100,000 | 100,000 | 0.07% | 19.95% | 72.10% | 10.99% |
| 100,000 | 100,000 | 0.13% | 19.57% | 72.29% | 9.30% |
| 100,000 | 100,000 | 0.24% | 19.84% | 71.59% | 9.72% |
| 100,000 | 100,000 | 0.32% | 20.43% | 71.58% | 9.34% |
| 100,000 | 100,000 | 0.35% | 19.89% | 72.92% | 9.69% |
| 100,000 | 100,000 | 0.36% | 20.03% | 70.73% | 10.57% |
| 100,000 | 100,000 | 0.33% | 20.59% | 70.85% | 9.04% |
| 100,000 | 100,000 | 0.30% | 19.31% | 69.75% | 9.74% |
| 100,000 | 100,000 | 0.27% | 19.77% | 67.69% | 10.31% |
| 100,000 | 100,000 | 0.23% | 19.31% | 65.47% | 9.09% |
| 100,000 | 100,000 | 0.19% | 17.94% | 65.69% | 10.07% |
| 100,000 | 100,000 | 0.16% | 18.36% | 64.79% | 10.51% |
| 100,000 | 100,000 | 0.13% | 18.89% | 63.57% | 11.59% |
| 100,000 | 100,000 | 0.11% | 18.10% | 63.90% | 12.82% |
| 100,000 | 100,000 | 0.09% | 17.36% | 66.02% | 8.44% |
| 100,000 | 100,000 | 0.07% | 18.87% | 63.09% | 6.10% |
| 100,000 | 100,000 | 0.06% | 18.24% | 57.47% | 8.06% |
| 100,000 | 100,000 | 0.05% | 16.27% | 63.84% | 14.27% |
| 100,000 | 100,000 | 0.04% | 18.16% | 59.91% | 7.59% |
| 100,000 | 100,000 | 0.03% | 18.43% | 62.60% | 4.49% |
| 100,000 | 100,000 | 0.03% | 16.23% | 60.89% | 8.06% |
| 100,000 | 100,000 | 0.02% | 16.72% | 55.06% | 7.88% |
| 100,000 | 100,000 | 0.02% | 15.91% | 56.32% | 7.34% |
| 100,000 | 100,000 | 0.02% | 16.12% | 51.26% | 4.88% |
| 100,000 | 100,000 | 0.01% | 16.87% | 49.61% | 5.39% |
| 100,000 | 100,000 | 0.01% | 17.94% | 51.44% | 5.73% |
| 100,000 | 100,000 | 0.01% | 13.82% | 64.87% | 1.80% |
| 100,000 | 100,000 | 0.01% | 14.99% | 36.63% | 13.44% |
| 100,000 | 100,000 | 0.01% | 14.02% | 36.57% | 3.13% |
| 100,000 | 100,000 | 0.01% | 20.66% | 47.85% | 2.25% |
| 100,000 | 100,000 | 0.01% | 17.29% | 22.29% | 6.14% |
| 100,000 | 100,000 | 0.00% | 8.80% | 28.80% | 1.69% |
| 100,000 | 100,000 | 0.00% | 13.62% | 61.85% | 7.68% |
| 100,000 | 100,000 | 0.01% | 10.83% | 53.44% | 5.36% |
| 100,000 | 100,000 | 0.00% | 18.23% | 53.44% | 3.47% |
| 100,000 | 100,000 | 0.00% | 7.84% | 62.28% | 7.15% |
| 100,000 | 100,000 | 0.00% | 9.63% | 54.10% | 0.29% |
| 100,000 | 100,000 | 0.00% | 13.03% | 41.85% | 0.08% |
| 100,000 | 100,000 | 0.00% | 8.91% | 34.68% | 12.57% |

| | | | | | |
|---------|---------|-------|--------|--------|--------|
| 100,000 | 100,000 | 0.00% | 1.22% | 63.34% | 19.03% |
| 100,000 | 100,000 | 0.00% | 6.20% | 75.74% | 0.57% |
| 100,000 | 100,000 | 0.00% | 15.87% | 67.71% | 1.17% |
| 100,000 | 100,000 | 0.00% | 23.68% | 53.32% | 0.19% |
| 100,000 | 100,000 | 0.00% | 8.82% | 59.14% | 4.25% |

Table 43 – Pharmacy: CPD (Cost per Script)

| Bucket | | Probability | 3 Tier Plan | | | 4 Tier Plan | | | |
|--------|-------|-------------|-------------|-----------------|---------------------|-------------|-----------------|---------------------|-----------|
| | | | Generic | Preferred Brand | Non-Preferred Brand | Generic | Preferred Brand | Non-Preferred Brand | Specialty |
| Lower | Upper | | | | | | | | |
| 0 | 0 | 14.42% | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 0 | 1 | 2.56% | \$9.08 | \$9.68 | \$18.86 | \$9.08 | \$9.68 | \$18.86 | \$26.80 |
| 1 | 50 | 1.84% | \$14.59 | \$45.68 | \$40.98 | \$14.58 | \$45.71 | \$40.98 | \$38.57 |
| 50 | 100 | 2.56% | \$16.21 | \$47.36 | \$48.02 | \$16.19 | \$47.36 | \$48.02 | \$68.14 |
| 100 | 150 | 2.79% | \$16.77 | \$52.00 | \$68.76 | \$16.75 | \$51.95 | \$68.76 | \$58.42 |
| 150 | 200 | 2.55% | \$17.92 | \$54.42 | \$81.48 | \$17.89 | \$54.39 | \$81.48 | \$56.00 |
| 200 | 250 | 2.38% | \$18.60 | \$63.29 | \$91.95 | \$18.58 | \$63.25 | \$91.82 | \$64.87 |
| 250 | 300 | 2.21% | \$19.05 | \$75.45 | \$112.59 | \$19.03 | \$75.43 | \$112.59 | \$58.10 |
| 300 | 350 | 2.07% | \$19.40 | \$75.79 | \$116.06 | \$19.37 | \$75.79 | \$116.06 | \$57.92 |
| 350 | 400 | 1.98% | \$19.94 | \$82.83 | \$116.24 | \$19.92 | \$82.80 | \$116.24 | \$57.62 |
| 400 | 450 | 1.86% | \$20.38 | \$87.28 | \$122.53 | \$20.35 | \$87.25 | \$122.52 | \$64.24 |
| 450 | 500 | 1.76% | \$20.84 | \$92.09 | \$121.39 | \$20.81 | \$92.04 | \$121.39 | \$65.56 |
| 500 | 550 | 1.67% | \$21.09 | \$92.27 | \$130.23 | \$21.06 | \$92.27 | \$130.25 | \$64.64 |
| 550 | 600 | 1.88% | \$21.43 | \$97.24 | \$136.62 | \$21.40 | \$97.24 | \$136.62 | \$59.32 |
| 600 | 650 | 1.76% | \$21.81 | \$99.67 | \$133.97 | \$21.79 | \$99.65 | \$133.91 | \$52.47 |
| 650 | 700 | 1.63% | \$22.47 | \$101.94 | \$137.97 | \$22.43 | \$101.93 | \$137.97 | \$68.47 |
| 700 | 750 | 1.53% | \$22.71 | \$108.70 | \$148.65 | \$22.67 | \$108.67 | \$147.72 | \$81.67 |
| 750 | 800 | 1.66% | \$23.11 | \$113.11 | \$144.81 | \$23.06 | \$112.99 | \$143.81 | \$85.66 |
| 800 | 850 | 1.53% | \$23.55 | \$114.33 | \$158.86 | \$23.51 | \$114.23 | \$155.27 | \$127.52 |
| 850 | 900 | 1.42% | \$23.76 | \$121.57 | \$153.46 | \$23.71 | \$121.41 | \$150.03 | \$113.10 |
| 900 | 950 | 1.54% | \$24.33 | \$122.96 | \$168.60 | \$24.28 | \$122.66 | \$163.38 | \$147.82 |
| 950 | 1,000 | 1.42% | \$24.71 | \$128.24 | \$175.34 | \$24.65 | \$128.05 | \$168.30 | \$148.30 |
| 1,000 | 1,100 | 1.63% | \$25.26 | \$130.41 | \$173.86 | \$25.20 | \$129.94 | \$167.40 | \$152.27 |
| 1,100 | 1,200 | 1.51% | \$25.88 | \$136.78 | \$176.52 | \$25.82 | \$136.51 | \$165.84 | \$199.82 |
| 1,200 | 1,300 | 1.40% | \$26.47 | \$143.33 | \$182.23 | \$26.41 | \$142.86 | \$173.94 | \$179.09 |
| 1,300 | 1,400 | 1.92% | \$27.20 | \$144.27 | \$192.74 | \$27.14 | \$143.94 | \$183.14 | \$172.98 |
| 1,400 | 1,500 | 1.74% | \$27.88 | \$155.61 | \$191.66 | \$27.81 | \$152.12 | \$182.90 | \$230.46 |
| 1,500 | 1,600 | 2.08% | \$28.89 | \$157.60 | \$193.69 | \$28.81 | \$155.46 | \$186.23 | \$223.00 |
| 1,600 | 1,700 | 1.87% | \$29.61 | \$165.83 | \$202.59 | \$29.52 | \$163.66 | \$195.15 | \$215.28 |

| | | | | | | | | | |
|--------|--------|-------|---------|----------|----------|---------|----------|----------|------------|
| 1,700 | 1,800 | 2.05% | \$30.63 | \$172.14 | \$205.63 | \$30.52 | \$169.86 | \$199.56 | \$234.11 |
| 1,800 | 1,900 | 1.79% | \$31.23 | \$179.61 | \$213.00 | \$31.12 | \$177.75 | \$206.30 | \$230.50 |
| 1,900 | 2,000 | 1.59% | \$32.08 | \$185.60 | \$222.85 | \$31.97 | \$184.23 | \$213.66 | \$229.34 |
| 2,000 | 2,500 | 1.41% | \$32.60 | \$193.79 | \$228.26 | \$32.44 | \$192.69 | \$213.43 | \$286.15 |
| 2,500 | 3,000 | 1.51% | \$33.06 | \$206.73 | \$234.71 | \$32.89 | \$203.95 | \$224.37 | \$287.96 |
| 3,000 | 3,500 | 1.35% | \$33.71 | \$215.90 | \$245.30 | \$33.55 | \$209.52 | \$234.54 | \$398.08 |
| 3,500 | 4,000 | 1.20% | \$33.73 | \$225.32 | \$248.29 | \$33.53 | \$218.84 | \$239.95 | \$372.77 |
| 4,000 | 4,500 | 1.08% | \$34.20 | \$237.22 | \$257.46 | \$33.96 | \$231.68 | \$248.43 | \$364.93 |
| 4,500 | 5,000 | 0.97% | \$34.21 | \$238.76 | \$263.32 | \$33.99 | \$234.87 | \$255.96 | \$298.49 |
| 5,000 | 5,500 | 0.92% | \$34.32 | \$251.66 | \$269.08 | \$34.07 | \$244.88 | \$260.47 | \$390.38 |
| 5,500 | 6,000 | 0.84% | \$33.99 | \$265.91 | \$280.31 | \$33.73 | \$254.93 | \$267.77 | \$528.14 |
| 6,000 | 6,500 | 0.78% | \$34.66 | \$270.59 | \$286.04 | \$34.37 | \$256.96 | \$271.94 | \$580.16 |
| 6,500 | 7,000 | 0.72% | \$34.56 | \$279.13 | \$295.54 | \$34.18 | \$268.25 | \$272.88 | \$606.93 |
| 7,000 | 7,500 | 0.67% | \$34.38 | \$282.51 | \$308.58 | \$33.89 | \$271.85 | \$283.64 | \$637.39 |
| 7,500 | 8,000 | 0.62% | \$34.71 | \$288.95 | \$313.70 | \$34.25 | \$279.73 | \$288.37 | \$626.00 |
| 8,000 | 8,500 | 0.58% | \$34.41 | \$294.85 | \$312.26 | \$33.94 | \$285.47 | \$289.95 | \$576.42 |
| 8,500 | 9,000 | 0.54% | \$35.13 | \$305.64 | \$317.82 | \$34.53 | \$291.55 | \$296.47 | \$654.46 |
| 9,000 | 9,500 | 0.50% | \$35.73 | \$314.59 | \$318.09 | \$35.11 | \$295.75 | \$297.54 | \$733.82 |
| 9,500 | 10,000 | 0.47% | \$34.92 | \$318.64 | \$324.73 | \$34.36 | \$299.64 | \$305.37 | \$693.30 |
| 10,000 | 10,500 | 0.44% | \$35.79 | \$316.31 | \$329.12 | \$35.06 | \$301.97 | \$313.86 | \$667.47 |
| 10,500 | 11,000 | 0.42% | \$35.81 | \$319.21 | \$358.61 | \$34.67 | \$306.27 | \$330.46 | \$639.44 |
| 11,000 | 11,500 | 0.39% | \$36.24 | \$326.77 | \$357.55 | \$35.56 | \$309.40 | \$325.15 | \$783.05 |
| 11,500 | 12,000 | 0.37% | \$35.14 | \$331.16 | \$379.30 | \$34.20 | \$313.43 | \$331.13 | \$794.18 |
| 12,000 | 12,500 | 0.35% | \$35.65 | \$341.28 | \$394.68 | \$34.48 | \$317.46 | \$341.25 | \$932.10 |
| 12,500 | 13,000 | 0.34% | \$35.82 | \$348.97 | \$396.50 | \$34.60 | \$321.63 | \$344.74 | \$950.69 |
| 13,000 | 13,500 | 0.32% | \$35.04 | \$370.06 | \$386.33 | \$34.03 | \$336.39 | \$341.64 | \$1,051.51 |
| 13,500 | 14,000 | 0.30% | \$37.16 | \$374.41 | \$403.03 | \$35.78 | \$336.91 | \$365.75 | \$1,021.11 |
| 14,000 | 14,500 | 0.29% | \$36.25 | \$383.99 | \$401.75 | \$34.85 | \$341.26 | \$352.29 | \$1,188.59 |
| 14,500 | 15,000 | 0.28% | \$36.04 | \$385.59 | \$426.77 | \$34.50 | \$344.90 | \$372.97 | \$1,153.77 |
| 15,000 | 15,500 | 0.26% | \$36.91 | \$392.24 | \$438.45 | \$35.10 | \$351.50 | \$384.75 | \$1,097.06 |
| 15,500 | 16,000 | 0.25% | \$36.18 | \$381.10 | \$448.21 | \$34.23 | \$350.96 | \$382.57 | \$1,048.16 |
| 16,000 | 16,500 | 0.24% | \$36.62 | \$382.80 | \$456.88 | \$34.66 | \$351.26 | \$381.60 | \$1,068.01 |
| 16,500 | 17,000 | 0.24% | \$36.57 | \$393.56 | \$486.20 | \$34.77 | \$355.76 | \$402.77 | \$1,178.24 |
| 17,000 | 17,500 | 0.22% | \$37.03 | \$390.87 | \$467.14 | \$35.15 | \$349.28 | \$393.06 | \$1,240.76 |
| 17,500 | 18,000 | 0.22% | \$36.10 | \$389.45 | \$470.63 | \$34.00 | \$352.48 | \$394.09 | \$1,062.88 |
| 18,000 | 18,500 | 0.21% | \$36.13 | \$405.60 | \$481.53 | \$34.24 | \$365.28 | \$401.75 | \$1,128.02 |
| 18,500 | 19,000 | 0.20% | \$36.38 | \$405.56 | \$493.62 | \$34.68 | \$355.92 | \$400.48 | \$1,218.77 |
| 19,000 | 19,500 | 0.20% | \$36.18 | \$436.71 | \$508.39 | \$34.50 | \$366.91 | \$420.11 | \$1,448.02 |
| 19,500 | 20,000 | 0.19% | \$35.16 | \$440.89 | \$529.30 | \$33.70 | \$366.51 | \$420.53 | \$1,466.90 |
| 20,000 | 21,000 | 0.19% | \$37.16 | \$462.93 | \$548.41 | \$34.60 | \$368.51 | \$417.98 | \$1,587.88 |

