Actuarial Memorandum – Individual Market

General Information

Company Identifying Information

- Company Legal Name: Blue Cross & Blue Shield of Rhode Island ("BCBSRI")
- State: Rhode Island
- HIOS Issuer ID: 15287
- Market: Individual
- Effective Date: January 1, 2019

Company Contact Information

- Primary Contact Name: Catherine Mitchell
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Proposed Rate Increase(s)

This filing is being made to establish new rates to be used effective January 1, 2019 for BCBSRI's portfolio of plans in the Individual market. The RI Essential Health Benefit ("EHB") rate increase we are submitting is 14.2%, and the weighted average premium increase for the Individual market is 10.7%. The actual rate impact on any given individual currently enrolled in an individual plan, however, will depend on the subscriber's age (and the age of each dependent), the plan selected, and whether the individual is eligible for federal subsidies.

The overall average increase is driven by a number of significant factors that are outlined below. Further details on each of these factors are given later in this memorandum.

Claims Trend and Base Experience
Claims trends (both utilization and price) are projected to increase for 2019 when compared to 2017 claims.

Administrative Expense
This filing includes administrative expenses which were projected based on a combination of actual year-to-date February 2018 spend and other known adjustments.

Base Modifications
There are no modifications made to the base.

ACA Related Taxes and Fees
Rates must reflect an Exchange User Fee as well as the fee for administration of the Risk Adjustment Program. This filing does not reflect a Health Insurance Providers Fee, as it is not in effect for 2019, nor a Patient-Centered Outcomes Research Trust Fund Fee, as it has come to its scheduled end.

Cost-Sharing Reduction Subsidies
This filing reflects the fact that despite the elimination of funding for the Cost-Sharing Reduction (CSR) program, BCBSRI is required to continue to offer CSR plan variations for qualified low-income subscribers enrolled in silver plans through HealthSource RI.

In accordance with OHIC instructions, this filing adjusts the rates that apply to silver plans sold On Exchange in the Individual market to reflect the impact of losing the CSR program funding. These adjustments are reflected in the Other Adjustments column in Tab III, Plan Rates for only those plans that are affected. We used CY 2017 claims and CSR payments to estimate the required rate adjustment for 2019.

Please refer to the attached appendix titled “Appendix F: Cost Sharing Reduction Adjustment” for further details.

Uncollected Premium
This filing includes an adjustment for unpaid premium. See the section entitled “Adjustment for Uncollected Premium” for additional details.

Premium Stabilizers
BCBSRI is estimating a $15.59 PMPM payment from the Risk Adjustment Program in this filing. This estimate assumes a payment commensurate with BCBSRI’s 2016 benefit year risk adjustment transfer amount, as published by CMS on June 16, 2017, and adjusted for known changes finalized in the Notice of Benefit and Payment Parameters for 2018, including a 14% reduction in transfer payments due to the removal of administrative expenses from the calculation. BCBSRI proposes to amend the filing to reflect the actual 2017 benefit year risk adjustment transfer amount once it has been published.

Other ACA Impacts
The Tax Cuts and Jobs Act of 2017 removes the monetary penalties previously set in place to enforce the ACA insurance coverage mandate, effective January 1, 2019. BCBSRI is not including an adjustment to reflect any potential change to the overall morbidity of the Individual population resulting from the elimination of penalties.

Experience Period Premium and Claims

Paid Through Date

The experience period for this filing is incurred January – December 2017, paid through February 2018.

Premiums (net of MLR Rebate) in Experience Period

The earned premium prior to MLR rebates for the calendar year 2017 experience period is $131,911,121. For the Individual market, earned premium prior to MLR rebates is the sum of premium of each member, excluding members who are charged $0 premium because they are dependents of a family with more than three children under the age of 21. Earned premium also reflects bad debt allowance expense, uncollected balances written off, and retroactive adjustments to enrollment or rates from prior periods.

No MLR rebate is anticipated for the Individual market.

The information shown in Tab I, Data & Rate Increase differs from the information that was included in the MLR rebate calculations. This is due, in part, to differences in the definitions of each market under the ACA, which requires BCBSRI to move certain premium and claims experience between markets for MLR purposes.

Allowed and Incurred Claims during the Experience Period

Paid and allowed claims processed through our claims system are summarized by benefit category and incurred date. (We develop allowed claims by summing paid amount and coinsurance, co-pay and deductible amounts.) These claims are then completed using incurred but not reported (IBNR) factors, which are based on claim reserve estimates developed monthly for financial reporting.

In order to estimate claims incurred but not paid, we create lag triangles for each line of business (Inpatient, Outpatient, Medical/Surgical and Prescription Drugs) for the various market segments within commercial business. We use three and six-month averages based on paid claims experience for the last three years to calculate monthly multiplicative completion factors. Adjustments may be made to lag data to remove the impact of unusual payment patterns that are not expected to reoccur, or to include any known outstanding large claims. Completion factors for the total commercial book of business are applied to base claims.

Please refer to the attached appendix titled “Appendix A: Base Claims Development” for further details.

Benefit Categories

OHIC Rate Review Template

Services received during a patient's hospital stay are categorized as Inpatient Hospital claims. Services that a member receives without being admitted to a hospital (e.g., x-rays, lab tests, and some surgical procedures) fall into the Outpatient Hospital category. Primary care claims are routine healthcare services, including preventive care. The Other Medical/Surgical category represents all other claims for professional services that are not primary care. All retail/mail order pharmacy claims are included in the Prescription Drug category. The benefit category “Other Not Categorized” represents state assessments, which encompass adult immunizations, childhood immunizations and a children’s health account (used to fund various programs for children).

Unified Rate Review Template

The benefit category “Professional” includes primary care claims and other claims for professional services, except for ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, and dental services. The benefit category “Other Medical” includes these excluded services as well as state assessments.

For the projection period the benefit category “Prescription Drugs” is adjusted to be net of rebates from drug manufacturers.

Projection Factors

Changes in the Morbidity of the Insured Population

We included a population adjustment of 1.29% to reflect increased morbidity in the BCBSRI Individual member population. This adjustment is provided in the attached “Appendix B: Population Risk/Other Adjustments” and is reflected in the Pop’l Risk Morbidity column within Tab II, Rate Development.

Changes in Benefits

The “Adjustment to bring to Index Rate for Projection Period” represents additional benefits that are not reflected in base period claims on a comparable basis to the projected period because changes were made to the benefit after the base period. These include:

- A change in cost-share for behavioral health office visits and medication-assisted treatment services;
- Expansion of recommended use of statins by the U.S. Preventive Services Task Force; and
- Introduction of new drugs to treat cancer, multiple sclerosis, and tardive dyskinesia.

For the inclusion of acupuncture benefits, no adjustment to the base period claims is necessary. We based our calculations of the cost of these benefits on actual acupuncture claims experience within the Small Group market. For 2019, acupuncture is included in the "Benefits in Addition to EHB" column in Tab III, Plan Rates only for those specific plans that will have acupuncture benefits in 2019.

Please refer to the attached appendix titled "Appendix G: Non EHB Benefits" for further details.

Changes in Demographics
We made no adjustments to the demographics of the experience period claims.

Utilization Trends
Utilization projection factors were developed to project base period expenses to the rating period for expected changes in the number of services utilized by covered members (utilization) and changes in the types of services used (mix). Utilization/mix trend factors were developed separately for inpatient, outpatient, medical/surgical, and prescription drug services. The utilization/mix trend analysis used allowed claims PMPMs for outpatient, medical/surgical, and prescription drug lines of business. For inpatient services, we analyzed admissions per 1,000 members to develop the projected utilization trend.

The utilization/mix trend analysis used allowed claims PMPMs that were normalized for changes in claims costs that were due to influences other than utilization or mix. The data for outpatient and medical/surgical services were de-priced to a common price level, namely January 2015. The trend data for all types of services was also normalized for the utilization effects due to cost sharing provisions of the benefit plans inherent in the data. We made this adjustment to remove the distortion caused by a change in the mix of plans over time. The projected impact due to these factors was developed and applied separately in the rate development. We normalized the data used for the prescription drug trend to remove the impact of changes in contractual terms with our Pharmacy Benefit Manager. We also normalized the prescription drug trend data to adjust for the effect of new brand name drugs being introduced to the market and the availability of new generic drugs, as well as pricing changes associated with certain high impact drugs.

The data points used in this analysis were 12-month moving values, beginning with the period ending December 2015. Twenty-five data points, equating to three years of experience, were analyzed. Trend lines were fit to a number of sets of data points utilizing the method of linear least squares, a statistical technique for quantifying trend levels. BCBSRI's standard procedure is to determine the line that best fits the data points using the most recent 13 or more data points, generally with a minimum r-squared value of 0.70 to help assure a reasonable fit to the data points. The principle of least squares states that the line of best fit to a series of observed values is the line where the sum of the squares of the deviations (the differences between the line and the actual values) are minimal, or the least possible.

Given that the underlying data is credible, the annual trend indicated by the least squares line producing the best fit under this procedure is then selected as the basis for the trend assumption, provided the result is actuarially acceptable. Adjustment or modification to this result, or substitution of an alternative assumption, may occur if the original result is not credible, reasonable, or appropriate in our actuarial judgment.

We reviewed the results of the regression analysis both by market segment and by all insured commercial markets. In order to increase credibility and decrease the volatility associated with market segment-specific trend data, the trends selected are based on insured commercial market (Large Group, Small Group, and Individual) in total.

For inpatient admissions per 1,000 members, the total commercial data produces a best-fit line at 1.1%, with an r-squared value of .534. While this trend has fluctuated between positive and negative values over time, in recognition of the pronounced uptick in inpatient trend since mid-2017, we selected a utilization/mix trend of 1.1%.

For outpatient services, the comparable regression analysis produces a best-fit trend indication of 3.9% with a high r-squared value of .924, so we selected a utilization/mix trend of 3.9%.

For medical/surgical services, the regression analysis produces a best-fit trend of 2.2% with a high r-squared value of .945, so we selected a utilization/mix trend of 2.2%. Finally, for prescription drug services, the regression analysis produces a best-fit trend of 7.4%. This line of business always yields high reliability with its very high r-squared values, so we selected the indicated combined price and utilization trend of 7.4%. This trend is lower than prescription drug trends we have seen over the past several years.

Price/Unit Cost Trends

Price projection factors were developed for inpatient, outpatient, primary care services, and other professional services. These factors represent anticipated unit price increases during the 24 months from the experience period to the rating period. The price projection factors are based on actual unit cost increases, estimates of price increases based on negotiations, and any planned or estimated increases and adjustments to provider contracts. This information was provided by BCBSRI's Medical Economics area. I have reviewed the information for reasonableness, but have not independently audited or otherwise verified the information provided.

Other Adjustments

An adjustment is applied to the projection of prescription drugs to account for the impact of drug rebates. An adjustment is also applied to reflect the impact of pipeline Specialty drugs used for treatment of Amyotrophic Lateral Sclerosis (ALS), atopic dermatitis, tardive dyskinesia, liver disease, Duchenne Muscular Dystrophy, and migraines, as well as the impact of any new generic drugs expected to enter the market during the rating period. All of these adjustments make up the "Other" factor in the prescription drug benefit category.

Credibility Manual Rate Development

No manual rate was used.

Credibility of Experience

Given the size of our Individual block of business, the base period experience was considered to be fully credible.

Paid to Allowed Ratio

The Paid-to-Allowed Ratio for 2019 is calculated to be the ratio between expected paid claims and expected allowed claims under 2019 benefit plans. Projected allowed claims without state-mandated assessments are converted to an expected paid basis by utilizing the actual 2017 paid-to-allowed factor adjusted for the effects of trend.

For the calculation of the 2017 paid-to-allowed factor, the experience paid claims were decreased by an estimated federal cost-sharing reduction settlement of $6,823,400. In order to reflect the true cost to BCBSRI for providing these cost-sharing reductions to members, the settlement amount represents the full value of CSR for CY 2017 Individual claims even though CMS stopped reimbursing insurers for the CSR benefits effective October 1, 2017.

Please refer to the attached appendix titled "Appendix D: Calculation of Paid to Allowed Average Factor and 70% Utilization Factor in Projection Period" for further details.

Percentage Adjustments Required in Tab II, Rate Development (Sections II and III)

The percentage adjustments in Tab II, Rate Development are applied to the projected allowed claims PMPM and to the average required EHB PMPM. Note that the percentage values have been calculated so that they will produce the correct revenue when they are used in the development of projected rates.

To determine the appropriate percentages, a projected medical premium PMPM was developed based on the expected plan distribution. The starting point was to convert projected allowed claims to an expected paid claims PMPM. (See the Paid to Allowed Ratio section.) The fixed and variable retention components were then added onto the projected paid claims PMPM to determine the projected average medical premium PMPM.

Please refer to the attached appendix titled "Appendix E: Calculation of Expected Medical Premium" for further details.

Adjustment for Uncollected Premium
In total for 2017, BCBSRI had 0.59% in uncollected premium in the Individual market. This is the percentage of unpaid premium compared to the total earned premium. Individual market members have a one-month grace period for premium non-payment during which BCBSRI continues to pay claims incurred during this month. Assuming similar levels of non-payment in 2019, the overall required premium will need to increase by 0.59%. This adjustment is applied to the projected medical premium PMPM.

Please refer to the attached appendix titled "Appendix B: Population Risk/Other Adjustment" for further details.

Risk Adjustment

Projected Risk Adjustments PMPM
In this filing, BCBSRI is assuming a risk adjustment PMPM commensurate with BCBSRI's 2016 benefit year risk adjustment transfer amount, as published by CMS on June 16, 2017. We adjusted the 2016 risk adjustment PMPM to reflect the change implemented for the 2018 benefit year, in which CMS will reduce the statewide average premium in the risk adjustment transfer formula by 14% to account for administrative costs that do not vary with claims. BCBSRI proposes to amend the filing to reflect the actual 2017 benefit year risk adjustment transfer amount once it has been published.

A PMPM of $0.14 is included to reflect the fee for administration of the Risk Adjustment Program.

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load
BCBSRI creates its expense budget using current market segment allocation ratios, and applying those allocations to the anticipated 2019 corporate budget. The corporate budget is based on forecasted expenses that include known changes, such as corporate project spend, enrollment shifts, and contractual arrangements.

Market segments can either be charged directly (e.g., 100% of expense is charged to the segment) or through an allocation where the expense is benefiting more than one segment. Each corporate area is allocated based on the function that is being performed (i.e., Sales would be allocated based on contracts). These ratios are then used to distribute the particular area's expenses to the market segment. Expenses exclude premium tax because this component is reflected in a separate rating factor.

An investment credit of 0.07% is included in this filing.

Formulas in Tab IV, Retention Charge were revised to reflect the average proposed retention charges.

Profit (or Contribution to Surplus) & Risk Margin
This filing includes a 3.00% contribution to corporate reserves, which includes the amortized costs of the core claim processing system.

Taxes and Fees
The State of Rhode Island levies taxes of 2% on fully insured premium, including individual plans, pursuant to section 44-17-1 of the Rhode Island General Laws.

As part of the ACA, the federal government imposes fees for the Risk Adjustment Program (section 1343 of the ACA). The 2019 annual per capita Risk Adjustment fee is $1.68 ($0.14 PMPM).

The Exchange User Fee rate of 1.51% was calculated by applying the federal assessment rate of 3.5% to the projected proportion of BCBSRI members who purchase coverage through the Rhode Island health insurance exchange, HealthSource RI, and then spreading it across all members. If the Rhode Island legislature were to change the fee amount or the method for its collection, we would expect to be allowed to resubmit our rate filing to reflect the change.

Prior Period Adjustment
The prior period adjustment shown in Tab I, Data & Rate Increase reflects the remaining component once claims trend, population risk, administrative expense, contribution to reserve, premium tax, ACA taxes and fees, and any other ACA program recoveries have been accounted for.

Recovery of Assessments

Documentation of Payments

	1Q2017	2Q2017	3Q2017	4Q2017	Total
Care Transformation Collaborative of RI	$432,734	$856,520	$678,277	$1,282,115	**$3,249,645**
Current Care	$754,986	0	$754,986	$0	**$1,509,972**
Total	$1,187,720	$856,520	$1,433,263	$1,282,115	**$4,759,617**

See attached invoices for further documentation of payments.

Recovery of Assessments in 2019 Rates

Payments to support the Care Transformation Collaborative of RI ("CTC", formerly known as the Chronic Care Sustainability Initiative) and Current Care are included in the Out of System ("OOS") factor for PCP and Other Professional. The OOS factor is applied to the experience period professional claims to account for these two programs along with provider risk sharing payments and Patient Centered Medical Home (PCMH) expenses that are not captured in the experience period claims. The calculations for the CTC and Current Care components of the OOS factors are displayed below. To bring the payments (Line 1) to the same base as the allowed dollars (Line 6), we included an adjustment to add payments that would have been made for Rhode Island self-insured members (Line 3). OOS factors are included in Appendix A: Base Claims Development in Section C. Out-of-System Liability Factor (Multiplicative) in the factors for PCP and Other Professional.

The dollars shown in the Current Care Adjustment for R.I. Self Insured (Line 2) are not actual charges paid by BCBSRI; they are an adjustment to the actual CY2017 payments (Line 1) to keep the payments and claims expenses on the same base. This is necessary because the Total CY 2017 allowed dollars (Line 6) include self-insured claims, while the Total CY 2017 payments do not include self-insured payments for Current Care.

	CTC	Current Care
1. Total CY 2016 Payout	$3,249,645	$1,509,972
2. Adjustment for R.I. Self Insured		$1,163,553
3. Total Adjusted for Self Insured	$3,249,645	$2,673,525
4. % Allocated to Commercial	84.0%	100%
5. Total Commercial Dollars (L3 * L4)	$2,730,016	$2,673,525
6. Total CY 2016 Commercial Allowed (Contracted Providers Only)	$349,019,681	$349,019,681
7. Estimated BlueCard Spend (%)	29%	29%
8. Allowed Including BlueCard (L6/(1 - L7))	$491,577,016	$491,577,016
9. Net to Allowed (Based on Commercial)	0.80	0.80
10. Paid Dollars (L8 * L9)	$394,724,779	$394,724,779
11. Final Factor (1 + L5/L10)	1.007	1.007

Recovery of Assessments in 2018 Rates

Payments to support the Care Transformation Collaborative of RI ("CTC", formerly known as the Chronic Care Sustainability Initiative) and Current Care are included in the Out of System ("OOS") factor for PCP and Other Professional. The OOS factor is applied to the experience period professional claims to account for these two programs along with provider risk sharing payments and Patient Centered Medical Home (PCMH) expenses that are not captured in the experience period claims. The calculations for the CTC and Current Care components of the OOS factors are displayed below. To bring the payments (Line 1) to the same base as the allowed dollars (Line 6), we included an adjustment to add payments that would have been made for Rhode Island self-insured members (Line 3). OOS factors are included in Appendix A: Base Claims Development in Section C. Out-of-System Liability Factor (Multiplicative) in the factors for PCP and Other Professional.