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|---------|---------|-------|---------|------------|------------|---------|----------|----------|------------|
| 21,000 | 22,000 | 0.18% | \$38.25 | \$450.31 | \$573.44 | \$35.24 | \$366.89 | \$447.05 | \$1,467.25 |
| 22,000 | 23,000 | 0.17% | \$35.82 | \$462.88 | \$565.00 | \$33.74 | \$374.98 | \$442.91 | \$1,536.87 |
| 23,000 | 24,000 | 0.17% | \$36.36 | \$470.35 | \$578.32 | \$34.76 | \$379.74 | \$453.19 | \$1,533.01 |
| 24,000 | 25,000 | 0.16% | \$35.88 | \$456.71 | \$572.89 | \$34.10 | \$376.56 | \$449.99 | \$1,596.61 |
| 25,000 | 26,000 | 0.16% | \$37.26 | \$452.27 | \$581.65 | \$34.79 | \$372.37 | \$439.82 | \$1,502.14 |
| 26,000 | 27,000 | 0.16% | \$36.82 | \$448.85 | \$596.99 | \$34.42 | \$370.31 | \$444.61 | \$1,570.03 |
| 27,000 | 28,000 | 0.15% | \$36.58 | \$454.76 | \$593.03 | \$34.33 | \$377.24 | \$422.33 | \$1,480.31 |
| 28,000 | 29,000 | 0.14% | \$36.65 | \$475.01 | \$607.29 | \$34.26 | \$378.99 | \$436.36 | \$1,546.51 |
| 29,000 | 30,000 | 0.14% | \$36.89 | \$477.75 | \$599.21 | \$33.92 | \$377.37 | \$442.97 | \$1,461.95 |
| 30,000 | 40,000 | 0.14% | \$37.59 | \$502.76 | \$590.71 | \$34.86 | \$381.70 | \$429.73 | \$1,678.72 |
| 40,000 | 50,000 | 0.13% | \$36.03 | \$517.49 | \$604.45 | \$33.72 | \$387.20 | \$446.99 | \$1,620.00 |
| 50,000 | 60,000 | 0.13% | \$36.02 | \$519.62 | \$614.53 | \$33.20 | \$376.59 | \$460.54 | \$1,827.99 |
| 60,000 | 70,000 | 0.12% | \$35.19 | \$558.86 | \$675.04 | \$32.72 | \$380.73 | \$472.68 | \$1,872.23 |
| 70,000 | 80,000 | 0.12% | \$35.99 | \$553.04 | \$709.19 | \$34.18 | \$381.79 | \$480.32 | \$1,927.03 |
| 80,000 | 90,000 | 0.12% | \$38.02 | \$581.57 | \$727.72 | \$35.43 | \$387.86 | \$466.13 | \$1,832.44 |
| 90,000 | 91,000 | 0.12% | \$37.70 | \$569.21 | \$661.40 | \$34.72 | \$375.21 | \$467.90 | \$1,815.42 |
| 91,000 | 92,000 | 0.11% | \$36.39 | \$602.92 | \$744.24 | \$34.00 | \$390.09 | \$475.62 | \$1,920.79 |
| 92,000 | 93,000 | 0.11% | \$35.78 | \$565.78 | \$741.79 | \$32.51 | \$374.23 | \$475.91 | \$1,915.81 |
| 93,000 | 94,000 | 0.11% | \$39.27 | \$587.70 | \$690.22 | \$34.73 | \$384.91 | \$449.43 | \$1,881.06 |
| 94,000 | 95,000 | 0.10% | \$37.61 | \$598.90 | \$726.09 | \$34.66 | \$392.35 | \$499.26 | \$1,962.29 |
| 95,000 | 96,000 | 0.10% | \$37.77 | \$595.33 | \$682.64 | \$35.37 | \$379.75 | \$495.78 | \$1,955.17 |
| 96,000 | 97,000 | 0.09% | \$38.51 | \$602.73 | \$756.35 | \$34.77 | \$378.87 | \$456.95 | \$1,927.82 |
| 97,000 | 98,000 | 0.09% | \$38.30 | \$542.20 | \$821.28 | \$34.39 | \$385.10 | \$472.51 | \$1,967.70 |
| 98,000 | 99,000 | 0.09% | \$38.60 | \$599.35 | \$869.16 | \$35.39 | \$380.19 | \$474.96 | \$2,107.73 |
| 99,000 | 100,000 | 0.08% | \$37.69 | \$588.84 | \$796.36 | \$35.75 | \$379.42 | \$496.38 | \$2,055.39 |
| 100,000 | 100,000 | 0.08% | \$37.32 | \$633.80 | \$840.77 | \$34.50 | \$389.29 | \$439.34 | \$2,299.04 |
| 100,000 | 100,000 | 0.08% | \$38.11 | \$635.52 | \$825.36 | \$34.68 | \$402.86 | \$503.80 | \$2,228.38 |
| 100,000 | 100,000 | 0.08% | \$38.75 | \$615.43 | \$838.33 | \$34.54 | \$370.16 | \$445.78 | \$2,439.61 |
| 100,000 | 100,000 | 0.08% | \$37.03 | \$611.56 | \$935.23 | \$33.92 | \$385.81 | \$480.76 | \$2,236.73 |
| 100,000 | 100,000 | 0.08% | \$41.50 | \$657.05 | \$953.98 | \$36.43 | \$391.38 | \$490.69 | \$2,211.76 |
| 100,000 | 100,000 | 0.07% | \$39.45 | \$710.20 | \$870.81 | \$34.68 | \$381.94 | \$466.22 | \$2,455.39 |
| 100,000 | 100,000 | 0.07% | \$39.23 | \$694.31 | \$942.57 | \$35.00 | \$371.98 | \$511.16 | \$2,513.75 |
| 100,000 | 100,000 | 0.13% | \$39.34 | \$754.11 | \$971.87 | \$33.72 | \$390.00 | \$499.47 | \$2,556.34 |
| 100,000 | 100,000 | 0.24% | \$40.34 | \$767.69 | \$1,101.35 | \$34.57 | \$384.12 | \$512.14 | \$2,507.78 |
| 100,000 | 100,000 | 0.32% | \$39.32 | \$823.53 | \$1,366.61 | \$34.03 | \$381.04 | \$517.78 | \$2,631.73 |
| 100,000 | 100,000 | 0.35% | \$41.15 | \$838.61 | \$1,549.97 | \$33.87 | \$379.77 | \$535.64 | \$2,696.79 |
| 100,000 | 100,000 | 0.36% | \$42.64 | \$1,005.43 | \$1,561.95 | \$34.14 | \$385.90 | \$537.59 | \$2,863.77 |
| 100,000 | 100,000 | 0.33% | \$46.79 | \$1,261.85 | \$1,541.62 | \$33.43 | \$377.63 | \$558.24 | \$3,099.08 |
| 100,000 | 100,000 | 0.30% | \$54.28 | \$1,409.18 | \$1,738.99 | \$34.08 | \$382.81 | \$543.08 | \$3,431.69 |
| 100,000 | 100,000 | 0.27% | \$56.46 | \$1,994.27 | \$1,894.33 | \$35.05 | \$372.04 | \$549.85 | \$3,834.67 |

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|---------|---------|-------|----------|------------|-------------|----------|----------|------------|-------------|
| 100,000 | 100,000 | 0.23% | \$55.17 | \$2,106.37 | \$1,976.19 | \$34.72 | \$365.47 | \$549.48 | \$4,166.21 |
| 100,000 | 100,000 | 0.19% | \$54.97 | \$2,127.48 | \$2,032.32 | \$35.53 | \$368.61 | \$613.11 | \$4,605.90 |
| 100,000 | 100,000 | 0.16% | \$57.72 | \$2,590.80 | \$2,273.04 | \$33.70 | \$367.31 | \$588.01 | \$5,452.76 |
| 100,000 | 100,000 | 0.13% | \$53.35 | \$2,674.02 | \$2,439.97 | \$35.20 | \$364.06 | \$606.41 | \$6,012.66 |
| 100,000 | 100,000 | 0.11% | \$56.23 | \$2,506.23 | \$2,430.53 | \$33.92 | \$372.75 | \$621.53 | \$5,912.07 |
| 100,000 | 100,000 | 0.09% | \$58.14 | \$2,579.32 | \$3,187.64 | \$35.67 | \$369.26 | \$617.17 | \$6,392.11 |
| 100,000 | 100,000 | 0.07% | \$56.64 | \$2,363.79 | \$3,427.91 | \$35.24 | \$373.55 | \$647.69 | \$6,391.15 |
| 100,000 | 100,000 | 0.06% | \$51.81 | \$2,366.78 | \$4,540.69 | \$32.69 | \$391.20 | \$591.82 | \$7,409.70 |
| 100,000 | 100,000 | 0.05% | \$57.03 | \$1,979.78 | \$4,981.58 | \$37.32 | \$380.65 | \$601.57 | \$6,897.23 |
| 100,000 | 100,000 | 0.04% | \$68.45 | \$2,160.29 | \$5,301.39 | \$36.57 | \$418.02 | \$798.79 | \$7,578.71 |
| 100,000 | 100,000 | 0.03% | \$65.21 | \$1,895.37 | \$5,141.15 | \$37.09 | \$401.13 | \$661.88 | \$7,364.26 |
| 100,000 | 100,000 | 0.03% | \$78.87 | \$2,035.01 | \$5,608.41 | \$36.76 | \$384.82 | \$631.99 | \$7,328.82 |
| 100,000 | 100,000 | 0.02% | \$64.15 | \$2,048.85 | \$5,410.92 | \$34.68 | \$414.75 | \$744.26 | \$8,216.96 |
| 100,000 | 100,000 | 0.02% | \$61.84 | \$1,383.01 | \$5,024.69 | \$42.29 | \$406.80 | \$799.23 | \$6,795.32 |
| 100,000 | 100,000 | 0.02% | \$51.30 | \$1,903.72 | \$5,506.70 | \$35.47 | \$409.41 | \$1,017.75 | \$7,285.03 |
| 100,000 | 100,000 | 0.01% | \$76.59 | \$1,654.94 | \$5,805.46 | \$40.47 | \$416.45 | \$722.52 | \$7,301.65 |
| 100,000 | 100,000 | 0.01% | \$79.08 | \$1,724.15 | \$6,089.55 | \$40.22 | \$397.08 | \$780.65 | \$7,766.78 |
| 100,000 | 100,000 | 0.01% | \$70.51 | \$1,706.34 | \$7,265.08 | \$38.69 | \$406.58 | \$893.72 | \$7,862.79 |
| 100,000 | 100,000 | 0.01% | \$57.69 | \$1,468.92 | \$6,906.76 | \$34.29 | \$577.69 | \$521.04 | \$8,937.33 |
| 100,000 | 100,000 | 0.01% | \$71.24 | \$1,778.77 | \$9,556.53 | \$42.59 | \$574.68 | \$1,297.64 | \$8,859.39 |
| 100,000 | 100,000 | 0.01% | \$116.84 | \$1,433.78 | \$8,024.01 | \$39.53 | \$522.17 | \$1,273.28 | \$8,093.80 |
| 100,000 | 100,000 | 0.01% | \$97.60 | \$1,763.77 | \$6,990.19 | \$41.47 | \$986.32 | \$1,161.14 | \$6,946.14 |
| 100,000 | 100,000 | 0.00% | \$62.53 | \$2,108.53 | \$11,406.44 | \$44.78 | \$751.70 | \$1,708.56 | \$8,392.83 |
| 100,000 | 100,000 | 0.00% | \$97.84 | \$1,296.40 | \$8,953.82 | \$40.23 | \$355.58 | \$694.16 | \$8,093.53 |
| 100,000 | 100,000 | 0.01% | \$60.62 | \$3,424.50 | \$9,697.75 | \$41.95 | \$373.07 | \$901.52 | \$11,198.42 |
| 100,000 | 100,000 | 0.00% | \$69.83 | \$1,646.96 | \$8,586.57 | \$44.93 | \$403.11 | \$2,239.60 | \$8,801.95 |
| 100,000 | 100,000 | 0.00% | \$104.59 | \$1,412.13 | \$5,478.84 | \$76.91 | \$342.85 | \$1,565.53 | \$5,187.63 |
| 100,000 | 100,000 | 0.00% | \$78.47 | \$1,116.22 | \$11,670.93 | \$44.00 | \$374.01 | \$1,963.77 | \$8,270.59 |
| 100,000 | 100,000 | 0.00% | \$53.54 | \$1,990.15 | \$14,656.06 | \$42.21 | \$498.98 | \$1,186.97 | \$13,430.52 |
| 100,000 | 100,000 | 0.00% | \$71.09 | \$1,726.79 | \$5,266.24 | \$50.60 | \$377.62 | \$1,842.98 | \$4,422.88 |
| 100,000 | 100,000 | 0.00% | \$367.36 | \$2,316.92 | \$7,634.22 | \$369.31 | \$478.36 | \$1,124.44 | \$9,902.34 |
| 100,000 | 100,000 | 0.00% | \$111.99 | \$642.06 | \$5,414.41 | \$71.80 | \$274.46 | \$1,985.23 | \$2,900.82 |
| 100,000 | 100,000 | 0.00% | \$84.12 | \$1,296.79 | \$17,745.95 | \$67.74 | \$484.68 | \$1,771.41 | \$17,107.33 |
| 100,000 | 100,000 | 0.00% | \$56.74 | \$1,284.00 | \$4,379.88 | \$44.42 | \$309.48 | \$1,588.76 | \$3,536.38 |
| 100,000 | 100,000 | 0.00% | \$76.68 | \$897.04 | \$8,834.18 | \$60.52 | \$253.19 | \$1,394.61 | \$6,835.08 |

Table 44 – Pharmacy: CPD (Scripts PMPY)

| Bucket | Probability | 3 Tier Plan | | | 4 Tier Plan | | | |
|--------|-------------|-------------|-----------|---------------|-------------|-----------|---------------|-----------|
| | | Generic | Preferred | Non-Preferred | Generic | Preferred | Non-Preferred | Specialty |

| Lower | Upper | | | Brand | Brand | | Brand | Brand | |
|-------|-------|--------|---------|--------|--------|---------|--------|--------|--------|
| 0 | 0 | 14.42% | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 0 | 1 | 2.56% | \$1.74 | \$0.01 | \$0.01 | \$1.74 | \$0.01 | \$0.01 | \$0.00 |
| 1 | 50 | 1.84% | \$2.06 | \$0.05 | \$0.01 | \$2.06 | \$0.05 | \$0.01 | \$0.00 |
| 50 | 100 | 2.56% | \$1.77 | \$0.04 | \$0.01 | \$1.77 | \$0.04 | \$0.01 | \$0.00 |
| 100 | 150 | 2.79% | \$1.93 | \$0.05 | \$0.01 | \$1.93 | \$0.05 | \$0.01 | \$0.00 |
| 150 | 200 | 2.55% | \$2.33 | \$0.07 | \$0.01 | \$2.33 | \$0.07 | \$0.01 | \$0.00 |
| 200 | 250 | 2.38% | \$2.70 | \$0.08 | \$0.02 | \$2.70 | \$0.08 | \$0.02 | \$0.00 |
| 250 | 300 | 2.21% | \$3.15 | \$0.10 | \$0.02 | \$3.15 | \$0.10 | \$0.02 | \$0.00 |
| 300 | 350 | 2.07% | \$3.54 | \$0.12 | \$0.03 | \$3.53 | \$0.12 | \$0.03 | \$0.00 |
| 350 | 400 | 1.98% | \$3.94 | \$0.13 | \$0.03 | \$3.93 | \$0.13 | \$0.03 | \$0.00 |
| 400 | 450 | 1.86% | \$4.28 | \$0.15 | \$0.04 | \$4.28 | \$0.15 | \$0.04 | \$0.00 |
| 450 | 500 | 1.76% | \$4.67 | \$0.16 | \$0.05 | \$4.66 | \$0.16 | \$0.05 | \$0.00 |
| 500 | 550 | 1.67% | \$5.06 | \$0.18 | \$0.05 | \$5.06 | \$0.18 | \$0.05 | \$0.00 |
| 550 | 600 | 1.88% | \$5.35 | \$0.20 | \$0.06 | \$5.34 | \$0.20 | \$0.06 | \$0.00 |
| 600 | 650 | 1.76% | \$5.82 | \$0.22 | \$0.06 | \$5.82 | \$0.22 | \$0.06 | \$0.01 |
| 650 | 700 | 1.63% | \$6.18 | \$0.24 | \$0.07 | \$6.18 | \$0.24 | \$0.07 | \$0.01 |
| 700 | 750 | 1.53% | \$6.64 | \$0.26 | \$0.08 | \$6.63 | \$0.26 | \$0.08 | \$0.01 |
| 750 | 800 | 1.66% | \$7.12 | \$0.29 | \$0.09 | \$7.11 | \$0.29 | \$0.09 | \$0.01 |
| 800 | 850 | 1.53% | \$7.48 | \$0.33 | \$0.09 | \$7.47 | \$0.33 | \$0.09 | \$0.01 |
| 850 | 900 | 1.42% | \$7.95 | \$0.35 | \$0.11 | \$7.94 | \$0.34 | \$0.11 | \$0.01 |
| 900 | 950 | 1.54% | \$8.38 | \$0.38 | \$0.12 | \$8.37 | \$0.38 | \$0.11 | \$0.01 |
| 950 | 1,000 | 1.42% | \$8.70 | \$0.40 | \$0.13 | \$8.69 | \$0.40 | \$0.13 | \$0.02 |
| 1,000 | 1,100 | 1.63% | \$9.12 | \$0.45 | \$0.15 | \$9.11 | \$0.45 | \$0.14 | \$0.02 |
| 1,100 | 1,200 | 1.51% | \$9.38 | \$0.50 | \$0.17 | \$9.37 | \$0.50 | \$0.16 | \$0.02 |
| 1,200 | 1,300 | 1.40% | \$9.75 | \$0.54 | \$0.17 | \$9.74 | \$0.54 | \$0.17 | \$0.02 |
| 1,300 | 1,400 | 1.92% | \$10.26 | \$0.61 | \$0.20 | \$10.24 | \$0.61 | \$0.19 | \$0.03 |
| 1,400 | 1,500 | 1.74% | \$10.61 | \$0.68 | \$0.22 | \$10.59 | \$0.67 | \$0.21 | \$0.03 |
| 1,500 | 1,600 | 2.08% | \$11.05 | \$0.78 | \$0.26 | \$11.03 | \$0.78 | \$0.26 | \$0.03 |
| 1,600 | 1,700 | 1.87% | \$11.51 | \$0.88 | \$0.29 | \$11.49 | \$0.88 | \$0.28 | \$0.04 |
| 1,700 | 1,800 | 2.05% | \$11.92 | \$0.99 | \$0.34 | \$11.90 | \$0.98 | \$0.33 | \$0.04 |
| 1,800 | 1,900 | 1.79% | \$12.29 | \$1.07 | \$0.38 | \$12.26 | \$1.07 | \$0.37 | \$0.04 |
| 1,900 | 2,000 | 1.59% | \$12.79 | \$1.18 | \$0.40 | \$12.76 | \$1.18 | \$0.39 | \$0.04 |
| 2,000 | 2,500 | 1.41% | \$13.42 | \$1.27 | \$0.46 | \$13.38 | \$1.26 | \$0.45 | \$0.05 |
| 2,500 | 3,000 | 1.51% | \$13.98 | \$1.39 | \$0.50 | \$13.94 | \$1.38 | \$0.49 | \$0.05 |
| 3,000 | 3,500 | 1.35% | \$14.41 | \$1.46 | \$0.53 | \$14.37 | \$1.46 | \$0.52 | \$0.06 |
| 3,500 | 4,000 | 1.20% | \$14.90 | \$1.57 | \$0.57 | \$14.86 | \$1.56 | \$0.56 | \$0.06 |
| 4,000 | 4,500 | 1.08% | \$15.36 | \$1.71 | \$0.61 | \$15.31 | \$1.70 | \$0.60 | \$0.07 |
| 4,500 | 5,000 | 0.97% | \$15.73 | \$1.80 | \$0.65 | \$15.68 | \$1.80 | \$0.64 | \$0.07 |
| 5,000 | 5,500 | 0.92% | \$16.23 | \$1.88 | \$0.68 | \$16.17 | \$1.88 | \$0.67 | \$0.07 |

| | | | | | | | | | |
|--------|--------|-------|---------|--------|--------|---------|--------|--------|--------|
| 5,500 | 6,000 | 0.84% | \$16.79 | \$2.05 | \$0.70 | \$16.73 | \$2.04 | \$0.68 | \$0.08 |
| 6,000 | 6,500 | 0.78% | \$17.14 | \$2.18 | \$0.71 | \$17.07 | \$2.16 | \$0.69 | \$0.09 |
| 6,500 | 7,000 | 0.72% | \$17.52 | \$2.26 | \$0.75 | \$17.46 | \$2.24 | \$0.73 | \$0.10 |
| 7,000 | 7,500 | 0.67% | \$18.11 | \$2.45 | \$0.77 | \$18.04 | \$2.44 | \$0.75 | \$0.10 |
| 7,500 | 8,000 | 0.62% | \$18.55 | \$2.49 | \$0.82 | \$18.48 | \$2.47 | \$0.80 | \$0.10 |
| 8,000 | 8,500 | 0.58% | \$18.90 | \$2.67 | \$0.83 | \$18.82 | \$2.65 | \$0.82 | \$0.11 |
| 8,500 | 9,000 | 0.54% | \$19.24 | \$2.73 | \$0.90 | \$19.16 | \$2.70 | \$0.88 | \$0.13 |
| 9,000 | 9,500 | 0.50% | \$19.50 | \$2.82 | \$0.90 | \$19.41 | \$2.79 | \$0.87 | \$0.14 |
| 9,500 | 10,000 | 0.47% | \$20.06 | \$2.94 | \$0.92 | \$19.96 | \$2.91 | \$0.90 | \$0.15 |
| 10,000 | 10,500 | 0.44% | \$20.45 | \$3.00 | \$0.94 | \$20.36 | \$2.97 | \$0.92 | \$0.14 |
| 10,500 | 11,000 | 0.42% | \$20.66 | \$3.08 | \$0.95 | \$20.54 | \$3.05 | \$0.93 | \$0.18 |
| 11,000 | 11,500 | 0.39% | \$20.62 | \$3.21 | \$0.97 | \$20.53 | \$3.17 | \$0.94 | \$0.16 |
| 11,500 | 12,000 | 0.37% | \$20.85 | \$3.24 | \$1.00 | \$20.74 | \$3.19 | \$0.96 | \$0.20 |
| 12,000 | 12,500 | 0.35% | \$21.40 | \$3.39 | \$1.06 | \$21.29 | \$3.33 | \$1.02 | \$0.21 |
| 12,500 | 13,000 | 0.34% | \$21.65 | \$3.48 | \$1.09 | \$21.52 | \$3.42 | \$1.05 | \$0.23 |
| 13,000 | 13,500 | 0.32% | \$21.96 | \$3.60 | \$1.08 | \$21.84 | \$3.54 | \$1.04 | \$0.22 |
| 13,500 | 14,000 | 0.30% | \$21.85 | \$3.58 | \$1.04 | \$21.72 | \$3.51 | \$1.01 | \$0.24 |
| 14,000 | 14,500 | 0.29% | \$22.24 | \$3.75 | \$1.10 | \$22.11 | \$3.67 | \$1.06 | \$0.24 |
| 14,500 | 15,000 | 0.28% | \$22.29 | \$3.79 | \$1.10 | \$22.15 | \$3.71 | \$1.06 | \$0.26 |
| 15,000 | 15,500 | 0.26% | \$22.49 | \$3.85 | \$1.14 | \$22.35 | \$3.76 | \$1.08 | \$0.29 |
| 15,500 | 16,000 | 0.25% | \$22.55 | \$3.86 | \$1.15 | \$22.41 | \$3.77 | \$1.10 | \$0.28 |
| 16,000 | 16,500 | 0.24% | \$22.73 | \$4.01 | \$1.14 | \$22.59 | \$3.93 | \$1.08 | \$0.30 |
| 16,500 | 17,000 | 0.24% | \$22.69 | \$4.10 | \$1.15 | \$22.55 | \$4.00 | \$1.08 | \$0.30 |
| 17,000 | 17,500 | 0.22% | \$22.57 | \$4.19 | \$1.19 | \$22.44 | \$4.08 | \$1.13 | \$0.30 |
| 17,500 | 18,000 | 0.22% | \$22.75 | \$4.17 | \$1.24 | \$22.57 | \$4.08 | \$1.18 | \$0.34 |
| 18,000 | 18,500 | 0.21% | \$22.51 | \$4.05 | \$1.23 | \$22.36 | \$3.95 | \$1.15 | \$0.34 |
| 18,500 | 19,000 | 0.20% | \$23.24 | \$4.32 | \$1.27 | \$23.08 | \$4.19 | \$1.18 | \$0.38 |
| 19,000 | 19,500 | 0.20% | \$23.08 | \$4.44 | \$1.31 | \$22.93 | \$4.29 | \$1.23 | \$0.39 |
| 19,500 | 20,000 | 0.19% | \$23.31 | \$4.50 | \$1.28 | \$23.16 | \$4.32 | \$1.18 | \$0.42 |
| 20,000 | 21,000 | 0.19% | \$22.92 | \$4.29 | \$1.30 | \$22.73 | \$4.12 | \$1.19 | \$0.47 |
| 21,000 | 22,000 | 0.18% | \$23.08 | \$4.46 | \$1.42 | \$22.89 | \$4.26 | \$1.29 | \$0.51 |
| 22,000 | 23,000 | 0.17% | \$24.03 | \$4.47 | \$1.38 | \$23.86 | \$4.26 | \$1.28 | \$0.48 |
| 23,000 | 24,000 | 0.17% | \$23.50 | \$4.50 | \$1.31 | \$23.34 | \$4.29 | \$1.20 | \$0.49 |
| 24,000 | 25,000 | 0.16% | \$23.66 | \$4.67 | \$1.32 | \$23.52 | \$4.48 | \$1.21 | \$0.44 |
| 25,000 | 26,000 | 0.16% | \$23.92 | \$4.78 | \$1.42 | \$23.75 | \$4.55 | \$1.30 | \$0.52 |
| 26,000 | 27,000 | 0.16% | \$24.35 | \$4.63 | \$1.35 | \$24.19 | \$4.42 | \$1.23 | \$0.49 |
| 27,000 | 28,000 | 0.15% | \$24.01 | \$4.67 | \$1.38 | \$23.83 | \$4.47 | \$1.23 | \$0.54 |
| 28,000 | 29,000 | 0.14% | \$24.69 | \$4.72 | \$1.43 | \$24.49 | \$4.45 | \$1.30 | \$0.60 |
| 29,000 | 30,000 | 0.14% | \$24.03 | \$4.73 | \$1.51 | \$23.79 | \$4.46 | \$1.36 | \$0.66 |
| 30,000 | 40,000 | 0.14% | \$24.28 | \$4.69 | \$1.48 | \$24.06 | \$4.42 | \$1.35 | \$0.62 |
| 40,000 | 50,000 | 0.13% | \$24.18 | \$4.99 | \$1.48 | \$23.96 | \$4.63 | \$1.35 | \$0.71 |

| | | | | | | | | | |
|---------|---------|-------|---------|--------|--------|---------|--------|--------|--------|
| 50,000 | 60,000 | 0.13% | \$23.80 | \$4.72 | \$1.36 | \$23.62 | \$4.38 | \$1.25 | \$0.62 |
| 60,000 | 70,000 | 0.12% | \$23.90 | \$4.89 | \$1.52 | \$23.67 | \$4.49 | \$1.35 | \$0.79 |
| 70,000 | 80,000 | 0.12% | \$23.69 | \$4.94 | \$1.56 | \$23.54 | \$4.50 | \$1.37 | \$0.78 |
| 80,000 | 90,000 | 0.12% | \$24.11 | \$4.89 | \$1.41 | \$23.88 | \$4.40 | \$1.23 | \$0.91 |
| 90,000 | 91,000 | 0.12% | \$24.84 | \$5.08 | \$1.54 | \$24.63 | \$4.56 | \$1.37 | \$0.90 |
| 91,000 | 92,000 | 0.11% | \$24.51 | \$5.15 | \$1.64 | \$24.28 | \$4.58 | \$1.43 | \$1.00 |
| 92,000 | 93,000 | 0.11% | \$24.51 | \$4.92 | \$1.41 | \$24.32 | \$4.43 | \$1.21 | \$0.88 |
| 93,000 | 94,000 | 0.11% | \$24.42 | \$5.08 | \$1.63 | \$24.16 | \$4.55 | \$1.44 | \$0.97 |
| 94,000 | 95,000 | 0.10% | \$25.84 | \$4.93 | \$1.61 | \$25.60 | \$4.45 | \$1.43 | \$0.89 |
| 95,000 | 96,000 | 0.10% | \$24.48 | \$5.20 | \$1.70 | \$24.27 | \$4.69 | \$1.50 | \$0.92 |
| 96,000 | 97,000 | 0.09% | \$25.49 | \$5.12 | \$1.61 | \$25.20 | \$4.60 | \$1.35 | \$1.06 |
| 97,000 | 98,000 | 0.09% | \$25.20 | \$5.22 | \$1.58 | \$24.95 | \$4.83 | \$1.33 | \$0.89 |
| 98,000 | 99,000 | 0.09% | \$25.76 | \$5.12 | \$1.73 | \$25.50 | \$4.62 | \$1.44 | \$1.06 |
| 99,000 | 100,000 | 0.08% | \$25.60 | \$4.82 | \$1.83 | \$25.37 | \$4.36 | \$1.59 | \$0.93 |
| 100,000 | 100,000 | 0.08% | \$26.55 | \$5.01 | \$1.62 | \$26.31 | \$4.52 | \$1.36 | \$0.99 |
| 100,000 | 100,000 | 0.08% | \$26.07 | \$5.01 | \$1.86 | \$25.82 | \$4.53 | \$1.61 | \$0.98 |
| 100,000 | 100,000 | 0.08% | \$25.98 | \$4.63 | \$1.85 | \$25.76 | \$4.23 | \$1.54 | \$0.93 |
| 100,000 | 100,000 | 0.08% | \$25.77 | \$5.19 | \$1.80 | \$25.52 | \$4.70 | \$1.43 | \$1.09 |
| 100,000 | 100,000 | 0.08% | \$27.23 | \$5.04 | \$2.06 | \$26.86 | \$4.55 | \$1.63 | \$1.29 |
| 100,000 | 100,000 | 0.07% | \$25.76 | \$5.13 | \$1.91 | \$25.43 | \$4.60 | \$1.57 | \$1.20 |
| 100,000 | 100,000 | 0.07% | \$26.39 | \$5.19 | \$1.89 | \$26.08 | \$4.65 | \$1.55 | \$1.19 |
| 100,000 | 100,000 | 0.13% | \$27.23 | \$5.13 | \$1.91 | \$26.89 | \$4.53 | \$1.54 | \$1.31 |
| 100,000 | 100,000 | 0.24% | \$26.91 | \$5.12 | \$1.99 | \$26.55 | \$4.48 | \$1.47 | \$1.52 |
| 100,000 | 100,000 | 0.32% | \$27.28 | \$4.96 | \$2.15 | \$26.89 | \$4.27 | \$1.38 | \$1.84 |
| 100,000 | 100,000 | 0.35% | \$28.43 | \$5.20 | \$2.54 | \$28.01 | \$4.46 | \$1.46 | \$2.24 |
| 100,000 | 100,000 | 0.36% | \$29.76 | \$5.47 | \$2.64 | \$29.27 | \$4.53 | \$1.50 | \$2.56 |
| 100,000 | 100,000 | 0.33% | \$31.11 | \$5.82 | \$2.56 | \$30.48 | \$4.51 | \$1.53 | \$2.96 |
| 100,000 | 100,000 | 0.30% | \$32.42 | \$6.01 | \$2.42 | \$31.69 | \$4.55 | \$1.45 | \$3.15 |
| 100,000 | 100,000 | 0.27% | \$33.10 | \$6.69 | \$2.41 | \$32.14 | \$4.39 | \$1.44 | \$4.23 |
| 100,000 | 100,000 | 0.23% | \$35.53 | \$7.15 | \$2.42 | \$34.55 | \$4.67 | \$1.55 | \$4.33 |
| 100,000 | 100,000 | 0.19% | \$36.65 | \$7.17 | \$2.56 | \$35.77 | \$4.93 | \$1.71 | \$3.98 |
| 100,000 | 100,000 | 0.16% | \$36.59 | \$7.26 | \$2.34 | \$35.81 | \$4.72 | \$1.54 | \$4.10 |
| 100,000 | 100,000 | 0.13% | \$37.54 | \$7.57 | \$2.20 | \$36.86 | \$5.08 | \$1.46 | \$3.92 |
| 100,000 | 100,000 | 0.11% | \$38.84 | \$7.29 | \$2.48 | \$38.06 | \$5.07 | \$1.73 | \$3.76 |
| 100,000 | 100,000 | 0.09% | \$40.48 | \$7.45 | \$2.65 | \$39.57 | \$5.29 | \$1.72 | \$4.01 |
| 100,000 | 100,000 | 0.07% | \$41.50 | \$7.15 | \$2.81 | \$40.49 | \$5.33 | \$1.84 | \$3.80 |
| 100,000 | 100,000 | 0.06% | \$41.60 | \$6.95 | \$2.93 | \$40.72 | \$5.35 | \$1.69 | \$3.70 |
| 100,000 | 100,000 | 0.05% | \$43.76 | \$7.08 | \$3.10 | \$42.58 | \$5.73 | \$1.69 | \$3.94 |
| 100,000 | 100,000 | 0.04% | \$42.42 | \$6.88 | \$3.29 | \$41.38 | \$5.57 | \$1.68 | \$3.96 |
| 100,000 | 100,000 | 0.03% | \$44.76 | \$7.16 | \$3.17 | \$43.60 | \$6.03 | \$1.71 | \$3.75 |
| 100,000 | 100,000 | 0.03% | \$44.30 | \$6.28 | \$2.98 | \$42.89 | \$5.20 | \$1.61 | \$3.88 |