The dollars shown in the Current Care Adjustment for R.I. Self Insured (Line 2) are not actual charges paid by BCBSRI; they are an adjustment to the actual CY2016 payments (Line 1) to keep the payments and claims expenses on the same base. This is necessary because the Total CY 2016 allowed dollars (Line 6) include self-insured claims, while the Total CY 2016 payments do not include self-insured payments for Current Care.

	CTC	Current Care
1. Total CY 2016 Payout	$5,975,499	$1,519,128
2. Adjustment for R.I. Self Insured		$793,425
3. Total Adjusted for Self Insured	$5,975,499	$2,312,553
4. % Allocated to Commercial	69.5%	100%
5. Total Commercial Dollars (L3 * L4)	$4,152,972	$2,312,553
6. Total CY 2016 Commercial Allowed (Contracted Providers Only)	$349,957,075	$349,957,075
7. Estimated BlueCard Spend (%)	32%	32%
8. Allowed Including BlueCard (L6/(1 - L7))	$514,642,757	$514,642,757
9. Net to Allowed (Based on Commercial)	0.80	0.80
10. Paid Dollars (L8 * L9)	$409,910,592	$409,910,592
11. Final Factor (1 + L5/L10)	1.010	1.006

Recovery of State Mandated Assessments in 2019 Rates

Childhood immunization, Adult immunization, and Children's Health Account payments are included in the proposed rates as State Mandated Assessments (SMA). Effective January 1, 2016, the State of Rhode Island changed the funding formula from a percentage of fully insured premium for domestic carriers to a PMPM per Rhode Island (RI) resident covered under a fully insured or self-insured arrangement with a domestic or foreign carrier. Self-insured Municipalities are excluded from these fees.

The PMPM amounts applicable to each assessment are updated annually on a fiscal year basis beginning July 1st and ending June 30th. We assumed the current 2018 fiscal year PMPM for the Children's Health Account provided by the State would continue for FY 2019 and FY 2020. The FY 2019 Adult and Child Immunization PMPM's we used were from the January 23rd, 2018 VAC Assessment Sub-Committee meeting documentation. We then produce calendar year PMPM estimates for each assessment based on the expected charges within each year. Next, the distribution of the Rhode Island adults and children was obtained from the individual market CY 2017 base and used to produce a weighted average total SMA PMPM value for the RI residents.

Calculations are displayed here:

Fiscal Year SMA PMPM's per RI Resident

Assessment	FY 2017	FY 2018 (Q1)	FY 2018 (Q2-Q4)	FY 2019	FY 2020[1]
Adult Immunization	$1.66	$2.68	$2.68	$3.03	$3.03
Child Immunization	$15.84	$12.11	$12.11	$16.35	$16.35
Child Health Account	$9.29	$7.58	$11.22	$11.22	$11.22

(1) Assumes no change in PMPM for FY 2020.

Calendar Year SMA PMPM's per RI Resident

Assessment	CY 2017	CY 2018	CY 2019	CY 2020
Adult Immunization	$2.17	$2.86	$3.03	$3.03
Child Immunization	$13.98	$14.23	$16.35	$16.35
Child Health Account	$9.35	$11.22	$11.22	$11.22

Weighted Average	$6.16	$7.12	$7.66	$7.66

	2019 PMPM	2020 PMPM	Percent of Membership [1]
Adult immunization	$3.03	$3.03	87%
Child immunization	$16.35	$16.35	13%
Child Health Account	$11.22	$11.22	13%
RI member PMPM [2]	*$6.10*	*$6.10*	
% RI Members	99%	99%	
IVL PMPM[3]	**$6.02**	**$6.02**	

[1]- Based on RI Membership.

[2]- Membership weighted PMPM applicable to all RI members.

[3]- PMPM applicable to all Individual members.

Projected Loss Ratio

The projected loss ratio using the federally prescribed MLR methodology is 86.2%.

Single Risk Pool

The Single Risk Pool reflected in this rate filing includes all covered lives for every product/plan combination issued by BCBSRI in the Individual market.

Index Rate

The Index Rate represents the average allowed claims PMPM for Essential Health Benefits, excluding any adjustments for Exchange User Fees and the Risk Adjustment impact. The difference between the Index Rate and the 2019 projected allowed claims expense is due to the removal of abortion claims and changes in benefits (see the subsection titled Changes in Benefits for more details). A description of our methodology is included elsewhere in the Actuarial Memorandum.

Market Adjusted Index Rates

The Market Adjusted Index Rate represents the Index Rate adjusted for the Risk Adjustment impact and the Exchange User Fee.

Blue Cross & Blue Shield of Rhode Island 2019 Market Adjusted Index Rate

		Paid	Paid to Allowed
2019 Index Rate	$ 605.27		
Net Risk Adjustment [1]	$ (20.35)	$ (15.45)	0.7595
Exchange User Fee [2]	$ 10.74	$ 8.16	0.7595
Market Adjusted Index Rate	$ 595.66		

[1] Reflects an estimated risk adjustment PMPM of ($15.59) less a risk adjustment fee of $0.14 PMPM.

[2] Reflects a HealthSource RI exchange fee of 3.5% of premium, weighted for BCBSRI's on-exchange enrollment only.

Plan Adjusted Index Rates

The Plan Adjusted Index Rate represents the Market Adjusted Index Rate further adjusted to include administrative costs and plan-specific factors such as utilization, cost sharing, provider network adjustments, adjustments for additional benefits, and the adjustment for uncollected premium. Plan Adjusted Index Rates reported in Tab III, Plan Rates reflect recoupment for the child dependent limit (a maximum of three dependents under the age of 21 are included in rates), whereas those reported in the Unified Rate Review Template do not.

The adjustment for the cost of providing Cost-Sharing Reduction (CSR) subsidies to qualified low-income subscribers enrolled in silver plans through HealthSource RI is included in the Other Adjustments column in Tab III, Plan Rates only for those specific plans that are affected. We calculated the adjustment factor based on CY 2017 experience for each AV cost-sharing tier, and assumed March 2018 membership levels by tier for projected CY 2019.

Please refer to the attached appendix titled “Appendix F: CSR Adjustment” for further details.

Calibration - Age Curve

A projected weighted average age was calculated using the actual age distribution for CY 2017.

The weighted average ACA age factor is 1.7143. This roughly equates to age 49.

This age calibration includes an adjustment for the child dependent limit (a maximum of three dependents under the age of 21 are included in rates).

Please refer to the attached appendix titled "Appendix C: Age Normalization" for further details.

Consumer Adjusted Premium Rate

Consumer adjusted premium rates are calculated using the following equation:

*Plan Adjusted Index Rate /Weighted Average ACA Age Factor (Age Curve Calibration) * ACA Age Factor*

AV Metal Values

BCBSRI Acceptable Alternative Methodology for Valuing Plan Designs using the Actuarial Value Calculator

Due to specific plan features and differences between underlying assumptions in the AV calculator and our plan designs, an acceptable alternative methodology was used to generate the AV metal values for some plans. The AV calculator was used to generate all AV values and metal levels; however, we had to adjust the inputs to the calculator to appropriately reflect the benefit designs of certain plans. The methodology used to develop inputs for the AV calculator is documented below.

1) 5-tier Drug Benefit
The AV calculator is set up for 4 tiers of drugs. For most of our plans, however, there are 5 tiers of drugs. In order to fit 5 tiers into the 4-tier AV calculator, we took the first two tiers and accounted for them in Tier 1. We calculated the weighted average copay for the first two tiers and entered that as the copay for Tier 1 drugs. All copays entered were rounded down to the nearest dollar.

	Tier 1 - Low Cost	Tier 1 - High Cost	Value Entered in AV Calculator for Tier 1
Weight	33%	67%	
Copays	$7	$35	$26
Copays	$10	$25	$20
Copays	$10	$30	$23
Copays	$10	$35	$27
Copays	$10	$40	$30
Copays	$10	$50	$37

2) Tiered PCP Copays (VantageBlue, BasicBlue)

For the VantageBlue and BasicBlue plans, there are two tiers of PCP copays. In order to value these plans using the AV calculator, we calculated the average copay and entered that as the PCP copay. All copays entered were rounded down to the nearest dollar.

	Weight	Copay													
Tier 1	50%	$5	$8	$10	$10	$13	$15	$15	$15	$20	$20	$25	$30	$30	$40
Tier 2	50%	$15	$23	$20	$30	$38	$25	$35	$45	$30	$40	$45	$40	$50	$60
Value Entered in AV Calculator:		$10	$15	$15	$20	$25	$20	$25	$30	$25	$30	$35	$35	$40	$50

AV Pricing Values

BCBSRI develops plan relativity values used in rating through the use of a cost model. That model simulates the payment of medical and drug claims for a standard population for different plan cost sharing provisions. The model estimates plan payments by applying each plan's deductibles, coinsurance, copays, and out of pocket maximums to the claims experience of the model's standard population.