| | | | | | | | | | |
|---------|---------|-------|---------|--------|--------|---------|--------|--------|--------|
| 100,000 | 100,000 | 0.02% | \$44.74 | \$6.71 | \$3.37 | \$43.60 | \$5.68 | \$1.96 | \$3.60 |
| 100,000 | 100,000 | 0.02% | \$47.97 | \$7.27 | \$3.68 | \$46.64 | \$6.42 | \$2.15 | \$3.71 |
| 100,000 | 100,000 | 0.02% | \$46.36 | \$6.79 | \$3.49 | \$45.08 | \$5.77 | \$1.85 | \$3.94 |
| 100,000 | 100,000 | 0.01% | \$47.61 | \$6.57 | \$3.79 | \$45.96 | \$5.73 | \$2.06 | \$4.22 |
| 100,000 | 100,000 | 0.01% | \$52.26 | \$7.74 | \$4.32 | \$50.45 | \$6.65 | \$2.42 | \$4.79 |
| 100,000 | 100,000 | 0.01% | \$51.48 | \$7.62 | \$3.49 | \$49.80 | \$6.62 | \$1.59 | \$4.57 |
| 100,000 | 100,000 | 0.01% | \$45.86 | \$6.68 | \$4.42 | \$44.69 | \$6.07 | \$2.07 | \$4.13 |
| 100,000 | 100,000 | 0.01% | \$47.41 | \$7.60 | \$4.42 | \$45.60 | \$6.35 | \$1.67 | \$5.80 |
| 100,000 | 100,000 | 0.01% | \$49.90 | \$6.47 | \$3.99 | \$48.03 | \$5.61 | \$1.77 | \$4.95 |
| 100,000 | 100,000 | 0.01% | \$44.94 | \$5.76 | \$3.42 | \$43.34 | \$4.96 | \$1.50 | \$4.32 |
| 100,000 | 100,000 | 0.00% | \$45.24 | \$6.13 | \$3.82 | \$43.08 | \$4.70 | \$1.24 | \$6.17 |
| 100,000 | 100,000 | 0.00% | \$52.55 | \$5.63 | \$3.42 | \$50.60 | \$4.94 | \$1.33 | \$4.73 |
| 100,000 | 100,000 | 0.01% | \$42.46 | \$5.35 | \$3.74 | \$40.72 | \$4.37 | \$1.80 | \$4.67 |
| 100,000 | 100,000 | 0.00% | \$44.72 | \$5.64 | \$4.06 | \$42.88 | \$4.82 | \$2.40 | \$4.32 |
| 100,000 | 100,000 | 0.00% | \$52.27 | \$6.15 | \$3.09 | \$50.02 | \$5.12 | \$2.08 | \$4.29 |
| 100,000 | 100,000 | 0.00% | \$49.93 | \$6.10 | \$4.06 | \$46.81 | \$5.60 | \$1.51 | \$6.16 |
| 100,000 | 100,000 | 0.00% | \$67.23 | \$7.55 | \$5.16 | \$64.99 | \$5.92 | \$2.67 | \$6.35 |
| 100,000 | 100,000 | 0.00% | \$41.12 | \$4.93 | \$2.63 | \$38.63 | \$4.27 | \$1.48 | \$4.29 |
| 100,000 | 100,000 | 0.00% | \$42.86 | \$6.23 | \$4.46 | \$41.61 | \$5.25 | \$2.26 | \$4.42 |
| 100,000 | 100,000 | 0.00% | \$42.52 | \$4.79 | \$2.66 | \$38.79 | \$4.46 | \$1.41 | \$5.31 |
| 100,000 | 100,000 | 0.00% | \$49.23 | \$3.73 | \$4.67 | \$47.03 | \$3.33 | \$2.43 | \$4.83 |
| 100,000 | 100,000 | 0.00% | \$58.26 | \$5.88 | \$3.19 | \$55.08 | \$5.54 | \$1.57 | \$5.13 |
| 100,000 | 100,000 | 0.00% | \$39.76 | \$3.98 | \$3.00 | \$37.26 | \$3.58 | \$1.90 | \$3.99 |

Table 45 – Pharmacy: Clinical Management Programs

| | |
|-------------------|-------|
| Clinical Module B | 0.50% |
| Clinical Module C | 1.50% |

Table 46 – Pharmacy: Demographic Factors

| Age Band | Male | | | Female | | | MT and MN Unisex |
|----------|----------|--------|--------|----------|--------|--------|------------------|
| | Employee | Spouse | Child | Employee | Spouse | Child | All |
| 00 - 19 | 0.2609 | 0.2319 | 0.3992 | 0.4268 | 0.4786 | 0.3218 | 0.3539 |
| 20 - 24 | 0.2790 | 0.2556 | 0.5228 | 0.4087 | 0.4682 | 0.8367 | 0.5496 |
| 25 - 29 | 0.5499 | 0.4388 | 0.4827 | 0.7028 | 0.7058 | 0.7763 | 0.6434 |
| 30 - 34 | 0.7136 | 0.6527 | 0.7180 | 0.8254 | 0.7769 | 0.8546 | 0.7674 |

| | | | | | | | |
|---------|--------|--------|--------|--------|--------|--------|--------|
| 35 - 39 | 0.8078 | 0.8549 | 0.9404 | 0.9753 | 0.9321 | 1.0253 | 0.8884 |
| 40 - 44 | 0.9265 | 1.0421 | 1.1463 | 1.2056 | 1.1963 | 1.3159 | 1.0709 |
| 45 - 49 | 1.1867 | 1.3483 | 1.4831 | 1.3029 | 1.4666 | 1.6133 | 1.2927 |
| 50 - 54 | 1.4409 | 1.6330 | 1.7963 | 1.5258 | 1.8472 | 2.0319 | 1.5662 |
| 55 - 59 | 1.7918 | 2.0716 | 2.2788 | 1.7507 | 2.1034 | 2.3138 | 1.8684 |
| 60 - 64 | 2.1020 | 2.4753 | 2.7228 | 1.9911 | 2.4475 | 2.6922 | 2.1761 |
| 65 - 69 | 2.4605 | 2.8527 | 3.1380 | 2.3151 | 2.6794 | 2.9474 | 2.5969 |
| 70 + | 2.9690 | 3.0726 | 3.3798 | 2.6248 | 2.6531 | 2.9184 | 3.2857 |

Table 47 – Pharmacy: Utilization Dampening Factors

| | Deductible Range | | Min Adjustment | Max Adjustment | Average Adjustment |
|---------------------------------------|------------------|--------|----------------|----------------|--------------------|
| | Lower | Upper | | | |
| Combined Accumulators | | | | | |
| Combined Out of Pocket | 0 | 75 | 0.9094 | 1.1075 | 1.0415 |
| Combined Out of Pocket | 75 | 999999 | 0.9019 | 1.0944 | 1.0288 |
| Uncombined | 0 | 75 | 0.8982 | 1.15 | 1.0735 |
| Uncombined | 75 | 999999 | 0.8869 | 1.15 | 1.0677 |
| Combined Deductible and Out of Pocket | 0 | 3500 | 0.8 | 1.0638 | 0.8874 |
| Combined Deductible and Out of Pocket | 3500 | 6500 | 0.8 | 0.8157 | 0.8001 |
| Combined Deductible and Out of Pocket | 6500 | 999999 | 0.8 | 0.8 | 0.8 |

Table 48 – Pharmacy: Multiple Offering Load

| Pharmacy Multiple Offering Load | | |
|--|---------|---------|
| Offerings | Load | |
| 1 | 1 | |
| 2 | 1.02 | |
| 3 | 1.025 | |
| 4+ | 1.03 | |
| 2 (CA) | 1.025 | |
| 3 (CA) | 1.05 | |
| 4+ (CA) | 1.055 | |
| Does not apply to LocalPlus products in TN or FL | | |
| Pharmacy Adjustment | | |
| State | Minimum | Maximum |
| CA | 0% | 2% |
| TX | 0% | 5% |

Table 49 – Pharmacy: Clinical Management Adjustment Assumption

| Grandfathering Options | | |
|------------------------------------|--|------------|
| Category | Package | Adjustment |
| RxGrandfatheringPriorAuthorization | Excluded | 0.0% |
| | Nondrug Removal Drugs Only (12 months) | 30.0% |
| RxGrandfatheringStepTherapy | All Step Therapy Classes | 20.0% |
| | Sensitive Step Therapy Classes Only | 0.0% |
| Specialty Management Program | | |
| Category | Package | Adjustment |
| RxNonSpecialtyManagementProgram | Complete | -3.25% |
| | Essential | -2.75% |
| | Limited | -2.0% |
| | None | 0.0% |
| | Non Standard or Customed | 0.0% |
| RxSpecialtyManagementProgram | Non Standard | 2.5% |
| | Specialty | 0.0% |
| | Specialty Plus | 0.0% |

Table 50 – Pharmacy: Additional Benefit Adjustments

| Benefit | Description | Adjustment |
|---|---|-------------------|
| Clinical Day Supply and/or Mail Order Specialty Drug 30 Day Limit | Clients that elect the Clinical Day Supply Program with a 90-day Specialty Drug Limit receive a decrement due to reducing waste on specialty medication filled through mail order. Clients that limit specialty drugs to 30 day supplies reduces waste. | 0.9927 to 0.9972 |
| Patient Assurance Program | Clients that elect to cap the customer cost-share for insulin at \$25 per 30-day prescription and \$75 per 90-day prescription receive an increment to claims. | 1.000 to 1.02 |
| Express Scripts Platform Adjustment | Clients that are on the Express Scripts claim platform receive a claim decrement due to improved utilization management. | 0.99 |
| Selective Serotonin Reuptake Inhibitors (SSRIs) | Clients that elect to waive a portion of or the entire member cost-share from certain Selective Serotonin Reuptake Inhibitors receive a claim increment. | 1.001 to 1.004 |
| Preventive Buy-ups | Clients that elect to waive a portion of or the entire member cost-share from Diet Pills, Diabetic Supplies, Continuous Glucose Monitor Supplies, Smoking Cessation, and/or Vitamins receive a claim increment. | 1.000 to 1.005 |

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 Medical Rate Filing 2024/

Supporting Document Schedules

| | |
|-------------------------|---|
| 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: | 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: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Supplemental Exhibits |
| Comments: | |
| Attachment(s): | VT 2024 Supplemental Exhibits REDACTED.pdf VT 2024 Supplemental Exhibits REDACTED.xlsx |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|--|
| Satisfied - Item: | Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Revised Actuarial Memorandum - VT CHLIC 2024.pdf |
| Item Status: | |

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 Medical Rate Filing 2024/

| | |
|--------------------------|---|
| Status Date: | |
| Satisfied - Item: | RX Data Template |
| Comments: | |
| Attachment(s): | VT 2024 Rx Data Template REDACTED.xlsx |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Experience Exhibit |
| Comments: | |
| Attachment(s): | VTexh_2024_CHLIC.pdf |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Cover Letter |
| Comments: | |
| Attachment(s): | VT Cover Letter_2024.pdf |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Response to objection letter dated 3/7/2024 |
| Comments: | |
| Attachment(s): | Objection1_Responses_VT_2024.pdf |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Answers to the questions we received extensions for Objection letter from 3/7 (questions) 2, 6, and 7). |
| Comments: | |
| Attachment(s): | Objection1_Responses_VT_2024 - 3.21.24.pdf |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Response to objection letter dated 3/19/2024 |
| Comments: | |
| Attachment(s): | Objection2_Responses_VT_2024.pdf |
| Item Status: | |
| Status Date: | |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter |
| Comments: | |
| Attachment(s): | VT objection 3 - Cigna response.pdf VT objection 3.pdf |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|--|
| Satisfied - Item: | Objection 4 support v2 |
| Comments: | |
| Attachment(s): | VT Objection 4 support v2.xlsx VT Trend Objection.xlsx VT Objection 4 Trend Support.xlsx |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Responses to objection 3 & 4 |
| Comments: | |
| Attachment(s): | VT objection 3 - Cigna response.pdf VT Objection 4 4.4.2024 - Cigna Response.pdf |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Response to objection letter dated 4/23/2024 |
| Comments: | |
| Attachment(s): | VT Objection 5 4.24.2024 - Cigna Response.pdf |
| Item Status: | |
| Status Date: | |

SERFF Tracking #:

CCGP-134009857

State Tracking #:

Company Tracking #:

67369MED2024

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 Medical Rate Filing 2024/

Attachment VT 2024 Supplemental Exhibits REDACTED.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT 2024 Rx Data Template REDACTED.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT Objection 4 support v2.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT Trend Objection.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT Objection 4 Trend Support.xlsx is not a PDF document and cannot be reproduced here.

Supporting Information for Trend Assumptions:

The following pages are an attempt to provide proactive additional support for our medical and pharmacy trend assumptions.

Pricing Trend Assumptions

Below provides detail into the buildup of our Vermont pricing trend assumptions for 2023/2022 and 2024/2023.

| Vermont In-Network Trend | | |
|--------------------------|--------|------|
| 2023 | Weight | Unit |
| IP ¹ | | |
| OP ² | | |
| Pro ³ | | |
| OMS ³ | | |
| Unit Cost | | |
| Util/Mix | | |
| Total Trend | | |

| Vermont In-Network Trend | | |
|--------------------------|--------|------|
| 2024 | Weight | Unit |
| IP ¹ | | |
| OP ² | | |
| Pro ³ | | |
| OMS ³ | | |
| Unit Cost | | |
| Util/Mix | | |
| Total Trend | | |

Notes:

¹ IP (Inpatient) unit trends are created using a weighted average of IP cost per day by facility with that facilities %weight in the market. Weights are calculated using Vermont customers \$ FFS spend. The IP unit cost trend is the year over year comparison of the weighted average IP cost per day . For example: 2023 IP unit cost trend = 2023 IP cost per day/2022 IP cost per day.

² OP (outpatient) unit trends are created using weighted average of OP discounts by facility with that facilities % weight in the market. Weights are calculated using Vermont customers \$ FFS spend. The OP unit cost trend is the year over year comparison of the weighted average discounts (more specifically 1- discounts) after normalizing for known differences in billed charges a.k.a charge master trends.

³ Pro (Professional) and OMS (Other Medical Services) unit trends are created in a similar fashion to IP and OP.

Historical claims experience for Vermont

| Vermont Monthly Medical and Rx Claims Experience | | | | |
|--|----------------|--------------|-----------------|-------------------|
| Incurred Month (YYYYMM) | Medical Claims | Rx Claims | Incurred Claims | Members per Month |
| FY 2018 | \$238,875,470 | \$44,306,234 | \$283,181,704 | 50,351 |
| FY 2019 | \$237,638,371 | \$44,994,657 | \$282,633,028 | 48,277 |
| FY 2020 | \$237,406,979 | \$53,439,709 | \$290,846,688 | 51,720 |
| 202101 | \$20,673,834 | \$4,145,512 | \$24,819,346 | 50,128 |
| 202102 | \$21,209,728 | \$4,529,909 | \$25,739,637 | 49,545 |
| 202103 | \$25,661,656 | \$5,001,704 | \$30,663,360 | 49,424 |
| 202104 | \$24,134,894 | \$5,038,462 | \$29,173,356 | 49,431 |
| 202105 | \$19,839,562 | \$4,911,226 | \$24,750,788 | 49,013 |
| 202106 | \$25,778,083 | \$5,040,415 | \$30,818,498 | 49,064 |
| 202107 | \$21,975,310 | \$4,982,355 | \$26,957,664 | 48,951 |
| 202108 | \$23,221,477 | \$4,937,405 | \$28,158,882 | 48,896 |
| 202109 | \$22,966,078 | \$4,611,419 | \$27,577,497 | 48,939 |
| 202110 | \$25,116,825 | \$5,239,638 | \$30,356,463 | 48,442 |
| 202111 | \$23,935,107 | \$5,223,181 | \$29,158,288 | 48,400 |
| 202112 | \$25,099,646 | \$5,382,767 | \$30,482,413 | 48,249 |
| 202201 | \$20,281,698 | \$4,179,004 | \$24,460,702 | 45,123 |
| 202202 | \$19,263,261 | \$4,151,336 | \$23,414,598 | 45,158 |
| 202203 | \$22,386,336 | \$4,853,709 | \$27,240,045 | 45,167 |
| 202204 | \$20,894,791 | \$4,629,938 | \$25,524,730 | 45,258 |
| 202205 | \$21,708,844 | \$4,803,214 | \$26,512,058 | 45,067 |
| 202206 | \$21,681,379 | \$4,782,913 | \$26,464,292 | 44,365 |
| 202207 | \$20,891,516 | \$4,443,022 | \$25,334,539 | 43,863 |
| 202208 | \$22,864,474 | \$4,911,257 | \$27,775,731 | 43,775 |
| 202209 | \$20,809,318 | \$4,791,311 | \$25,600,629 | 43,780 |
| 202210 | \$22,675,960 | \$4,947,878 | \$27,623,838 | 43,781 |
| 202211 | \$22,175,603 | \$5,141,479 | \$27,317,083 | 43,804 |
| 202212 | \$23,886,608 | \$5,031,162 | \$28,917,770 | 43,872 |

The table above represents five years of historical claims experience for Vermont. We've also provided the monthly view of membership. The membership displayed here will not agree with the membership provided in the SERFF because this membership represents members who reside in VT for all funding types and the membership displayed in the SERFF represents the members who are situated in VT for fully insured products only. This information is not normalized for demographics or plan design.

Below is a summarized view of trend and normalized trend. The normalization factor represented below includes benefit changes, demographics and geographies. **Benefit changes** measures the impact of plan design changes on Cigna's observed trend. To compute this adjustment, we compare the manual community rates for the plan designs in the two periods. Note that we use the same demographic and geographic distribution of the population to ensure we are isolating out only the effect of plan design changes. **Demographics** measures the impact that changes in age/gender has on Cigna's observed trend. To compute this adjustment, we compare the manual rating age/gender factors for the populations in the two periods. **Geographies** measures the impact that changes in the geographic distribution of customers has on Cigna's observed trend. To compute this adjustment, we compare the manual rating geographic factors for the population in the two periods

The following calculation is based on normalizing an open block of business. Normalizing an open block can cause some volatility and this view alone is not directly comparable to our prospective trend story. We rely heavily on our knowledge of our unit cost position and forecasting in the market to set an appropriate prospective trend. As you can see over the last 4 years of trend, the observed trend can be very volatile. It is not appropriate to use historical trend results to benchmark prospective pricing trend.

| Vermont Medical Trends | FY 2018 | FY 2019 | 19/18 | FY 2020 | 20/19 | FY 2021 | 21/20 | FY 2022 | 22/21 |
|---------------------------------------|----------|----------|-------------|----------|--------------|----------|--------------|-----------|-------------|
| | PMPM | PMPM | Trend | PMPM | Trend | PMPM | Trend | PMPM | Trend |
| Total Observed (Net) Trend | \$468.68 | \$487.87 | 4.1% | \$468.63 | -3.9% | \$575.47 | 22.8% | \$ 593.21 | 3.1% |
| Normalization Factor | | | 0.7% | | 0.5% | | 0.0% | | -3.94% |
| Total Normalized (Gross) Trend | | | 3.4% | | -4.4% | | 22.7% | | 7.3% |

Pharmacy Trend Assumptions

The chart below outlines the current trend factors needed to adequately price the pharmacy benefit.

| | 2021/2020 | 2022/2021 | 2023+/2022 |
|-------------------|-----------|-----------|------------|
| Cost Trend | | | |
| Utilization Trend | | | |
| Total Trend | | | |

Pharmacy trends are composed of several pieces:

1. Cost trend: the change in the average cost per script of drugs due to:
 - a. Inflation – the change in cost per unit for medications used in both the base period and current period, isolating against changes in days’ supply and mix shift.
 - b. Mix shift – the change in cost due to patients filling different medications in the current period vs. the prior period. This is caused by a loss of exclusivity (patent expirations) which results in a shift from brand utilization to generic utilization, as well as a shift in utilization from existing generic medications to new generics after patent expirations.
 - c. Pipeline – The approval and launch of pipeline drugs causes a shift in utilization from older therapies to novel therapies and causes the emergence of new claims from previously untreated populations.
2. Utilization trend: the change in the number of prescriptions filled on a PMPM basis.

| Trend Category | 2021/2020 | 2022/2021 | 2023+/2022 |
|----------------|-----------|-----------|------------|
| Specialty | | | |
| Non-Specialty | | | |
| Total Trend | | | |

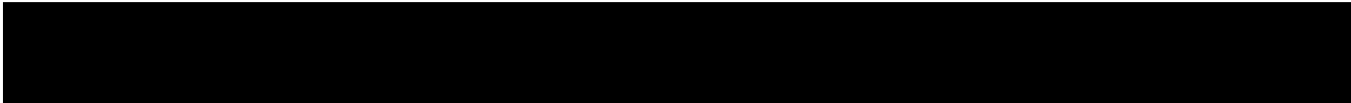


EXHIBIT I

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 101 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, pharmacy indicators 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.

Pricing Implementation

Per order of the Green Mountain Care Board, the following adjustments are being made to the rates that were originally filed:

| GMCB Order | Cigna Adjustment |
|--|---|
| Reduce Profit from 2.0% to 0.5% | Reduce Profit from 2.0% to 0.5% |
| Reduce medical utilization trend from 3.6% to 1.0% | Reduce Profit further from 0.5% to -1.6%. |
| Reduce pharmacy trend from 10.4% to 9.6% | |

These changes are being implemented as soon as possible. Until they are implemented, Cigna is using the most recent assumptions (approved 12/21/2022) to remain compliant.

Anticipated Loss Ratio

The methodology and supporting factors apply to groups of 101 or more employees.

The anticipated large group loss ratio for this policy is 91.6%.

The components of Cigna's retention for our Large Group pricing are as follows:

| Retention Components | % of Premium |
|-----------------------------|---------------------|
| Admin | 5.1% |
| Access Fee | 0.8% |
| Quality Improvement | 0.2% |
| Tax | 2.0% |
| State Assessments | 1.9% |
| PPACA Fees* | 0.0% |
| Risk Charge | 0.0% |
| Profit | -1.6% |
| Commissions | 0.0% |
| Total Retention | 8.4% |
| Targeted MLR | 91.6% |
| Total Retention + MLR | 100.0% |

** PPACA fees are primarily associated with the Health Insurance Industry Fee (HIIF), which is assumed to be 2.5% for 2020 calendar months, and 0% for 2021+ calendar months due to recent legislative changes. The remainder is for the PCORI, which is currently a small amount (<0.1%), and assumed to continue for 2020 and beyond.*

Components of Proposed Rate Increase

The 5.3% revised requested rate increase was calculated using the following:

- To calculate average premium we take the average PMPM medical costs and then divide by the target loss ratio.
- The 5.3% increase is the weighted average expected premium for the current period / weighted average prior premium
- The requested average rate increase of 5.3% can be split into the following adjustment categories:

| Category | Detail | Average | Grouped | |
|--|---|---------|---------|------|
| Filed & Approved | Filed and Approved Total (Med & Rx) Claims Trend (1/1/23 effective date) | 7.5% | | 9.1% |
| Changes to trend | Difference in Current Approved Total Trend vs Proposed Total Trend (1/1/24 effective date) | -0.3% | | |
| Revisions to pricing factors - Trend | Changes to trend, area factors, and methodology since approved filing (1/1/24 effective date) | 1.7% | 0.7% | |
| Revisions to pricing factors - non-Trend | Changes to trend, area factors, and methodology since approved filing (1/1/24 effective date) | -1.0% | | |
| Expense Changes | MLR change since last approved filing (89.32% -> 91.60%) | -2.5% | | |
| Requested Rate Change | Composite change of all items listed above | 5.3% | | |

Changes to Methodology for the 2023 Cigna Rate Filing

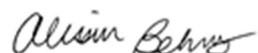
- Medical
 - Updates to medical base rate and MSC weightings
 - Updates to utilization dampening
 - Updates to OON Program Savings factor data
 - Updates to the medical area factors and trend
 - Updates to medical demographic factors
 - Updates to Cigna Pathwell factors
 - Removal of Tiered benefits methodology section; Now included in Community rate adjustments table to see adjustment range
- Behavioral
 - Updates to the MHSUD trend
- Pharmacy
 - Updates to average wholesale price per script
 - Updates to script count per customer
 - Updates to script channel assumptions
 - Updates to pharmacy cost trend
 - Updates to pharmacy utilization trend
 - Updates to pharmacy area factors
 - Remove Rx industry table to consolidate into one for medical/Rx

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 Green Mountain Care Board 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.



Allison Behrens, FSA, MAAA
Actuarial Senior Director
Date: 8/19/2024

VERMONT FILING SUMMARY
CGLIC/CHLIC Combined

Vermont (only)
(000's)

| | Earned | Incurred | Loss |
|---------------------|----------------|-----------------|--------------|
| | Premium | Losses | Ratio |
| 5th prior year 2018 | \$5,414 | \$4,559 | 84.2% |
| 4th prior year 2019 | \$9,698 | \$8,873 | 91.5% |
| 3rd prior year 2020 | \$23,256 | \$18,058 | 77.6% |
| 2nd prior year 2021 | \$27,970 | \$25,951 | 92.8% |
| 1st prior year 2022 | \$24,456 | \$17,957 | 73.4% |

Countrywide
(000's)

| | Earned | Incurred | Loss |
|---------------------|----------------|-----------------|--------------|
| | Premium | Losses | Ratio |
| 5th prior year 2018 | \$8,542,042 | \$7,183,463 | 84.1% |
| 4th prior year 2019 | \$10,108,440 | \$8,717,959 | 86.2% |
| 3rd prior year 2020 | \$11,247,298 | \$9,366,126 | 83.3% |
| 2nd prior year 2021 | \$11,687,580 | \$10,656,810 | 91.2% |
| 1st prior year 2022 | \$12,632,470 | \$11,205,957 | 88.7% |

Allison Behrens, FSA, MAAA
Actuarial Senior Director



August 17, 2023

The Honorable John P. Crowley
Commissioner of Banking, Insurance,
Securities and Health Care Administration
Vermont Division of Insurance
89 Main Street, Drawer 20
Montpelier, VT 05620-3101

Attention: Tyler Mulberry
900 Cottage Grove Rd
Wilde Building
Bloomfield, CT 06002

Telephone: 860.907.1487
Allison.Behrens@cigna.com

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

Dear Mr. Crowley:

Enclosed is a rate filing for Cigna Health and Life Insurance Company (CHLIC) medical benefits for large employer groups. Claim costs and factors are being filed for Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance products as well as the pharmacy, mental health/substance abuse and other riders. These rates will be applied to new quotes upon the next pricing model implementation date following the filing approval date.

The previous filing was approved on 12/19/2022 under Serff Tracking number *CCGP-133388045*.

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 Amanda Slayton at 804-546-3875 or at Amanda.Slayton@Cigna.com with any questions or concerns regarding this filing.

Sincerely,

A handwritten signature in cursive script that reads "Allison Behrens".

Allison Behrens, FSA, MAAA
Actuarial Senior Director

CHLIC Responses to VT Objections Round 1 (Received on 3/7/2024)

Objection 1

Regarding the list of methodology changes on page 4 of the act memo, please provide a detailed explanation of the change for each item on the list.

Response:

The methodology changes are driven by analysis of retrospective experience. To calculate this, we first run the current production engine with the proposed effective date. Then we run another engine that include proposed methodology, area factor, and trend updates with the same proposed effective date. By using the same effective dates, the rate change reflects methodology updates and differences off the approved and filed trends. We would need to create multiple engine versions and run multiple batches to categorize/separate all the changes. This would be a large administrative burden.

The following changes to factors and methodology from the previous filing have been made:

- Medical
 - Updates to medical base rate and MSC weightings
 - Updates to utilization dampening
 - Updates to OON Program Savings factor data
 - Updates to the medical area factors and trend
 - Updates to medical demographic factors
 - Updates to Cigna Pathwell factors
 - Removal of Tiered benefits methodology section; Now included in Community rate adjustments table to see adjustment range
- Behavioral
 - Updates to the MHSUD trend
- Pharmacy
 - Updates to average wholesale price per script
 - Updates to script count per customer
 - Updates to script channel assumptions
 - Updates to pharmacy cost trend
 - Updates to pharmacy utilization trend
 - Updates to pharmacy area factors
 - Remove Rx industry table to consolidate into one for medical/Rx

Objection 2

Regarding the Comparison to Status Quo table on page 3 of the act memo, please provide the following:

- a. The “Revisions to Pricing Factors” line item states that it includes changes to trend. Please confirm that trend changes are only shown in the “Changes to Trend” line item and are not double counted in the “Revisions to Pricing Factors” line item.
- b. Breakdown of the “Revisions to Pricing Factors” line item, showing the impact/changes for each of the changes listed on page 4 of the act memo.
- c. Breakdown of the “Expense Changes” line item, showing the impact/changes for each of the retention components. Further, please explain the reason for these changes.

Response: extension to 3/21

Objection 3

Please fill out the table below. The Total Claims Trend should reconcile to the 7.2% total trend indicated in the Comparison to Status Quo table on page 3 of the act memo ($7.2\% = (1+7.5\%)*(1-0.3\%)-1$).

| Category | Category VT Situs 2024+ | 2024+ Medical Trend | 2024+ Rx Trend | Medical Weight | Rx Weight |
|-----------------|-------------------------|---------------------|----------------|----------------|-----------|
| Unit Cost | 5.1% | 4.1% | 8.0% | 75.0% | 25.0% |
| Utilization/Mix | 2.0% | 2.0% | 2.3% | 75.0% | 25.0% |
| Claims Trend | 7.2% | 6.1% | 10.4% | 75.0% | 25.0% |

The above buildup of the 7.2% blended Medical + Rx claims trend includes a combination of national and implicit VT-specific assumptions to derive the aggregate total trend noted.

Objection 4

Please reconcile the assumed unit cost trends by hospital to the recently ordered hospital budget increases provided here: <https://gmcboard.vermont.gov/FY2024hospitalbudgets>. If there is any difference between the assumed unit cost trend and ordered hospital budget increase, please provide a detailed explanation for the difference.

Response:

The 3.6% combined inpatient and outpatient unit cost trend does not incorporate the recently ordered hospital budget increases, as they were approved after our filing was developed. The table below compares the ordered increases and the assumed unit cost trends at these hospitals:

| Facility | Ordered Hospital Budget Increases (FY24) ¹ | Assumed Unit Cost Trend (FY24) | |
|--|---|--------------------------------|------------|
| | | Inpatient | Outpatient |
| Brattleboro Memorial Hospital | 1.5% | 3.5% | 3.5% |
| Central Vermont Medical Center | 5.0% | 0.0% | 0.0% |
| Copley Hospital | 8.0% | 3.5% | 3.5% |
| Gifford Memorial Hospital | 3.6% | 3.7% | 3.7% |
| Grace Cottage Hospital | 4.0% | -- | 0.0% |
| Mt. Ascutney Hospital | 5.1% | 3.5% | 3.1% |
| North Country Hospital | 4.0% | 3.5% | 3.5% |
| Northeastern Vermont Regional Hospital | 8.0% | 3.5% | 3.5% |
| Northwestern Medical Center | 6.0% | 3.5% | 3.5% |
| Porter Medical Center | 3.1% | 0.0% | 0.0% |
| Rutland Regional Medical Center | 5.6% | 3.5% | 3.5% |
| Southwestern Vermont Medical Center | 6.6% | 3.5% | 3.5% |
| Springfield Hospital | 6.0% | 3.5% | 3.5% |
| University of Vermont Medical Center | 3.1% | 4.4% | 5.0% |

¹Taken from hospital budget submission publication (September 15, 2023 GMCB budget publication - FY 24 Approved Charge Increases)

The GMCB approved changes to billed charges, but a combination of charge master increase protection, fixed fee schedules, out of VT spend, and timing dampen the assumed unit cost trend impact. We are still evaluating the impact of these orders on unit cost trends, so while the submitted filing trends do not fully incorporate the recently ordered hospital budget increases, we still think the proposed overall rate increase is reasonable.

Objection 5

Regarding the pricing trend supplemental exhibit “VT 2024 Supplemental Exhibits”, please provide the following:

- a. Detailed qualitative and quantitative summary of the data and/or study used to determine the medical utilization and mix trend for both 2023 and 2024 shown on page 2.
- b. Reconcile the 2024 8.64% trend shown on page 2 to the 7.2% trend from page 3 of the act memo, as referred to in question #3.
- c. Detailed explanation of the drivers of the change in medical and pharmacy trends (broken out by cost, utilization, and total trend components) from the prior approved filing.