Our cost model is built from the actual allowed claims incurred across our total commercial business (Individual, Small Group, and total Large Group) over a twelve-month period, updated each year. This data is used to develop a claim probability distribution split by type of service, utilization and cost per service. Since it is well established that member cost sharing has an impact on the utilization of medical services, our methodology adjusts the utilization factor to the appropriate level based

on the particular plan to be rated. We then re-adjudicate the claims for that plan design.

We make use of multiple data sources to develop and to keep up-to-date the assumptions built into our cost model. The foundation of our model was a rating manual purchased from a nationally known actuarial consulting firm. While we have largely retained that manual's overall structure, the underlying claim costs and utilization assumptions are updated and re-calibrated on an ongoing basis.

We calibrate the utilization effects of different cost sharing levels by comparing our actual claim experience on different plan designs adjusted to remove the effects of health status selection. The process begins by examining our actual loss ratio experience by plan design for our Small Group block. We start there because we sell a broad range of standard plans to groups that are all community rated. The utilization differences we measure here are impacted not only by plan design features but also by health status differences among groups purchasing plans of different benefit richness.

We remove the effects of these health status differences by adjusting the overall slope of our initially determined utilization differences in order to be synchronized with the utilization slope developed by performing the same exercise for our Large Group block of business for groups with a single benefit option. We assume that these cases are immune, or largely immune, to health status differences by plan design. We cannot base our utilization factor determination wholly on our Large Group experience because many of these groups have customized benefit designs. This makes it difficult for us to develop credible experience for any particular benefit plan. However, by aggregating the experience of groups with similar plan designs, we are able to determine a broad relationship between utilization rates and cost-sharing levels, which we believe allows us to remove selection effects from the more detailed analysis we are able to perform on our Small Group business. Final adjustments to the utilization assumptions in our pricing model are made based on actuarial judgment and comparisons with the pricing practices of other carriers.

RI Base Essential Health Benefit (EHB) Rate

The RI Base EHB Rate is defined as the rate for a 21-year old (age factor of 1.000) for 100% allowed dollars for EHB with a utilization assumption consistent with a plan with a 70% actuarial value. The calculation of the Base EHB rate starts with the Single Risk Pool Gross Premium Average Rate PMPM from Tab II, Rate Development. This is the average rate applicable to the benefits to be offered in the Individual market in CY 2019. We make three adjustments to this rate to convert it to the Base EHB Rate.

First, we apply an Average Benefit Factor to convert the Gross Premium Average Rate to an allowed dollar basis. This factor also incorporates a utilization adjustment to bring the costs in line with a plan consistent with a 70% actuarial value. Second, we apply a

normalization factor to convert the rate to be applicable to a 21-year old (age factor of 1.000). This normalization factor reflects the current age distribution of the Individual market portfolio and the federal default uniform age rating curve factors. Finally, we adjust the rate to reflect the rating rules related to family composition. The premium for family coverage will be computed by adding the premiums for each member of a family, with the exception that only the three oldest children under age 21 shall be counted in developing a family premium. An adjustment must therefore be made to the Base EHB rate so that overall, the revenue collected from the proposed rates equates to the required revenue. This adjustment factor is calculated as the ratio of the revenue expected to be collected from the projected membership to the revenue that would be collected if premium were attributed to every family member.

Membership Projections

Method of Analysis
Projected membership by product for 2019 reflects actual enrollment as of March 2018.

Terminated Products

There are no terminated products in the Individual market for 2019.

Warning Alerts

There are no warning alerts.

Reliance

In developing this rate filing I relied on information drawn from various areas within BCBSRI, including Medical Economics, Legal, Strategic Marketing, Financial Forecasting and Budgets. Such information included projections of provider price increases, enrollment, and operating expenses. All this information was collected and conveyed to me in accordance with our established methods and reviewed for reasonableness by me. While I did not audit this data, I consider this information to be reliable. If the underlying data or information is inaccurate or incomplete, the results of my analysis may likewise be inaccurate or incomplete.

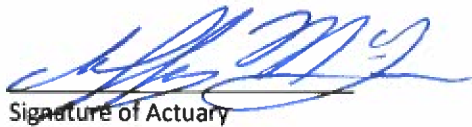
Actuarial Certification

I, Jeffrey McLane, am a member in good standing, of the American Academy of Actuaries and meet the Academy qualification standards for rendering this opinion. To the best of my knowledge and judgment, the projected Index Rate was developed in compliance with all applicable State and Federal statutes and regulations, in particular 45 CFR 156.80 and 147.102, and in compliance with applicable Actuarial Standards of Practice. It is my opinion that the Index Rate is reasonable in relation to the benefits proposed to be offered and the population anticipated to be covered, and is neither excessive nor deficient. Plan level rates were developed using only the Index Rate and allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2).

The percent of total premium that represents Essential Health Benefits included in Tab II, Rate Development, Sections II and III of the OHIC Template and in Worksheet 2, Sections III and IV of the Unified Rate Review Template, was calculated in accordance with actuarial standards of practice.

The Federal AV calculator was used to generate all AV values and metal levels. As documented in this memorandum, certain inputs to the calculator were adjusted to appropriately reflect the plan designs.

The Unified Rate Review Template does not demonstrate the exact process used to develop rates. Rather it represents information required by federal regulation to be provided in support of the review of rate increases and for certification that the Index Rate is developed in accordance with federal regulation and used consistently and that it is only adjusted by the allowable modifiers.



Signature of Actuary

5/15/18

Date

Blue Cross & Blue Shield of Rhode Island

Appendix A: Base Claims Development

for 2019 Individual Market Rate Filing

	A. On-system Claims											
	Paid						Allowed					
Incurred	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims
1/1/2017	$2,607,479	$2,060,734	$442,001	$1,568,878	$2,110,694	$0	$2,874,001	$3,175,547	$569,280	$3,143,876	$2,992,135	$0
2/1/2017	$2,689,006	$2,360,750	$401,349	$1,769,023	$2,703,105	$0	$2,860,652	$3,182,941	$507,150	$3,066,659	$3,354,035	$0
3/1/2017	$2,429,619	$2,903,547	$482,189	$2,099,634	$3,033,798	$0	$2,620,470	$3,866,816	$608,503	$3,532,355	$3,619,229	$0
4/1/2017	$2,397,346	$2,873,176	$445,548	$2,042,755	$2,849,101	$0	$2,567,049	$3,696,460	$565,957	$3,312,478	$3,340,051	$0
5/1/2017	$3,437,071	$2,882,079	$496,985	$2,283,736	$3,259,775	$0	$3,605,121	$3,587,455	$612,306	$3,570,679	$3,734,682	$0
6/1/2017	$2,321,037	$3,039,835	$476,492	$2,137,692	$3,138,104	$0	$2,412,672	$3,743,024	$577,610	$3,278,136	$3,572,962	$0
7/1/2017	$3,343,075	$2,825,347	$410,545	$2,003,223	$3,108,778	$0	$3,479,416	$3,401,751	$502,051	$2,984,978	$3,490,865	$0
8/1/2017	$3,253,760	$2,837,305	$471,479	$2,347,582	$3,154,519	$0	$3,392,163	$3,437,354	$569,124	$3,401,367	$3,553,267	$0
9/1/2017	$3,226,061	$2,770,510	$447,425	$2,275,542	$3,220,015	$0	$3,347,266	$3,278,446	$540,397	$3,241,570	$3,604,460	$0
10/1/2017	$3,355,501	$3,035,272	$457,844	$2,463,014	$3,180,805	$0	$3,467,402	$3,577,447	$554,645	$3,486,467	$3,620,796	$0
11/1/2017	$3,375,581	$3,017,950	$448,113	$2,416,153	$3,207,860	$0	$3,493,945	$3,557,210	$543,669	$3,409,373	$3,614,033	$0
12/1/2017	$2,887,700	$2,802,109	$448,437	$2,282,741	$3,099,706	$0	$2,988,265	$3,256,196	$540,162	$3,090,453	$3,504,639	$0

	B. IBNR Adjustment (Divisional)											
	Paid						Allowed					
Incurred	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims
1/1/2017	1.0008	0.9977	0.9987	0.9987	1.0000	1.0000	1.0008	0.9977	0.9987	0.9987	1.0000	1.0000
2/1/2017	0.9991	0.9965	0.9978	0.9978	1.0000	1.0000	0.9991	0.9965	0.9978	0.9978	1.0000	1.0000
3/1/2017	0.9996	0.9958	0.9977	0.9977	1.0000	1.0000	0.9996	0.9958	0.9977	0.9977	1.0000	1.0000
4/1/2017	0.9973	0.9956	0.9969	0.9969	1.0000	1.0000	0.9973	0.9956	0.9969	0.9969	1.0000	1.0000
5/1/2017	0.9970	0.9949	0.9956	0.9956	1.0000	1.0000	0.9970	0.9949	0.9956	0.9956	1.0000	1.0000
6/1/2017	0.9951	0.9977	0.9950	0.9950	1.0000	1.0000	0.9951	0.9977	0.9950	0.9950	1.0000	1.0000
7/1/2017	0.9937	0.9950	0.9930	0.9930	1.0000	1.0000	0.9937	0.9950	0.9930	0.9930	1.0000	1.0000
8/1/2017	0.9633	0.9903	0.9904	0.9904	1.0000	1.0000	0.9633	0.9903	0.9904	0.9904	1.0000	1.0000
9/1/2017	0.9477	0.9852	0.9856	0.9856	1.0000	1.0000	0.9477	0.9852	0.9856	0.9856	1.0000	1.0000
10/1/2017	0.9828	0.9792	0.9824	0.9824	1.0000	1.0000	0.9828	0.9792	0.9824	0.9824	1.0000	1.0000
11/1/2017	0.9816	0.9703	0.9729	0.9729	1.0000	1.0000	0.9816	0.9703	0.9729	0.9729	1.0000	1.0000
12/1/2017	0.8633	0.9561	0.9593	0.9593	1.0000	1.0000	0.8633	0.9561	0.9593	0.9593	1.0000	1.0000