Response:

a. Unit Cost

Unit cost trends for inpatient, outpatient, and professional spend are developed using anticipated changes in provider contracted rates, typically a combination of previously contracted rates and expected changes due to recent negotiations with providers. Projections are specific to Vermont residents.

Medical Utilization and Mix

Medical Utilization and Mix trend is set nationally through a combination of multiple factors including retrospective study of normalized allowed trends excluding new business, knowledge of prospective factors such as national and local initiatives which aim to lower utilization, leading indicators such as drugs which treat influenza, industry trends, as well as competitive insights from trend studies that assess the relative pricing competitiveness.

b.

- **8.64%:** The trend on page 2 of the “VT 2024 Supplemental Exhibits” tab is a 2024 proposed trend assumption using Inpatient, Outpatient, Professional, and Other Medical Services experience.
- **7.2%:** The trend listed in the Actuarial Memorandum are trends from the last filed and approved filing whereas others are proposed trends. This is developed using Medical and Rx experience from only policies situated in Vermont.

c. Medical trend changes are driven by a combination of factors, including:

- Relative Days – leap year in 2024
- Seasonal Respiratory Virus, including COVID-19, flu, and RSV
- Changes to clinical guidelines, for example higher than normal utilization of colonoscopies
- National initiatives undertaken to drive trend deflection in the employer segment
- National and regional contracting

Pharmacy trend drivers include:

- Insulin price changes due to regulation
- Continued GLP-1 growth
- Humira Biosimilars and interchangeability
- Inflation

- New drug pipeline
- Utilization growth

Objection 6

Regarding experience rating methodology in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:

- a. Further explanation of the credibility methodology. We note that the use of the “k” factor assigns substantial credibility even to groups with extremely small membership. For example, a renewal group with 100 member months of experience and a pooling point of \$24,999 would be assigned 54% credibility. This would seem to introduce substantial noise into the premiums for experience-rated groups.
- b. Explain and demonstrate how the pooling point for a group is determined.
- c. Indicate where in the rate filing the pooling charges are reported or provide them if they are not in the rate manual.

Response: extension to 3/21

Objection 7

Regarding base claims in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:

- a. Comparison of the prior approved and current proposed medical base claims in Table 1, separately showing each change applied and a detailed description of each change.
- b. Detailed description of the reason for changes in medical rider base rates in Table 18.

Response: extension to 3/21

Objection 8

Please provide the Company's historical actual-to-expected retention for the last three years (2021-2023), separately for profit and all other retention components.

Response:

CHLIC did not file rates in 2022. We do not have 2023 actuals available yet. As such, please see the below actual-to-expected retention for the last three available years (2019-2021).

| 2019 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 8.20% | 5.60% | 1.46 |
| Quality Improvement | 0.80% | 0.10% | 8.08 |
| Premium Tax and State Assessment | 1.80% | 3.70% | 0.48 |
| PPACA Fees | 0.00% | 0.00% | --- |
| Profit | -2.10% | 1.00% | -2.07 |
| Other | 0.00% | 0.00% | --- |
| Total | 8.70% | 10.40% | 0.84 |

| 2020 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 5.80% | 6.60% | 0.87 |
| Quality Improvement | 0.80% | 0.20% | 4.00 |
| Premium Tax and State Assessment | 1.60% | 4.00% | 0.40 |
| PPACA Fees | 1.90% | 2.50% | 0.76 |
| Profit | 9.10% | -1.50% | -6.08 |
| Other | 0.00% | 0.00% | --- |
| Total | 19.20% | 11.80% | 1.63 |

| 2021 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 6.70% | 6.60% | 1.01 |
| Quality Improvement | 0.20% | 0.20% | 0.85 |
| Premium Tax and State Assessment | 1.60% | 4.00% | 0.41 |
| PPACA Fees | 0.00% | 2.50% | 0.02 |
| Profit | -1.60% | -1.50% | 1.04 |

| | | | |
|-------|-------|--------|------|
| Other | 0.00% | 0.00% | --- |
| Total | 7.00% | 11.80% | 0.59 |

Objection 9

Please provide the Company's historical risk-based capital (RBC) ratio for the last three years (2021-2023).

Response:

Please see CHLIC's RBC ratios for the requested periods:

2023 – **464.536%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

2022 – **415.612%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

2021 – **477.724%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

CHLIC Responses to VT Objections Round 1 (Received on 3/7/2024)

Objection 1

Regarding the list of methodology changes on page 4 of the act memo, please provide a detailed explanation of the change for each item on the list.

Response:

The methodology changes are driven by analysis of retrospective experience. To calculate this, we first run the current production engine with the proposed effective date. Then we run another engine that include proposed methodology, area factor, and trend updates with the same proposed effective date. By using the same effective dates, the rate change reflects methodology updates and differences off the approved and filed trends. We would need to create multiple engine versions and run multiple batches to categorize/separate all the changes. This would be a large administrative burden.

The following changes to factors and methodology from the previous filing have been made:

- Medical
 - Updates to medical base rate and MSC weightings
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 - Updates to script channel assumptions
 - Updates to pharmacy cost trend
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 - Updates to pharmacy area factors
 - Remove Rx industry table to consolidate into one for medical/Rx

Objection 2

Regarding the Comparison to Status Quo table on page 3 of the act memo, please provide the following:

- a. The “Revisions to Pricing Factors” line item states that it includes changes to trend. Please confirm that trend changes are only shown in the “Changes to Trend” line item and are not double counted in the “Revisions to Pricing Factors” line item.
- b. Breakdown of the “Revisions to Pricing Factors” line item, showing the impact/changes for each of the changes listed on page 4 of the act memo.
- c. Breakdown of the “Expense Changes” line item, showing the impact/changes for each of the retention components. Further, please explain the reason for these changes.

Response:

a. The “Changes to Trend” line item incorporates the difference between the Filed & Approved Claims Trend, and the 24/23 Unleveraged Trend. The “Revisions to Pricing Factors” line item includes changes to methodology (outlined below) – there is no overlap between the two.

b. The 'Revisions to Pricing Factors' captures changes driven by analysis of retrospective experience and changes in methodology. To calculate this, we first run the current production engine with the proposed effective date. Then we run another engine that include proposed methodology, area factor, and trend updates with the same proposed effective date. By using the same effective dates, the rate change reflects only methodology updates and no trend impact. The table below outlines the methodology changes that were mentioned on Page 4 of the Actuarial Memo.

Table

c. The “Expense Changes” line item reflects the year-over-year change in target loss ratio. A comparison of the proposed and approved retention components is provided in the table below:

| Retention Components | 2024 Retention | 2023 Retention (Approved) | Change | Comments |
|----------------------|----------------|---------------------------|--------|---|
| Admin | 5.1% | 5.1% | 0.0% | |
| Access Fee | 0.8% | 0.8% | 0.0% | |
| Quality Improvement | 0.2% | 0.2% | 0.0% | |
| Tax | 2.0% | 2.0% | 0.0% | |
| State Assessments | 1.9% | 2.0% | -0.1% | Lower medical claims as % of Med + Rx leads to lower State Assessments that are applied as a % to medical only. |
| PPACA Fees | 0.0% | 0.0% | 0.0% | |
| Risk Charge | 0.0% | 0.0% | 0.0% | |

| | | | | |
|-----------------------|--------|--------|-------|--|
| Profit | 2.00% | 0.5% | 1.5% | Increasing Profit to a level more consistent with overall book |
| Commissions | 0.0% | 0.0% | 0.0% | |
| Total Retention | 12.0% | 10.7% | 1.3% | |
| Targeted MLR | 88.0% | 89.3% | -1.3% | |
| Total Retention + MLR | 100.0% | 100.0% | 0.0% | |

Objection 3

Please fill out the table below. The Total Claims Trend should reconcile to the 7.2% total trend indicated in the Comparison to Status Quo table on page 3 of the act memo ($7.2\% = (1+7.5\%)*(1-0.3\%)-1$).

| Category | Category VT Situs 2024+ | 2024+ Medical Trend | 2024+ Rx Trend | Medical Weight | Rx Weight |
|-----------------|-------------------------|---------------------|----------------|----------------|-----------|
| Unit Cost | 5.1% | 4.1% | 8.0% | 75.0% | 25.0% |
| Utilization/Mix | 2.0% | 2.0% | 2.3% | 75.0% | 25.0% |
| Claims Trend | 7.2% | 6.1% | 10.4% | 75.0% | 25.0% |

The above buildup of the 7.2% blended Medical + Rx claims trend includes a combination of national and implicit VT-specific assumptions to derive the aggregate total trend noted.

Objection 4

Please reconcile the assumed unit cost trends by hospital to the recently ordered hospital budget increases provided here: <https://gmcboard.vermont.gov/FY2024hospitalbudgets>. If there is any difference between the assumed unit cost trend and ordered hospital budget increase, please provide a detailed explanation for the difference.

Response:

The 3.6% combined inpatient and outpatient unit cost trend does not incorporate the recently ordered hospital budget increases, as they were approved after our filing was developed. The table below compares the ordered increases and the assumed unit cost trends at these hospitals:

| Facility | Ordered Hospital Budget Increases (FY24) ¹ | Assumed Unit Cost Trend (FY24) | |
|--|---|--------------------------------|------------|
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| Grace Cottage Hospital | 4.0% | -- | 0.0% |
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| Southwestern Vermont Medical Center | 6.6% | 3.5% | 3.5% |
| Springfield Hospital | 6.0% | 3.5% | 3.5% |
| University of Vermont Medical Center | 3.1% | 4.4% | 5.0% |

¹Taken from hospital budget submission publication (September 15, 2023 GMCB budget publication - FY 24 Approved Charge Increases)

The GMCB approved changes to billed charges, but a combination of charge master increase protection, fixed fee schedules, out of VT spend, and timing dampen the assumed unit cost trend impact. We are still evaluating the impact of these orders on unit cost trends, so while the submitted filing trends do not fully incorporate the recently ordered hospital budget increases, we still think the proposed overall rate increase is reasonable.

Objection 5

Regarding the pricing trend supplemental exhibit “VT 2024 Supplemental Exhibits”, please provide the following:

- a. Detailed qualitative and quantitative summary of the data and/or study used to determine the medical utilization and mix trend for both 2023 and 2024 shown on page 2.
- b. Reconcile the 2024 8.64% trend shown on page 2 to the 7.2% trend from page 3 of the act memo, as referred to in question #3.
- c. Detailed explanation of the drivers of the change in medical and pharmacy trends (broken out by cost, utilization, and total trend components) from the prior approved filing.

Response:

a. Unit Cost

Unit cost trends for inpatient, outpatient, and professional spend are developed using anticipated changes in provider contracted rates, typically a combination of previously contracted rates and expected changes due to recent negotiations with providers. Projections are specific to Vermont residents.

Medical Utilization and Mix

Medical Utilization and Mix trend is set nationally through a combination of multiple factors including retrospective study of normalized allowed trends excluding new business, knowledge of prospective factors such as national and local initiatives which aim to lower utilization, leading indicators such as drugs which treat influenza, industry trends, as well as competitive insights from trend studies that assess the relative pricing competitiveness.

b.

- **8.64%:** The trend on page 2 of the “VT 2024 Supplemental Exhibits” tab is a 2024 proposed trend assumption using Inpatient, Outpatient, Professional, and Other Medical Services experience.
- **7.2%:** The trend listed in the Actuarial Memorandum are trends from the last filed and approved filing whereas others are proposed trends. This is developed using Medical and Rx experience from only policies situated in Vermont.

c. Medical trend changes are driven by a combination of factors, including:

- Relative Days – leap year in 2024
- Seasonal Respiratory Virus, including COVID-19, flu, and RSV
- Changes to clinical guidelines, for example higher than normal utilization of colonoscopies
- National initiatives undertaken to drive trend deflection in the employer segment
- National and regional contracting

Pharmacy trend drivers include:

- Insulin price changes due to regulation
- Continued GLP-1 growth
- Humira Biosimilars and interchangeability
- Inflation

- New drug pipeline
- Utilization growth

Objection 6

Regarding experience rating methodology in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:

- a. Further explanation of the credibility methodology. We note that the use of the “k” factor assigns substantial credibility even to groups with extremely small membership. For example, a renewal group with 100 member months of experience and a pooling point of \$24,999 would be assigned 54% credibility. This would seem to introduce substantial noise into the premiums for experience-rated groups.
- b. Explain and demonstrate how the pooling point for a group is determined.
- c. Indicate where in the rate filing the pooling charges are reported or provide them if they are not in the rate manual.

Response:

a. Formula A provides the best fit to our experience data, but it reaches full credibility at a higher level of MMOS than prior methodology and industry norms. Formula B allows the credibility curve to increase to full credibility at 36,000 member months for all pooling points and for renewals and presales. Use of Cigna’s internal claims experience at renewal has been found to be more credible than use of third party claims experience at presale, leading us to use different credibility formulas for renewal and presale. Formulas vary by pooling point since the credibility is assigned to claims below the pooling point, and these claims are more predictive at lower pooling points. The constant “k” was set based on a statistical optimization analysis to identify the best fit. The “Formula Bound” was set at level of MMOS where the two credibility formulas would be very close to equivalent, leading to a continuous credibility curve. Because of variations in Formula A by pooling point and for presale and renewal, this equivalence is achieved at different levels of MMOS.

b. For guaranteed cost (GC) products under the purview of this filing, the pooling point is always derived based on number of MMOS. Claims above a pre-determined threshold are removed from a group’s experience and replaced with a pooling fee which reflects the mean expectation of claims above the threshold for a reference population. As the pooling point is decreased, claim predictability improves because the variance of the base period claims is reduced. However, a threshold is reached where too much claim data is being pooled, such that the overall predictability of the base period claims is worse. Therefore, pooling level is set where the predictability of the base period claims is highest.

c. The calculation of the pooling charge is more complex than a table lookup, so we cannot include a simple table. In general, the amount of claims in excess of pooling point per member are subtracted out, then a pooling charge is added back in. We would be able to provide an illustrative example for VT (similar to the below shared with another state that had a similar question) – please let us know if this would satisfy your request.

| Pooling Level | PMPM |
|---------------|---------|
| 75,000 | \$54.83 |
| 100,000 | \$44.21 |
| 150,000 | \$30.60 |
| 200,000 | \$22.32 |
| 250,000 | \$16.64 |
| 300,000 | \$12.89 |

Objection 7

Regarding base claims in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:

- a. Comparison of the prior approved and current proposed medical base claims in Table 1, separately showing each change applied and a detailed description of each change.
- b. Detailed description of the reason for changes in medical rider base rates in Table 18.

Response:

a. In the previous filing, our base rate reflected claims from 2 years prior to the most recent filing. As a result, two fewer years of trend will get applied to a case, so even though the base rate increased by ~12%, this does not materially change the final rate for the case because the increase in base rate is offset by the removal of two years of trend. See below for the change of each factor from the prior approved to current proposed filings.

| Network | Percent change - current proposed vs. prior approved filing | | | | | | |
|---------------------------------|---|-----------------|------------------------------|---------------------|--------------------------------|-------|-----------------|
| | Inpatient (IP) | Outpatient (OP) | Primary Care Physician (PCP) | Emergency Room (ER) | Specialty Care Physician (SCP) | Other | Preventive Care |
| Experience-Rated In-Network | 11.8% | 11.8% | 11.8% | 11.9% | 11.8% | 11.8% | 11.9% |
| Experience-Rated Out-of-Network | 11.7% | 12.0% | 12.2% | 12.5% | 11.8% | 12.5% | 10.8% |

b. Medical rider claim cost assumptions were updated based on an analysis of more recent claims experience. The base rates in Table 18 reflect updated factors and methodology capturing the results of that experience analysis.

Objection 8

Please provide the Company's historical actual-to-expected retention for the last three years (2021-2023), separately for profit and all other retention components.

Response:

CHLIC did not file rates in 2022. We do not have 2023 actuals available yet. As such, please see the below actual-to-expected retention for the last three available years (2019-2021).

| 2019 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 8.20% | 5.60% | 1.46 |
| Quality Improvement | 0.80% | 0.10% | 8.08 |
| Premium Tax and State Assessment | 1.80% | 3.70% | 0.48 |
| PPACA Fees | 0.00% | 0.00% | --- |
| Profit | -2.10% | 1.00% | -2.07 |
| Other | 0.00% | 0.00% | --- |
| Total | 8.70% | 10.40% | 0.84 |

| 2020 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 5.80% | 6.60% | 0.87 |
| Quality Improvement | 0.80% | 0.20% | 4.00 |
| Premium Tax and State Assessment | 1.60% | 4.00% | 0.40 |
| PPACA Fees | 1.90% | 2.50% | 0.76 |
| Profit | 9.10% | -1.50% | -6.08 |
| Other | 0.00% | 0.00% | --- |
| Total | 19.20% | 11.80% | 1.63 |

| 2021 Retention A/E | Actual | Expected | A/E |
|----------------------------------|---------------|-----------------|------------|
| Admin & Access Fee | 6.70% | 6.60% | 1.01 |
| Quality Improvement | 0.20% | 0.20% | 0.85 |
| Premium Tax and State Assessment | 1.60% | 4.00% | 0.41 |
| PPACA Fees | 0.00% | 2.50% | 0.02 |
| Profit | -1.60% | -1.50% | 1.04 |

| | | | |
|-------|-------|--------|------|
| Other | 0.00% | 0.00% | --- |
| Total | 7.00% | 11.80% | 0.59 |

Objection 9

Please provide the Company's historical risk-based capital (RBC) ratio for the last three years (2021-2023).