	C. Out-of-System Liability Factor (Mulitplicative)											
Incurred	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims
CY 2017	1.0054	1.0041	1.0847	1.0847	1.0000	1.0000	1.0054	1.0041	1.0847	1.0847	1.0000	1.0000

	D. Total CY 2016 Claims Liability [(A/B)*C]											
	Paid						Allowed					
Incurred	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims	Inpatient	Outpatient	PCP	Other Professional	Rx	Other Claims
1/1/2017	$2,619,464	$2,073,953	$480,062	$1,703,977	$2,110,694	$0	$2,887,211	$3,195,917	$618,301	$3,414,601	$2,992,135	$0
2/1/2017	$2,705,962	$2,378,755	$436,303	$1,923,090	$2,703,105	$0	$2,878,691	$3,207,216	$551,318	$3,333,739	$3,354,035	$0
3/1/2017	$2,443,716	$2,927,749	$524,236	$2,282,723	$3,033,798	$0	$2,635,674	$3,899,046	$661,564	$3,840,379	$3,619,229	$0
4/1/2017	$2,416,817	$2,897,706	$484,789	$2,222,666	$2,849,101	$0	$2,587,898	$3,728,019	$615,803	$3,604,218	$3,340,051	$0
5/1/2017	$3,466,030	$2,908,730	$541,462	$2,488,117	$3,259,775	$0	$3,635,495	$3,620,629	$667,103	$3,890,233	$3,734,682	$0
6/1/2017	$2,345,061	$3,059,335	$519,448	$2,330,407	$3,138,104	$0	$2,437,645	$3,767,035	$629,682	$3,573,663	$3,572,962	$0
7/1/2017	$3,382,437	$2,851,187	$448,458	$2,188,213	$3,108,778	$0	$3,520,383	$3,432,862	$548,414	$3,260,630	$3,490,865	$0
8/1/2017	$3,395,962	$2,876,843	$516,370	$2,571,105	$3,154,519	$0	$3,540,414	$3,485,254	$623,313	$3,725,225	$3,553,267	$0
9/1/2017	$3,422,477	$2,823,659	$492,412	$2,504,343	$3,220,015	$0	$3,551,061	$3,341,339	$594,733	$3,567,503	$3,604,460	$0
10/1/2017	$3,432,662	$3,112,456	$505,521	$2,719,494	$3,180,805	$0	$3,547,137	$3,668,417	$612,402	$3,849,522	$3,620,796	$0
11/1/2017	$3,457,426	$3,123,079	$499,608	$2,693,803	$3,207,860	$0	$3,578,659	$3,681,124	$606,144	$3,801,158	$3,614,033	$0
12/1/2017	$3,363,018	$2,942,786	$507,057	$2,581,142	$3,099,706	$0	$3,480,136	$3,419,669	$610,772	$3,494,438	$3,504,639	$0

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Appendix B: Population Risk/Other Adjustments

for 2019 Individual Market Rate Filing

Bad Debt 2017	$810,112
Total Premium Individual Market 2017	$137,038,100
Uncollected Premium Adjustment	**1.0059**
Population Adjustment	**1.0129**

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Appendix C: Age Normalization

for 2019 Individual Market Rate Filing

Age	ACA Age Factor	Member Months
0 - 14	0.765	29,524
15	0.833	2,739
16	0.859	2,517
17	0.885	2,926
18	0.913	3,217
19	0.941	3,732
20	0.970	4,290
21	1.000	4,209
22	1.000	3,620
23	1.000	3,559
24	1.000	3,089
25	1.004	2,650
26	1.024	7,362
27	1.048	5,372
28	1.087	4,717
29	1.119	4,628
30	1.135	4,701
31	1.159	4,131
32	1.183	4,254
33	1.198	4,067
34	1.214	4,514
35	1.222	4,293
36	1.230	3,782
37	1.238	4,147
38	1.246	3,913
39	1.262	4,496
40	1.278	3,678
41	1.302	4,164
42	1.325	4,199
43	1.357	4,098
44	1.397	4,739
45	1.444	4,973
46	1.500	5,568
47	1.563	6,020
48	1.635	5,779
49	1.706	6,340
50	1.786	6,513
51	1.865	7,514
52	1.952	7,409
53	2.040	7,682
54	2.135	7,921
55	2.230	8,249
56	2.333	8,060
57	2.437	8,982
58	2.548	9,745
59	2.603	9,664
60	2.714	9,672
61	2.810	10,389
62	2.873	12,362
63	2.952	12,613
64	3.000	6,837
65+	3.000	2,262

	Member Months	ACA Age Factor	Weighting
> 3 children under 21 years old	923	0.8219	759
All Other	314,958		
Total	315,881	1.7167	542,260

ACA Age Normalization Factor	1.7167
Adjustment for >3 children under 21	0.9986

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Appendix D: Calculation of Paid to Allowed Average Factor and 70% Utilization Factor in Projection Period

for 2019 Individual Market Rate Filing

1.	Allowed Claims PMPM	$	**599.25**
2.	State-Mandated Assessments	$	**6.02**
3.	2019 Projected Allowed PMPM	$	**605.27**
4.	2017 Actual Net to Allowed		0.7717
5.	2-Year Paid Leveraging Factor		1.0201
6.	2019 Expected Net to Allowed		0.7872
7.	2019 Expected Paid Under Current Benefit Design		$471.75
8.	Average 2017 EHB Benefit Factor Relative to 70% Silver		0.6828
9.	Average 2019 EHB Benefit Factor Relative to 70% Silver		0.6567
10.	Benefit Adjustment		0.9617
11.	2019 Expected Paid under EHB Benefit Design		$459.71
12.	**2019 Paid-to-Allowed Factor (line 11 divided by line 3)**		**0.7595**
13.	**70% Silver Plan Utilization Adjustment**		**0.1566**

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Appendix E: Calculation of Expected Medical Premium

for 2019 Individual Market Rate Filing

Projected Claims	**PMPM**		
Projected Allowed Claims	$603.34		
Mandated/Additional Benefits	$1.97		
Abortion Claims	-$0.04		
Allowed Adjustment	$1.93		
Total Allowed Claims	$605.27		
Paid to Allowed Factor	0.7595		
Paid Claims Before Risk Adjustment	$459.71		
Risk Adjustment	-$15.59	-3.39%	
Risk Adjustment Fee	$0.14	0.03%	
Paid Claims	$444.26		

Projected Retention	**PMPM**	**% Premium**	
Admin	$60.42	11.20%	*PMPM*
PCORI	$0.00	0.00%	*PMPM*
Premium Tax	$10.79	2.00%	*%*
Health Insurer Tax	$0.00	0.00%	*%*
Investment Income	-$0.38	-0.07%	*%*
Contribution to Reserves	$16.18	3.00%	*%*
Exchange User Fees	$8.16	1.51%	*%*
Other Retention	$0.00	0.00%	*%*
Total After Claims	$95.17	17.64%	
EHB Projected Premium	**$539.43**	100.00%	
EHB Projected Premium Adjusted for Uncollected Premium	**$542.62**		
EHB Projected Premium with CSR Adjustment	**$562.79**		

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Appendix F: Cost Sharing Reduction Adjustment

for 2019 Individual Market Rate Filing

	CY 2017								Projected Member Months
CSR Type	Paid Claims	CSR	Member Months	Paid PMPM	CSR PMPM	% Impact	Paid-CSR	CSR/(Paid-CSR)	CY 2019
73% AVLevel	$6,651,301	$235,967	17,281	$384.89	$13.65	3.5%	$371.24	3.7%	8,284
87% AVLevel	$20,884,757	$4,217,342	42,011	$497.13	$100.39	20.2%	$396.74	25.3%	24,408
94% AVLevel	$9,910,909	$2,339,813	15,924	$622.39	$146.94	23.6%	$475.45	30.9%	9,768
Zero Cost Sharing	$74,789	$30,279	87	$859.64	$348.04	40.5%	$511.61	68.0%	120
Grand Total	**$37,521,756**	**$6,823,400**	**75,303**	**$498.28**	**$90.61**	**18.2%**	**$407.66**	**22.2%**	**42,580**

Weighted Avg CSR PMPM	$94.89

	W/CSR Adj.	WO/CSR Adj.
Weighted Avg Claims PMPM	$410.16	$410.16
Admin Load	$60.42	$60.42
Weighted Avg CSR PMPM	$94.89	
Variable retention	$38.94	$32.40
Total Premium	$604.40	$502.98
Additional Premium Needed for CSR	$101.42	
On Exchange Silver Plan Premium Adj.	**20.2%**	