Response:

Please see CHLIC's RBC ratios for the requested periods:

2023 – **464.536%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

2022 – **415.612%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

2021 – **477.724%** (*RBC LR033 Line 21- Ex DTA ACL RBC Ratio*)

Responses to Objections Round 2 (Received on 3/19/2024)

Objection 1 –

Comments:

The response to prior objection #1 stated that the methodology changes are driven by analysis of retrospective experience. Please provide a more detailed explanation of the change for each item in the list provided on page 4 of the act memo. For example, provide a response similar in format to the table of explanations provided in the prior approved filing (SERFF Tracking# CCGP-133388045) Objection Letter 2, Objection #1.

Response:

The table below provides a more detailed explanation of each methodology change.

| Appendix | Table # | Table Name | Reason for Change |
|----------|---------|-------------------------------------|--|
| B | 1 | Medical Base Claims | We adjusted our base rate for observed changes in medical claims from 2019 to 2021 |
| B | 2 | MSC Weighting by SCC | We updated cost by MSC based on observed changes in medical claims from 2019 to 2021 |
| B | 8 | Medical Utilization Dampening | We refined our assumptions for impacts of plan design on utilization of "Other" MSC bucket |
| B | 11 | Community Rate Loads | We reduced the range of adjustments when opting into Pathwell based on an updated analysis of the expected financial impact of utilizing the Pathwell network |
| B | 12 | Medical OON Program Savings Factors | We updated our adjustments for maximum reimbursable charge based on an analysis of FY 2021 claims experience |
| B | 13 | Industry Load | We determined that there wasn't enough differentiation between medical and pharmacy claims by industry to warrant having separate industry factors |
| B | 14 | Medical Demographic Factors | We updated our demographic factors based on an analysis of FY 2019 claims experience |
| C | 21 | Medical Area Factor Summary | We update our area factors based on area-specific claim experience |
| n/a | n/a | n/a | Pricing Adjustments for tiered benefits were previously applied as a manual process, but have now been incorporated into our automated pricing. We also added functionality to tier benefits by deductible and OOP max |

| | | | |
|---|----|---|--|
| D | 26 | MH/SUD: Trend and Adjustments | We regularly review our trend assumptions based on emerging experience and expected future changes to provider contracted rates, utilization, and other considerations |
| F | 33 | Retail AWP per Script Assumptions | We updated our AWP/script assumptions based on FY 2021 claims experience |
| F | 34 | Retail Script Count PMPY Assumptions | We updated our utilization assumptions based on FY 2021 claims experience |
| F | 35 | Script Channel Distribution Assumptions | We updated our channel mix assumptions based on FY 2021 claims experience |
| F | 36 | AWP Channel Distribution Assumptions | We updated our channel mix assumptions based on FY 2021 claims experience |
| F | 39 | Pharmacy Cost Trend | We regularly review our trend assumptions based on emerging experience, new drug pipelines, patent expirations and other considerations |
| F | 40 | Pharmacy Utilization Trend | We regularly review our trend assumptions based on emerging experience, new drug pipelines, patent expirations and other considerations |
| F | 41 | Pharmacy Area Factor | We updated our area factors based on area-specific claim experience |

Objection 2 –

Comments:

Regarding the response to prior objection question #4 – Please provide a weighted average for the overall: ordered hospital budget increase, assumed inpatient unit cost trend, and assumed outpatient unit cost trend.

Response:

Please see the revised exhibit below. Note that the weighted average budget increases and unit cost trends account for only the hospitals listed below.

| Facility | Ordered Hospital Budget Increases (FY24) | Assumed Unit Cost Trend (FY24) | |
|---|--|--------------------------------|-------------|
| | | Inpatient | Outpatient |
| Brattleboro Memorial Hospital | 1.5% | 3.5% | 3.5% |
| Central Vermont Medical Center | 5.0% | 0.0% | 0.0% |
| Copley Hospital | 8.0% | 3.5% | 3.5% |
| Gifford Memorial Hospital | 3.6% | 3.7% | 3.7% |
| Grace Cottage Hospital | 4.0% | -- | 0.0% |
| Mt. Ascutney Hospital | 5.1% | 3.5% | 3.1% |
| North Country Hospital | 4.0% | 3.5% | 3.5% |
| Northeastern Vermont Regional Hospital | 8.0% | 3.5% | 3.5% |
| Northwestern Medical Center | 6.0% | 3.5% | 3.5% |
| Porter Medical Center | 3.1% | 0.0% | 0.0% |
| Rutland Regional Medical Center | 5.6% | 3.5% | 3.5% |
| Southwestern Vermont Medical Center | 6.6% | 3.5% | 3.5% |
| Springfield Hospital | 6.0% | 3.5% | 3.5% |
| University of Vermont Medical Center | 3.1% | 4.4% | 5.0% |
| Weighted Average - VT Hospitals Only | 4.2% | 3.5% | 3.5% |

Objection 3 –

Comments:

The response to prior objection #5d indicates that the 7.2% trend in the act memo is the prior approved trend. However, this trend is calculated as $(1+7.5%)*(1-0.3%)-1= 7.2%$ where +7.5% is the prior approved trend and -0.3% is the “difference in current approved total trend vs total proposed trend”. This suggests that 7.5% is the prior approved trend, which agrees with the VT records and reports, and 7.2% is the proposed trend. Please address the following:

- a. Please clarify whether the proposed trend in this filing is 7.2% or 8.64%.
 - i. If the proposed trend is 7.2%, please reconcile to the trends shown on page 2 of the “VT 2024 Supplemental Exhibits”.
 - ii. If the proposed trend is 8.64%,
 1. Please revise the “Comparison to Status Quo” table in the act memo such that the combination of “filed and approved claims trend” and “changes to trend” line items result in the proposed trend;
 2. Please revise the table provided in prior objection #3 to show the 8.64% proposed trend.

Response:

There was a mixup of the 7.5% and 7.2% trend numbers in our previous objection response. A revised breakdown of the trend factors in this filing is below:

- **7.5%:** listed in the Actuarial Memorandum is trend from the last filed and approved filing whereas others are proposed trends. This was calculated using the prior filed and approved manuals using illustrative effective dates of 1/1/23 vs. 1/1/22.
- **7.2%:** listed in the Actuarial Memorandum the new proposal. It is calculated using the currently filed and approved manuals using illustrative effective dates of 1/1/24 vs. 1/1/23, before any changes to trend, area factors and methodology since last approved filing. This is developed to represent a blend of Medical and Rx for policies situated in Vermont.
 - Per the “Comparison to Status Quo” exhibit, there is an additional 0.7% average revision to pricing factors (trend, area factors, and methodology) since the prior approved filing
- **8.64%:** listed on page 2 of the “VT 2024 Supplemental Exhibits” tab is a 2024 trend assumption using Inpatient, Outpatient, Professional, and Other Medical Services experience for Medical only (no Rx) and VT residence only inclusive of revisions to pricing factors since the last approved filing. Because of the different basis from the above, there is not a direct crosswalk. In the future, please let us know if this support file is causing more confusion and we can remove.

CHLIC Responses to VT Objections Round 1 (Received on 4/3/2024)

1. In Table 33 – Retail AWP per Script Assumptions, non-preferred brands are frequently less expensive on a per script basis than preferred brands across all formularies. For example, on all but the National Preferred Formulary, non-preferred brands are less expensive in six drug categories, whereas preferred brands are less expensive in just two categories. On the National Preferred Formulary, non-preferred brands are less expensive in at least five drug categories.

a. Please confirm this observation and explain why Cigna would prefer brand drugs with a higher AWP per script.

b. Is it the case that Cigna expects preferred brand drugs will be cheaper net of rebates and other discounts?

c. If so, how is this expectation accounted for when Cigna calculates a subscriber's rate? In section 7.9 of the filing, it is stated simply that discounts are applied to the trended AWP per script and that discount assumptions range from 11% to 58% on brand drugs – without any evident mechanism to distinguish between preferred and non-preferred brands.

d. Regarding the impact to consumers of this preference for higher list price brand drugs, is it correct that, during the deductible phase, beneficiaries will pay those higher list prices, or a set discount off those higher list prices, e.g. AWP minus 15%, and that, at least in some cases, beneficiaries will pay more out-of-pocket during the deductible phase for a preferred brand than they would have paid for an equivalent non-preferred brand?

Response:

- a. Your observation is correct, however Table 33 is an average unit cost across many different drugs and therefore includes the impact of drug mix. Cigna's formulary decisions contemplate clinical efficacy, member cost and net cost. The utilization mix by clinical usage within preferred brand and non-preferred brand would not be consistent, including scenarios where some preferred brand drugs don't have an alternative on the non-preferred brand list.
- b. Yes, generally Cigna expects preferred brand drugs to be lower cost net of rebates and other discounts than a non-preferred brand alternative. But, not all preferred brand drugs have an alternative available on the non-preferred brand list and vice versa.
- c. The discounts applied are the same for preferred vs non-preferred brand drugs, but may vary by drug type, channel, pharmacy network, funding type, and client pricing terms.
- d. Yes, there could be some cases where a member could pay more for a preferred brand drug during the deductible phase than a non-preferred brand alternative. We don't expect this to generally be the case, but it could happen. Also, projected Rx rebates to be retained by CHLIC serve to lower the projected net claims used to develop premium rates. This is consistent with the way Rx rebates are treated for purposes of calculating the MLR's reflected in the SHCE.

2. We compared the list of FDA-approved HIV medicines¹ with the Specialty Formulary List provided in the filing and observed that all 47 FDA-approved HIV medicines are classified as specialty.² Further, when generic versions of brand HIV medicines exist, both the generic and brand versions of the medicine are classified as specialty. Lastly, although deemed specialty, each medicine is also assigned to one of four drug tiers.

a. What are the four drug tiers? Presumably Tier 1 is Generic, Tier 2 is Preferred Brand, and Tier 3 is Non-Preferred Brand. Is that correct? What is Tier 4?

b. What trend and discount assumptions are applied to the drugs on the Specialty Formulary List? Are these drugs all trended and discounted as specialty drugs or are they trended and discounted based on their drug tier?

c. How does a drug's classification as specialty affect patient access? Are beneficiaries restricted to using pharmacies that belong to Cigna's or its pharmacy benefit manager's specialty network? If so, please provide a list of all pharmacy locations in or serving Vermont that are in the specialty network.

d. How does a drug's classification as specialty affect the affordability of those drugs to consumers? Does Cigna offer plans in which all specialty drugs are subject to coinsurance rather than copays? If so, please confirm that, under such plans, all medicines for treatment of HIV would be subject to coinsurance. What are the percentages of coinsurance required under such plans?

Response:

- a. Tier 4 = specialty. For a client that has 4 tier, all specialty drugs are in tier 4. For a client that has 3 tier, specialty drugs can be split to any of the 3 tiers. Typically, tier 1 = generics, tier 2 = preferred brands, tier 3 = non-preferred brands, and where applicable, tier 4 = specialty.
- b. Specialty drugs are trended by the specialty trend assumptions.
- c. The Mandatory Mail for Maintenance Drugs benefit and the Rx Exclusive Specialty Home Delivery (ESHD) benefits are not permitted to be sold to fully insured or ASO non-ERISA plans issued in VT and therefore have not been approved by the Vermont Department of Financial Regulation. We have rules in our systems that will not allow this rider to be selected for any insured or ASO non ERISA plans issued in VT.
- d. If a client elects a 4 Tier plan, then specialty Rx is subject to the Tier 4 cost share. If a client elects a 3 Tier plan, then specialty Rx will be subject to the Generic/Preferred Brand/Non-Preferred Brand cost share, like other drugs. In either scenario, clients have the option to select copay or coinsurance options, with or without a deductible needing to be satisfied first. For the most part, medicines for treatment of HIV would following the applicable cost share for specialty Rx, but there are some that are subject to PPACA mandates and therefore the customer would pay \$0 cost share.

DELIVERED ELECTRONICALLY

April 1, 2024

Traci Hughes, FSA, MAAA
Vice President & Principal
Lewis & Ellis, Inc.

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.

Dear Ms. Hughes and Ms. Young,

To assist the Board with its review of Cigna Health and Life Insurance Company's 2024 large group rate filing (Docket No. GMCB-002-24rr), please ask Cigna to provide the following information sought by the Office of the Health Care Advocate.

1. In Table 33 – Retail AWP per Script Assumptions, non-preferred brands are frequently less expensive on a per script basis than preferred brands across all formularies. For example, on all but the National Preferred Formulary, non-preferred brands are less expensive in six drug categories, whereas preferred brands are less expensive in just two categories. On the National Preferred Formulary, non-preferred brands are less expensive in at least five drug categories.
 - a. Please confirm this observation and explain why Cigna would prefer brand drugs with a higher AWP per script.
 - b. Is it the case that Cigna expects preferred brand drugs will be cheaper net of rebates and other discounts?
 - c. If so, how is this expectation accounted for when Cigna calculates a subscriber's rate? In section 7.9 of the filing, it is stated simply that discounts



are applied to the trended AWP per script and that discount assumptions range from 11% to 58% on brand drugs – without any evident mechanism to distinguish between preferred and non-preferred brands.

- d. Regarding the impact to consumers of this preference for higher list price brand drugs, is it correct that, during the deductible phase, beneficiaries will pay those higher list prices, or a set discount off those higher list prices, e.g. AWP minus 15%, and that, at least in some cases, beneficiaries will pay more out-of-pocket during the deductible phase for a preferred brand than they would have paid for an equivalent non-preferred brand?
2. We compared the list of FDA-approved HIV medicines¹ with the Specialty Formulary List provided in the filing and observed that all 47 FDA-approved HIV medicines are classified as specialty.² Further, when generic versions of brand HIV medicines exist, both the generic and brand versions of the medicine are classified as specialty. Lastly, although deemed specialty, each medicine is also assigned to one of four drug tiers.
 - a. What are the four drug tiers? Presumably Tier 1 is Generic, Tier 2 is Preferred Brand, and Tier 3 is Non-Preferred Brand. Is that correct? What is Tier 4?
 - b. What trend and discount assumptions are applied to the drugs on the Specialty Formulary List? Are these drugs all trended and discounted as specialty drugs or are they trended and discounted based on their drug tier?
 - c. How does a drug's classification as specialty affect patient access? Are beneficiaries restricted to using pharmacies that belong to Cigna's or its pharmacy benefit manager's specialty network? If so, please provide a list of all pharmacy locations in or serving Vermont that are in the specialty network.
 - d. How does a drug's classification as specialty affect the affordability of those drugs to consumers? Does Cigna offer plans in which all specialty drugs are subject to coinsurance rather than copays? If so, please confirm that, under such plans, all medicines for treatment of HIV would be subject to coinsurance. What are the percentages of coinsurance required under such plans?



Sincerely,

/s/ Michael Barber

General Counsel
Green Mountain Care Board

Cc: GMCB Rate Review Team
Charles Becker, Esq.
Eric Schultheis, Ph.D., Esq.
Jody Sanders, MBA, FAHM, AIS, AINS



CHLIC Responses to VT Objections Round 1 (Received on 4/3/2024)

1. In Table 33 – Retail AWP per Script Assumptions, non-preferred brands are frequently less expensive on a per script basis than preferred brands across all formularies. For example, on all but the National Preferred Formulary, non-preferred brands are less expensive in six drug categories, whereas preferred brands are less expensive in just two categories. On the National Preferred Formulary, non-preferred brands are less expensive in at least five drug categories.

a. Please confirm this observation and explain why Cigna would prefer brand drugs with a higher AWP per script.

b. Is it the case that Cigna expects preferred brand drugs will be cheaper net of rebates and other discounts?

c. If so, how is this expectation accounted for when Cigna calculates a subscriber's rate? In section 7.9 of the filing, it is stated simply that discounts are applied to the trended AWP per script and that discount assumptions range from 11% to 58% on brand drugs – without any evident mechanism to distinguish between preferred and non-preferred brands.

d. Regarding the impact to consumers of this preference for higher list price brand drugs, is it correct that, during the deductible phase, beneficiaries will pay those higher list prices, or a set discount off those higher list prices, e.g. AWP minus 15%, and that, at least in some cases, beneficiaries will pay more out-of-pocket during the deductible phase for a preferred brand than they would have paid for an equivalent non-preferred brand?