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Appendix G: Non EHB Benefits

for 2019 Individual Market Rate Filing

Acupuncture PMPM - Based on Small Group Population

		PAID	ALLOWED	MEMBERS
Small Group	201701	$5,316.13	$7,895.20	21,799
Small Group	201702	$4,661.21	$6,881.21	21,592
Small Group	201703	$7,096.60	$10,414.05	21,415
Small Group	201704	$5,295.48	$7,805.54	21,267
Small Group	201705	$9,294.79	$13,554.97	21,026
Small Group	201706	$6,367.41	$9,141.32	20,744
Small Group	201707	$5,864.00	$8,294.00	20,463
Small Group	201708	$6,278.51	$9,008.51	20,200
Small Group	201709	$5,184.23	$7,423.41	19,919
Small Group	201710	$4,782.01	$7,031.88	19,192
Small Group	201711	$5,009.62	$7,439.62	18,902
Small Group	201712	$4,670.48	$6,680.35	18,608
Total		$69,820.47	$101,570.06	245,127

C. Ratio	0.9879
Completed	$102,809
Member Months	245,127
2017 PMPM	$0.42
2 Yr. Trend	1.083
2019 Allowed PMPM	$0.45
Market Adjusted Index Rate	$595.66
Factor	**1.0008**

Rate Template Part I
Data and Explanation of Rate Increase

A1 Incurred and Paid

Calendar Year Experience	Paid Through Date	Inpatient Days/1000	Total	Inpatient Hospital	Outpatient Hospital	Primary Care	Other Med/Surg	Prescription Drugs	Capitation	Claims not Otherwise categorized (explain)
CY 2015	2/28/2018	330.25	$ 120,590,148	$ 28,913,388	$ 29,620,827	$ 4,756,387	$ 25,272,976	$ 29,253,258	$ -	$ 2,773,312
CY 2016	2/28/2018	328.48	$ 133,499,398	$ 32,934,809	$ 34,154,467	$ 5,694,719	$ 26,585,207	$ 32,357,920	$ -	$ 1,772,276
CY 2017	2/28/2018	346.03	$ 137,463,384	$ 35,323,236	$ 33,408,615	$ 5,428,407	$ 25,689,972	$ 36,066,259	$ -	$ 1,546,895

A2 Completed and Incurred

Calendar Year Experience	Member Months	Earned Premium	Total Incurred Claims	Inpatient Hospital	Outpatient Hospital	Primary Care	Other Med/Surg	Prescription Drugs	Capitation	Claims not Otherwise categorized (explain)
CY 2015	293,850	$ 112,309,035	$ 122,565,549	$ 28,913,388	$ 29,659,334	$ 5,063,174	$ 26,903,083	$ 29,253,258	$ -	$ 2,773,312
CY 2016	332,438	$ 130,057,741	$ 135,931,249	$ 32,918,342	$ 34,181,791	$ 6,121,823	$ 28,579,098	$ 32,357,920	$ -	$ 1,772,276
CY 2017	315,881	$ 131,911,121	$ 142,205,230	$ 36,451,033	$ 33,976,237	$ 5,955,726	$ 28,209,079	$ 36,066,259	$ -	$ 1,546,895

Calendar Year Experience	Loss Ratio	Investment Income Credit	Contribution to Reserves	State taxes and Licensing or regulatory Fees	Health Care Quality Expenses	Fraud & Abuse	Advanced Pmt CSR
CY 2015	109.1%	$ -	$ 9,700,612	$ 5,027,100	$ 544,557	$ 48,677	$ 8,000,000
CY 2016	104.5%	$ -	$ (9,814,006)	$ 6,862,463	$ 676,779	$ 41,943	$ 6,729,319
CY 2017	107.8%	$ -	$ (19,131,211)	$ 6,436,795	$ 648,286	$ 50,421	$ 6,220,949

A3 Allowed

Calendar Year Experience	Total	Inpatient Hospital	Outpatient Hospital	Primary Care	Other Med/Surg	Prescription Drugs	Capitation	Claims not Otherwise categorized
CY 2015	$ 149,182,780	$ 30,649,954	$ 36,243,130	$ 6,464,575	$ 38,677,045	$ 34,374,765	$ -	$ 2,773,312
CY 2016	$ 168,975,348	$ 34,682,416	$ 42,451,167	$ 7,619,527	$ 43,637,981	$ 38,811,980	$ -	$ 1,772,276
CY 2017	$ 174,969,837	$ 38,280,405	$ 42,446,526	$ 7,339,549	$ 43,355,309	$ 42,001,154	$ -	$ 1,546,895

B Average Rate Increase Components

Should reconcile with rate increase for 21 year old EHB rate, 0% cost sharing, silver utilization

Claims Category Part I	Assumed Weight	Cost	Utilization,Other	Total
Inpatient Hospital	18.6%	0.4%	0.2%	0.6%
Outpatient Hospital	21.8%	0.5%	0.8%	1.4%
Primary Care	3.8%	0.2%	0.1%	0.2%
Other Medical/Surgical	21.3%	0.4%	0.5%	0.9%
Prescription Drug	19.0%	0.0%	1.4%	1.4%
Capitation	0.0%	0.0%	0.0%	0.0%
Other Not Categorized	0.9%	0.0%	0.0%	0.0%
Total Projected Claims	85.2%			4.6%

Adjustments & Retention Part II	Assumed Weight	CY 2018 Adjustment	CY 2019 Adjustment	Total
Population Risk Adjustment	85.2%	0.00%	1.3%	1.11%
Other Adjustment	85.2%	-3.21%	0.8%	3.5%
Risk Adjustment		-3.24%	-2.9%	0.4%
Exchange User Fee		1.80%	1.5%	-0.3%
Admin Expense Load		11.9%	11.2%	-0.6%
ACA Taxes & Fees		2.2%	0.0%	-2.1%
Broker Commision		0.0%	0.0%	0.0%
Premium Tax		2.0%	2.0%	0.0%
Other Retention Charge		0.0%	0.0%	0.0%
Contribution to Reserve		2.8%	3.0%	0.2%
Investment Income Credit		-0.1%	-0.1%	0.0%
Prior Period Adjustment (+/-)				7.0%
Total				14.2%

1/1/2019 EHB 21 year old rate increase	14.2%

Calculation of Weights

Claims Category	Index Rate PMPM	% Distribution
Inpatient Hospital	$131.95	18.6%
Outpatient Hospital	$154.77	21.8%
Primary Care	$26.81	3.8%
Other Medical/Surgical	$151.02	21.3%
Prescription Drug	$134.69	19.0%
Capitation	$0.00	0.0%
Other Not Categorized	$6.04	0.9%
Total Projected Claims	$605.27	85.2%

Adjustments & Retention Par	PMPM	% Distribution
Risk Adjustment	-$20.35	-2.9%
Exchange User Fee	$10.74	1.5%
Administrative Expense l	$79.55	11.2%
ACA Fees and Taxes	$0.00	0.0%
Broker Commissions	$0.00	0.0%
Premium Tax	$14.20	2.0%
Other Retention Charge	$0.00	0.0%
Contribution to Reserve	$21.31	3.0%
Investment Income Cred	-$0.50	-0.1%
Retention	*$114.56*	*16.1%*
Total Theoretical Rate	$710.22	

C Enrollment Statistics

Age Category	Membership Enrollment 31-Dec-16	31-Dec-17	31-Mar-18
<18	3,077	2,869	2,537
18-24	2,210	2,027	1,691
25-29	2,175	1,845	1,563
30-34	1,915	1,714	1,449
35-39	1,739	1,653	1,439
40-44	1,783	1,620	1,371
45-49	2,425	2,174	1,870
50-54	3,221	2,851	2,387
55-59	3,826	3,485	2,954
60-64	4,788	4,590	4,108
65+	263	241	169
Total	27,422	25,069	21,538

	31-Dec-17		31-Mar-18	
Policy Type	Number of Subscribers/ Policyholders	Number of Members	Number of Subscribers/ Policyholders	Number of Members
Single Policy	11,903	11,903	10,316	10,316
Dual Policy	2,070	4,140	1,684	3,368
EC Policy	748	1,810	654	1,582
Family Policy	1,902	7,216	1,653	6,272
Total	16,623	25,069	14,307	21,538

D Distribution of Rate Increases

Rate Change Distribution	% Distribution	Avg Rate Change
reduction of 10% or more	0.0%	0.0%
reduction between 5.01% and 9.99%	0.0%	0.0%
reduction of 5% or less	0.0%	0.0%
increase of less than 5%	0.0%	0.0%
increase between 5.01% and 9.99%	44.7%	8.1%
increase between 10.0% and 14.99%	53.4%	12.2%
increase of 15% or more	1.8%	18.9%
Total	100.0%	10.7%

Rate Template Part II
Rate Development

Company Legal Name:	**Blue Cross & Blue Shield of Rhode**	State:	**RI**
HIOS Issuer ID:		Market:	**Individual**
Effective Date:	**1/1/2018**		

Experience Period: 1/1/2017 to 12/31/2017

Section I: Index Rate for Projection Period

Projection Period: 1/1/2019 to 12/31/2019 Mid-point to Mid-point, Experience to Projection: 24 months

	Experience Period				Adj't. from Experience to Projection Period	Annualized Trend Factors			Projections, before credibility Adjustment			Credibility Manual		
Benefit Category	on Actual Experience Allowed	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util & Other	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital	Utilization Description	346.03	$ 4,202.57	$ 121.19	1.013	1.000	1.024	1.011	358.24	$ 4,405.85	$ 131.53			$ -
Outpatient Hospital	admit/days	2,237.63	$ 720.63	$ 134.38	1.013	1.000	1.025	1.039	2,446.68	$ 756.67	$ 154.28			-
Primary Care	services	2,283.76	$ 122.09	$ 23.24	1.013	1.000	1.043	1.022	2,416.07	$ 132.71	$ 26.72			-
Other Medical/Surgical	services	11,972.68	$ 137.57	$ 137.25	1.013	1.000	1.018	1.022	12,666.32	$ 142.62	$ 150.54			-
Prescription Drug	services	15,889.69	$ 100.42	$ 132.97	1.013	0.864	1.000	1.074	18,564.41	$ 86.78	$ 134.26			-
Capitation	scripts				1.000	1.000	1.000	1.000	-	-	-	-	-	-
Other Not Categorized	-	1.00	$ 135.09	$ 4.90	1.000	1.229	1.000	1.000	1.00	$ 165.96	$ 6.02			-
Total	-			$ 553.91							$ 603.34	-		$ -

				PMPM	% Adjustment
(1)	Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	100%	0%	$603.34	
(2)	Adjustment to bring to Index Rate for Projection Period			$1.93	0.3%
(3)	Index Rate for the Projection Period			$605.27	

Section II: Market Adjusted Index Rate

(4)	Risk Adjustment Impact	-$20.35	-3.4%
(5)	Exchange User Fees	$10.74	1.8%
(6)	Market Adjusted Index Rate	$595.66	-1.6%

Section III: Calculation of EHB Rate for 21 Year Old, 0% Cost Sharing, Silver Utilization Level

Section III A: Market Adjusted Index Rate Silver Utilization Level

(7)	Experience Period Paid to Allowed Ratio	81%
(8)	Paid to Allowed Ratio in Projection Period	76%
(9)	Projected Federal Actuarial Value	72%
(10)	Adjustment to Silver Level utilization	1.16
(11)	Market Adjusted Index Rate Silver Utilization Level	$688.96

Section III B: Retention Charge

		PMPM	% Charge
(12)	Administrative Expense Load	$92.01	11.2%
(13)	ACA Fees and Taxes	$0.00	0.0%
(14)	Broker Commission	$0.00	0.0%
(15)	Premium Tax	$16.43	2.0%
(16)	Other Retention Charge	$0.00	0.0%
(17)	Contribution to Reserve	$24.64	3.0%
(18)	Investment Income Credit	-$0.58	-0.1%
(19)	Total Retention Charge	$132.51	16.1%
(20)	**1/1/2019 EHB Revenue Requirement for 0% cost sharing, silver utilization level (70%)**	$821.47	

Section III C: Age Normalization/Calibration

(21)	Age Normalization to 21 year old	1.7143
***	Uncollected Premium Adjustment	1.0059
(22)	**1/1/2019 EHB Rate for 21 year old, 0% cost sharing, silver utilization level (70%)**	$482.03
(23)	**1/1/2018 Approved EHB Rate for 21 year old, 0% cost sharing, silver utilization level (70%)**	$421.95
(24)	**RATE INCREASE**	14.2%
(25)	**1/1/2017 Approved EHB Rate for 21 year old, 0% cost sharing, silver utilization level (70%)**	$381.56
(26)	**1/1/2019 Weighted Average Increase for All Plan Offerings**	10.7%

Section IV: Annual Trend Assumption

	Cost	Utilization	Projected PMPM
Inpatient Hospital	2.4%	1.1%	$125.45
Outpatient Hospital	2.5%	3.9%	$143.06
Primary Care	4.3%	2.2%	$24.76
Other Medical/Surgical	1.8%	2.2%	$142.82
Prescription Drug	0.0%	7.4%	$142.80
Capitation	0.0%	0.0%	$0.00
Other Not Categorized	0.0%	0.0%	$4.90
			$583.79
Annual Trend			*5.4%*

Rate Template Part III
Plan Rates

Carrier Name:	Blue Cross & Blue Shield of Rhode Island	**User Fee Market Adj**	**$10.74**
Plan Type(s):		**Avg Plan Adj**	**0.9057**
Market Segment:	Individual	**Avg Admin**	**1.19**
Rate Effective Date:	1/1/2019	**Avg User Fee**	**$8.16**
Market Adjusted Index Rate	$595.66	**Calibrated Fee**	**$4.98**
		User Fee %	**1.5%**