Response:

- a. Your observation is correct, however Table 33 is an average unit cost across many different drugs and therefore includes the impact of drug mix. Cigna's formulary decisions contemplate clinical efficacy, member cost and net cost. The utilization mix by clinical usage within preferred brand and non-preferred brand would not be consistent, including scenarios where some preferred brand drugs don't have an alternative on the non-preferred brand list.
- b. Yes, generally Cigna expects preferred brand drugs to be lower cost net of rebates and other discounts than a non-preferred brand alternative. But, not all preferred brand drugs have an alternative available on the non-preferred brand list and vice versa.
- c. The discounts applied are the same for preferred vs non-preferred brand drugs, but may vary by drug type, channel, pharmacy network, funding type, and client pricing terms.
- d. Yes, there could be some cases where a member could pay more for a preferred brand drug during the deductible phase than a non-preferred brand alternative. We don't expect this to generally be the case, but it could happen. Also, projected Rx rebates to be retained by CHLIC serve to lower the projected net claims used to develop premium rates. This is consistent with the way Rx rebates are treated for purposes of calculating the MLR's reflected in the SHCE.

2. We compared the list of FDA-approved HIV medicines¹ with the Specialty Formulary List provided in the filing and observed that all 47 FDA-approved HIV medicines are classified as specialty.² Further, when generic versions of brand HIV medicines exist, both the generic and brand versions of the medicine are classified as specialty. Lastly, although deemed specialty, each medicine is also assigned to one of four drug tiers.

a. What are the four drug tiers? Presumably Tier 1 is Generic, Tier 2 is Preferred Brand, and Tier 3 is Non-Preferred Brand. Is that correct? What is Tier 4?

b. What trend and discount assumptions are applied to the drugs on the Specialty Formulary List? Are these drugs all trended and discounted as specialty drugs or are they trended and discounted based on their drug tier?

c. How does a drug's classification as specialty affect patient access? Are beneficiaries restricted to using pharmacies that belong to Cigna's or its pharmacy benefit manager's specialty network? If so, please provide a list of all pharmacy locations in or serving Vermont that are in the specialty network.

d. How does a drug's classification as specialty affect the affordability of those drugs to consumers? Does Cigna offer plans in which all specialty drugs are subject to coinsurance rather than copays? If so, please confirm that, under such plans, all medicines for treatment of HIV would be subject to coinsurance. What are the percentages of coinsurance required under such plans?

Response:

- a. Tier 4 = specialty. For a client that has 4 tier, all specialty drugs are in tier 4. For a client that has 3 tier, specialty drugs can be split to any of the 3 tiers. Typically, tier 1 = generics, tier 2 = preferred brands, tier 3 = non-preferred brands, and where applicable, tier 4 = specialty.
- b. Specialty drugs are trended by the specialty trend assumptions.
- c. The Mandatory Mail for Maintenance Drugs benefit and the Rx Exclusive Specialty Home Delivery (ESHD) benefits are not permitted to be sold to fully insured or ASO non-ERISA plans issued in VT and therefore have not been approved by the Vermont Department of Financial Regulation. We have rules in our systems that will not allow this rider to be selected for any insured or ASO non ERISA plans issued in VT.
- d. If a client elects a 4 Tier plan, then specialty Rx is subject to the Tier 4 cost share. If a client elects a 3 Tier plan, then specialty Rx will be subject to the Generic/Preferred Brand/Non-Preferred Brand cost share, like other drugs. In either scenario, clients have the option to select copay or coinsurance options, with or without a deductible needing to be satisfied first. For the most part, medicines for treatment of HIV would following the applicable cost share for specialty Rx, but there are some that are subject to PPACA mandates and therefore the customer would pay \$0 cost share.

CHLIC Responses to VT Objections Round 4 (Received on 4/4/2024)

Objection 1

The response to prior objection 5 from the 1st objection letter indicated that medical utilization is set nationally through a combination of multiple factors. Please provide further quantitative support for the 2.0% medical utilization trend. For example, provide historical utilization trends comparable to the assumption and/or quantitative support for utilization trend attributed to items that are expected to increase compared to what has been observed historically.

Response:

Please also see response to question 3, below, for additional trend detail.

As noted in a prior submission, we provided a blended trend that included implied VT medical trends. Upon review, we believe we inappropriately blended trend bases between the currently approved methodology and our proposed methodology. This was not an accurate representation of our trend buildup & showed an inaccurate util/mix. As such, we feel it is appropriate to clarify that the medical Utilization/Mix of focus for this filing, specific to VT residents on the methodology we're proposing, should be the following:

| VT Resident Trend - Medical Only - Proposed Methodology | | |
|--|---------------|-------------|
| 2024 | Weight | Unit |
| IP | 14.8% | 3.6% |
| OP | 53.5% | 3.6% |
| Pro | 26.3% | 4.9% |
| OMS | 5.5% | 7.2% |
| Unit Cost | 100.0% | 4.1% |
| Util/Mix | | 4.3% |
| Total Trend | | 8.6% |

Projected utilization/mix trends are determined using a combination of actual experience and assumptions for how future utilization will materialize vs. historical results. A baseline utilization/mix trend assumption was derived by taking 2022 experience and adjusting for period-specific impacts not expected to carry forward to a typical year. This baseline is further adjusted to a 2024 basis after accounting for anticipated impacts.

The exhibit below contains details on the buildup and the specific impact attributed to various period over period impacts.

Development of Baseline Utilization

| | | 2022 |
|---|-------|--|
| Observed Historical Trend¹ | | -0.2% |
| Demographic/Geographic Change | 0.3% | <== Based on fixed age/sex/area table applied to the common experience base |
| Relative Days | 0.2% | <== Includes impact from differences in relative "work days" between years |
| Provider Capacity-Related Utilization Dampening | -1.0% | <== Lower-than-normal utilization driven by provider resource & staffing constraints |
| Affordability Initiatives | -1.7% | <== National initiatives undertaken to drive trend deflection in the employer segment |
| Seasonal Respiratory Virus | -4.1% | <== Includes impacts from COVID-19, influenza, RSV; '22 impact driven by favorable impacts from a reduction in COVID-19 direct costs |
| National Unit Cost | 2.4% | <== National contracting impacts |
| Baseline Utilization/Mix | | 3.9% |

¹ National employer segment allowed claims trend for a fixed exposure base which is in-force for both experience periods

National Utilization / Service Mix Trend Projection

| | | 2024 |
|----------------------------------|------|---|
| Baseline Utilization/Mix | | 3.9% <== Jump-off of normalized 2022 utilization trend (see 'Development of Baseline Utilization') |
| Relative Days | 0.3% | <== Includes impact from differences in relative "work days" between years |
| Seasonal Respiratory Virus | 0.1% | <== Includes impacts from COVID-19, flu, RSV, etc. |
| Projected Utilization/Mix | | 4.3% |

Objection 2

The response to prior objection 5 from the 1st objection letter indicated that Rx trend drivers include price changes, inflation, new drug pipelines, etc. Please provide further quantitative support for the increase in Rx trend from 8.5% in the prior filing to 10.4% in this filing. More specifically, we observe that the observed average pharmacy trend from 2019-2022 is 9.6%, please provide further justification for a trend assumption that is higher than what has been observed historically.

The projected 2022 trend of 8.5% at the time of the prior filing was created in 2021 prior to any availability of actual experience. At the time of the most recent filing emerging experience indicated utilization pressure requiring an update those assumptions, contributing to the increase to 10.4%.

Additionally, the pricing trend of 10.4% will not align to observed 2019-2022 historical trends for Vermont due to a few reasons:

- Rx trend is set at a national level due to credibility concerns at a local level
- Observed trends will be impacted due to changes in customer mix and plan design changes. The trends referenced above are normalized for these factors
- Atypical utilization patterns resulting from the Covid pandemic

Objection 3

The response to prior objection 3 from the 2nd objection letter indicated that the 8.64% trend shown in “VT 2024 Supplemental Exhibits” does not directly relate to the proposed medical trend. Please address the following

a. Please provide quantitative support for how this 8.64% trend, after adjusting for the inclusion of Rx, VT residence, and pricing factors, reconciles to the proposed 7.2% medical and Rx trend.

b. Please provide a version of the “Pricing Trend Assumptions” from the “VT 2024 Supplemental Exhibits” that reconciles to the proposed 7.2% trend in total.

a.

| | Crosswalk | Trend | Notes | Med | Rx | VT Sitused | VT Resident | VT Non-Res | Dates | Methodology |
|-------------|---|--------|---|-----|----|------------|-------------|------------|-------|-------------|
| | Med + Rx Trend, VT CHLIC | 7.50% | Initial submission | x | x | x | x | x | 23/22 | Current |
| | Changes to trend | -0.30% | Initial submission | | | | | | | |
| | Med + Rx Trend, VT CHLIC | 7.2% | Initial submission, proposed 24/23 trend on current methodology | x | x | x | x | x | 24/23 | Current |
| | Revisions to pricing factors - trend only | 1.7% | This is a subset of the 0.7% "Revisions to Pricing Factors," isolating only the trend component | | | | | | | |
| | Med/Rx Trend, VT CHLIC | 9.0% | This is apples-to-apples basis with the 7.2% trend but on the proposed methodology | x | x | x | x | x | 24/23 | Proposed |
| a & b blend | Med + Rx Trend, VT CHLIC | 9.0% | The below breaks down the components of the 9.0% | x | x | x | x | x | 24/23 | Proposed |
| (a) | Med Only Trend (VT Situs) | 8.5% | <i>Med Only VT Situs trend is a blend of a VT resident trend (the 8.64%) and a national e.g. "non-VT resident" trend, weighted by the distribution of membership of VT sitused accounts</i> | x | | x | x | x | 24/23 | Proposed |
| | Med Only Trend (Non-VT Resident) | 8.1% | | | | x | | | 24/23 | Proposed |
| | Med Only Trend (VT Resident) | 8.6% | | | x | | x | | 24/23 | Proposed |
| (b) | Rx Trend | 10.4% | | | x | x | x | x | 24/23 | Proposed |

b. As outlined above, the 7.2% trend reflects an average trend for VT-sitused accounts, which includes residents inside and outside of Vermont. This projection is the result of running the CHLIC of VT book of business through the pricing engines using different effective dates.

Pricing factors are created at the resident state level. The 8.64% is able to be broken out at the level of granularity provided because it is a VT residence based trend and aligns to how our trends are created on a first principles basis. Unfortunately, this granularity is not available on a sitused basis as that level of detail is not contained within the pricing engine itself.

We hope the above exhibit adequately clarifies the impact each element contributes to the crosswalk.

Objection 4

Please provide the actual profit realized in 2022.

Response:

VT CHLIC large group profit in 2022 was \$3,431,889.

CHLIC Responses to VT Objections Round 5 (Received on 4/23/2024)

Objection 1

1. Regarding the response to question #1 of objection 4 – The 4.3% utilization trend ties to an 8.6% medical trend, which ties back to an overall (Med+Rx) 9.0% trend. This does not appear to tie back to the trend line items in the in the breakdown of the requested rate increase provided on page 3 of the Act Memo. Please reconcile the 9.0% trend, as well as the 1.7% subset of “Revisions to Pricing Factors” from the response to question #3 of objection 4, to the breakdown on Page 3 of the Act Memo.

Response:

| | | Average | | |
|--|--|---------|------|------|
| Filed & Approved | | 7.5% | | 9.0% |
| Changes to trend | | -0.3% | | |
| Revisions to pricing factors - Trend | | 1.7% | 0.7% | |
| Revisions to pricing factors - non-Trend | | -1.0% | | |
| Expense Changes | | 1.5% | | |
| Requested Rate Change | | 9.6% | | |

Objection 2

Regarding the 4.3% utilization trend and the support provided in the response to question #1 of objection 4 –

- a. Is the “observed historical trend” provided just observed over 2022, or over a multiyear period ending 2022? If the latter, please clarify the time period of the observed trend.
- b. The “observed historical trend” is on a national basis, can this national observed trend basis be provided for each year from 2018-2022?
- c. Can the VT-only observed utilization trend be provided for each year from 2018-2022?

Response:

- a. 2022 only
- b. We would direct the focus of your analysis toward 2022 actual experience, as well as 2018 & 2019 actual experience. Due to the noise in 2020 & 2021 caused by COVID 19, we do not assign much credibility to that experience as a reliable baseline & we refer back to 2018 & 2019 as a “pre-pandemic” baselines, recognizing there have been some fundamental shifts in utilization and mix since the pandemic.

| | 2018 | 2019 | 2022 |
|---------------------------|-------------|-------------|-------------|
| Observed Historical Trend | 4.8% | 5.4% | -0.2% |

National employer segment allowed claims trend for a fixed exposure base which is in-force for both experience periods

- c. We cannot provide that in the time period requested nor do we think it would be appropriate to do so as national utilization/mix is the primary basis by which we set this assumption.

Objection 3

Please provide the actual profit realized in 2022 as a percentage of premium.

Response:

VT CHLIC large group profit in 2022 was \$3,431,889 or 14% of health premiums earned.

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 Medical Rate Filing 2024/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Creation Date | Schedule Item Status | Schedule | Schedule Item Name | Replacement Creation Date | Attached Document(s) |
|---------------|----------------------|---------------------|----------------------|---------------------------|---|
| 02/27/2024 | | Rate | Rate manual | 08/19/2024 | VT CHLIC Template 2023 - 2.28.2024.pdf |
| 02/27/2024 | | Supporting Document | Actuarial Memorandum | 08/19/2024 | Actuarial Memorandum - VT CHLIC 2024.pdf (Superceded) |

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 101 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, pharmacy indicators 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 101 or more employees.

The anticipated large group loss ratio for this policy is 88.0%.

The components of Cigna's retention for our Large Group pricing are as follows:

| Retention Components | % of Premium |
|-----------------------------|---------------------|
| Admin | 5.1% |
| Access Fee | 0.8% |
| Quality Improvement | 0.2% |
| Tax | 2.0% |
| State Assessments | 1.9% |
| PPACA Fees* | 0.0% |
| Risk Charge | 0.0% |
| Profit | 2.0% |
| Commissions | 0.0% |
| Total Retention | 12.0% |

** PPACA fees are primarily associated with the Health Insurance Industry Fee (HIIF), which is assumed to be 2.5% for 2020 calendar months, and 0% for 2021+ calendar months due to recent legislative changes. The remainder is for the PCORI, which is currently a small amount (<0.1%), and assumed to continue for 2020 and beyond.*

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 annual increase in manual rates in Vermont is 9.6%. This figure was calculated by comparing the current filed and approved manuals using an illustrative effective date of 1/1/2023 to the proposed 1/1/2024 manuals for a representative sample of Vermont situated business.

| Category | Detail | Average | Min | Max |
|---------------------------------|--|---------|-------|-------|
| Filed and Approved Claims Trend | Filed and Approved Total (Med & Rx) Claims Trend | 7.5% | 7.5% | 7.5% |
| Changes to Trend | Difference in Current Approved Total (Med & Rx) Trend vs Total (Med & Rx) Proposed Trend | -0.3% | -0.3% | -0.3% |
| Revisions to Pricing Factors | Changes to trend, area factors, and methodology since approved 1/1/23 effective filing | 0.7% | -6.9% | 8.5% |
| Expense Changes | MLR change since our last approved filing (89.3% -> 88.0%) | 1.5% | 1.5% | 1.5% |
| Requested Rate Change | Composite change of all items listed above | 9.6% | 1.3% | 18.1% |

Changes to Methodology for the 2023 Cigna Rate Filing

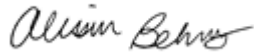
- **Medical**
 - Updates to medical base rate and MSC weightings
 - Updates to utilization dampening
 - Updates to OON Program Savings factor data
 - Updates to the medical area factors and trend
 - Updates to medical demographic factors
 - Updates to Cigna Pathwell factors
 - Removal of Tiered benefits methodology section; Now included in Community rate adjustments table to see adjustment range
- **Behavioral**
 - Updates to the MHSUD trend
- **Pharmacy**
 - Updates to average wholesale price per script
 - Updates to script count per customer
 - Updates to script channel assumptions
 - Updates to pharmacy cost trend
 - Updates to pharmacy utilization trend
 - Updates to pharmacy area factors
 - Remove Rx industry table to consolidate into one for medical/Rx

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 Green Mountain Care Board 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



Allison Behrens, FSA, MAAA
Actuarial Senior Director
Date: 8/17/2023