Plan Number	2018 & 2019 HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, Indemnity, Other)	1/1/18 & 1/1/19 Carrier Plan Code or Name	Discontinued, New, Modified, Existing (D, N, M, E) for 2019	2019 HIOS Plan ID (Standard Component)	1/1/19 Carrier Plan Code or Name	2019 Metallic Tier	Metallic Tier Actuarial Value	Standard AV, Approach (1), Approach (2)	Exchange On/Off or Off	Pedi-Dental Y or N	Abortion Benefit Y or N	45 CFR Part 156.8 (d) (2) Allowable Factors: Provider Network	Utilization Management	Benefits in addition to EHB	AV and Cost Sharing	Distribution and Admin Costs less Exchange Fees	Cat Plan Adjustment	Proposed 1/1/19 Plan Adjustment	Other Adjustments (Calibration, 3 child cap etc.)
Totals								**0.7217**					**0.9877**	**1.1115**	**1.0001254**	**0.6857**	**1.1923**	**1.0000**	**0.9057**	**0.6110**
Plan 1A	15287RI0270003	PPO	VantageBlue Direct 1325/2650 WPD	M	15287RI0270003	VantageBlue Direct 1375/2750 WPD	Gold	0.8194	Standard AV	On/Off	Y	Y	1.0000	1.2560	1.0000	0.7715	1.19	1.00	1.155	0.59
Plan 1B	15287RI0360001	PPO	VantageBlue Direct 1325/2650 WOPD	M	15287RI0360001	VantageBlue Direct 1375/2750 WOPD	Gold	0.8194	Standard AV	On/Off	N	Y	1.0000	1.2560	1.0000	0.7700	1.19	1.00	1.153	0.59
Plan 2A	15287RI0270004	PPO	VantageBlue Direct 4850/9700 WPD	M	15287RI0270004	VantageBlue Direct 5525/11050 WPD	Silver	0.7193	Standard AV	On/Off	Y	Y	1.0000	1.1137	1.0000	0.6462	1.19	1.00	0.858	0.71
Plan 2B	15287RI0360002	PPO	VantageBlue Direct 4850/9700 WOPD	M	15287RI0360002	VantageBlue Direct 5525/11050 WOPD	Silver	0.7193	Standard AV	On/Off	N	Y	1.0000	1.1137	1.0000	0.6449	1.19	1.00	0.856	0.71
Plan 4A	15287RI0020005	PPO	BlueSolutions for HSA Direct 1400/2800 WPD	E	15287RI0020005	BlueSolutions for HSA Direct 1400/2800 WPD	Gold	0.7926	Standard AV	On/Off	Y	N	1.0000	1.1766	1.0000	0.8054	1.19	1.00	1.130	0.59
Plan 4B	15287RI0350001	PPO	BlueSolutions for HSA Direct 1400/2800 WOPD	E	15287RI0350001	BlueSolutions for HSA Direct 1400/2800 WOPD	Gold	0.7926	Standard AV	On/Off	N	N	1.0000	1.1766	1.0000	0.8038	1.19	1.00	1.128	0.59
Plan 5A	15287RI0020006	PPO	BlueSolutions for HSA Direct 4100/8200 WPD	E	15287RI0020006	BlueSolutions for HSA Direct 4100/8200 WPD	Silver	0.6915	Standard AV	On/Off	Y	N	1.0000	1.0257	1.0000	0.6608	1.19	1.00	0.808	0.71
Plan 5B	15287RI0350002	PPO	BlueSolutions for HSA Direct 4100/8200 WOPD	E	15287RI0350002	BlueSolutions for HSA Direct 4100/8200 WOPD	Silver	0.6915	Standard AV	On/Off	N	N	1.0000	1.0257	1.0000	0.6594	1.19	1.00	0.806	0.71
Plan 6A	15287RI0020008	PPO	BlueSolutions for HSA Direct 6000/12000 WPD	M	15287RI0020008	BlueSolutions for HSA Direct 6000/12000 WPD	Bronze	0.6194	Standard AV	On/Off	Y	N	1.0000	0.9532	1.0000	0.5945	1.19	1.00	0.676	0.59
Plan 6B	15287RI0350003	PPO	BlueSolutions for HSA Direct 6000/12000 WOPD	M	15287RI0350003	BlueSolutions for HSA Direct 6000/12000 WOPD	Bronze	0.6194	Standard AV	On/Off	N	N	1.0000	0.9532	1.0000	0.5934	1.19	1.00	0.674	0.59
Plan 11A	15287RI0800002	POS	BlueCHiP Direct 2300/4600 WPD	E	15287RI0800002	BlueCHiP Direct 2300/4600 WPD	Gold	0.7817	Standard AV	On/Off	Y	Y	0.9434	1.2041	1.0000	0.7556	1.19	1.00	1.023	0.59
Plan 11B	15287RI0810002	POS	BlueCHiP Direct 2300/4600 WOPD	E	15287RI0810002	BlueCHiP Direct 2300/4600 WOPD	Gold	0.7817	Standard AV	On/Off	N	Y	0.9434	1.2041	1.0000	0.7541	1.19	1.00	1.021	0.59
Plan 10A	15287RI0800001	POS	BlueCHiP Direct 4800/9600 WPD	E	15287RI0800001	BlueCHiP Direct 4800/9600 WPD	Silver	0.6946	Standard AV	On/Off	Y	Y	0.9434	1.1023	1.0000	0.6576	1.19	1.00	0.815	0.71
Plan 10B	15287RI0810001	POS	BlueCHiP Direct 4800/9600 WOPD	E	15287RI0810001	BlueCHiP Direct 4800/9600 WOPD	Silver	0.6946	Standard AV	On/Off	N	Y	0.9434	1.1023	1.0000	0.6563	1.19	1.00	0.814	0.71
Plan 7A	15287RI0700001	PPO	BasicBlue Direct 2750/5500 WPD	M	15287RI0700001	BasicBlue Direct 2300/4600 WPD	Gold	0.7976	Standard AV	On/Off	Y	Y	1.0000	1.2098	1.0000	0.7812	1.19	1.00	1.127	0.59
Plan 7B	15287RI0710001	PPO	BasicBlue Direct 2750/5500 WOPD	M	15287RI0710001	BasicBlue Direct 2300/4600 WOPD	Gold	0.7976	Standard AV	On/Off	N	Y	1.0000	1.2098	1.0000	0.7796	1.19	1.00	1.125	0.59
Plan 8A	15287RI0700002	PPO	BasicBlue Direct 4900/9800 WPD	E	15287RI0700002	BasicBlue Direct 4900/9800 WPD	Silver	0.7090	Standard AV	On/Off	Y	Y	1.0000	1.1051	1.0000	0.6785	1.19	1.00	0.894	0.71
Plan 8B	15287RI0710002	PPO	BasicBlue Direct 4900/9800 WOPD	E	15287RI0710002	BasicBlue Direct 4900/9800 WOPD	Silver	0.7090	Standard AV	On/Off	N	Y	1.0000	1.1051	1.0000	0.6771	1.19	1.00	0.892	0.71
Plan 9A	15287RI0700003	PPO	BasicBlue Direct 6850/13700 WPD	M	15287RI0700003	BasicBlue Direct 6450/12900 WPD	Bronze	0.6453	Standard AV	On/Off	Y	Y	1.0000	1.0401	1.0000	0.6175	1.19	1.00	0.766	0.59
Plan 9B	15287RI0710003	PPO	BasicBlue Direct 6850/13700 WOPD	M	15287RI0710003	BasicBlue Direct 6450/12900 WOPD	Bronze	0.6453	Standard AV	On/Off	N	Y	1.0000	1.0401	1.0000	0.6163	1.19	1.00	0.764	0.59
Plan 12A	15287RI1130001	POS	BlueCHiP Direct Advance 4650/9300 WPD	E	15287RI1130001	BlueCHiP Direct Advance 4650/9300 WPD	Silver	0.6989	Standard AV	On/Off	Y	Y	0.8360	1.1067	1.0000	0.6626	1.19	1.00	0.731	0.71
Plan 12B	15287RI1140001	POS	BlueCHiP Direct Advance 4650/9300 WOPD	E	15287RI1140001	BlueCHiP Direct Advance 4650/9300 WOPD	Silver	0.6989	Standard AV	On/Off	N	Y	0.8360	1.1067	1.0000	0.6613	1.19	1.00	0.730	0.71
Plan 17A	15287RI1130002	POS	BlueCHiP Direct Advance 2300/4600 WPD	E	15287RI1130002	BlueCHiP Direct Advance 2300/4600 WPD	Gold	0.7817	Standard AV	On/Off	Y	Y	0.8360	1.1554	1.0000	0.7556	1.19	1.00	0.870	0.59
Plan 17B	15287RI1140002	POS	BlueCHiP Direct Advance 2300/4600 WOPD	E	15287RI1140002	BlueCHiP Direct Advance 2300/4600 WOPD	Gold	0.7817	Standard AV	On/Off	N	Y	0.8360	1.1554	1.0000	0.7541	1.19	1.00	0.869	0.59
Plan 13A	15287RI1170001	PPO	VantageBlue Direct 4850/9700 WPDAcu	M	15287RI1170001	VantageBlue Direct 5525/11050 WPDAcu	Silver	0.7193	Standard AV	Off	Y	Y	1.0000	1.1137	1.0008	0.6462	1.19	1.00	0.859	0.59
Plan 13B	15287RI1180001	PPO	VantageBlue Direct 4850/9700 WOPDAcu	M	15287RI1180001	VantageBlue Direct 5525/11050 WOPDAcu	Silver	0.7193	Standard AV	Off	N	Y	1.0000	1.1137	1.0008	0.6449	1.19	1.00	0.857	0.59
Plan 14A	15287RI1150001	PPO	BlueSolutions for HSA Direct 4100/8200 WPDAcu	E	15287RI1150001	BlueSolutions for HSA Direct 4100/8200 WPDAcu	Silver	0.6915	Standard AV	Off	Y	N	1.0000	1.0257	1.0008	0.6608	1.19	1.00	0.809	0.59
Plan 14B	15287RI1160001	PPO	BlueSolutions for HSA Direct 4100/8200 WOPDAcu	E	15287RI1160001	BlueSolutions for HSA Direct 4100/8200 WOPDAcu	Silver	0.6915	Standard AV	Off	N	N	1.0000	1.0257	1.0008	0.6594	1.19	1.00	0.807	0.59
Plan 16A	15287RI1210001	POS	BlueCHiP Direct 4800/9600 WPDAcu	E	15287RI1210001	BlueCHiP Direct 4800/9600 WPDAcu	Silver	0.6946	Standard AV	Off	Y	Y	0.9434	1.1023	1.0008	0.6576	1.19	1.00	0.816	0.59
Plan 16B	15287RI1220001	POS	BlueCHiP Direct 4800/9600 WOPDAcu	E	15287RI1220001	BlueCHiP Direct 4800/9600 WOPDAcu	Silver	0.6946	Standard AV	Off	N	Y	0.9434	1.1023	1.0008	0.6563	1.19	1.00	0.814	0.59
Plan 15A	15287RI1190001	PPO	BasicBlue Direct 4900/9800 WPDAcu	E	15287RI1190001	BasicBlue Direct 4900/9800 WPDAcu	Silver	0.7090	Standard AV	Off	Y	Y	1.0000	1.1051	1.0008	0.6785	1.19	1.00	0.895	0.59
Plan 15B	15287RI1200001	PPO	BasicBlue Direct 4900/9800 WOPDAcu	E	15287RI1200001	BasicBlue Direct 4900/9800 WOPDAcu	Silver	0.7090	Standard AV	Off	N	Y	1.0000	1.1051	1.0008	0.6771	1.19	1.00	0.893	0.59
Plan 3A	15287RI0270009	PPO	VantageBlue Direct 3250/6500 WPD	M	15287RI1170002	VantageBlue Direct 3250/6500 WPDAcu	Gold	0.7712	Standard AV	Off	Y	Y	1.0000	1.1819	1.0008	0.7048	1.19	1.00	0.994	0.59
Plan 3B	15287RI0360004	PPO	VantageBlue Direct 3250/6500 WOPD	M	15287RI1180002	VantageBlue Direct 3250/6500 WOPDAcu	Gold	0.7712	Standard AV	Off	N	Y	1.0000	1.1819	1.0008	0.7034	1.19	1.00	0.992	0.59
Plan 18A		PPO		N	15287RI1170003	VantageBlue Direct 1375/2750 WPDAcu	Gold	0.8194	Standard AV	Off	Y	Y	1.0000	1.2560	1.0008	0.7715	1.19	1.00	1.156	0.59
Plan 18B		PPO		N	15287RI1180003	VantageBlue Direct 1375/2750 WOPDAcu	Gold	0.8194	Standard AV	Off	N	Y	1.0000	1.2560	1.0008	0.7700	1.19	1.00	1.154	0.59
Plan 19A		PPO		N	15287RI1150002	BlueSolutions for HSA Direct 1400/2800 WPDAcu	Gold	0.7926	Standard AV	Off	Y	N	1.0000	1.1766	1.0008	0.8054	1.19	1.00	1.131	0.59
Plan 19B		PPO		N	15287RI1160002	BlueSolutions for HSA Direct 1400/2800 WOPDAcu	Gold	0.7926	Standard AV	Off	N	N	1.0000	1.1766	1.0008	0.8038	1.19	1.00	1.128	0.59
Plan 20A		PPO		N	15287RI1150003	BlueSolutions for HSA Direct 6000/12000 WPDAcu	Bronze	0.6194	Standard AV	Off	Y	N	1.0000	0.9532	1.0008	0.5945	1.19	1.00	0.676	0.59
Plan 20B		PPO		N	15287RI1160003	BlueSolutions for HSA Direct 6000/12000 WOPDAcu	Bronze	0.6194	Standard AV	Off	N	N	1.0000	0.9532	1.0008	0.5934	1.19	1.00	0.675	0.59
Plan 21A		PPO		N	15287RI1190002	BasicBlue Direct 2300/4600 WPDAcu	Gold	0.7976	Standard AV	Off	Y	Y	1.0000	1.2098	1.0008	0.7812	1.19	1.00	1.128	0.59
Plan 21B		PPO		N	15287RI1200002	BasicBlue Direct 2300/4600 WOPDAcu	Gold	0.7976	Standard AV	Off	N	Y	1.0000	1.2098	1.0008	0.7796	1.19	1.00	1.125	0.59
Plan 22A		PPO		N	15287RI1190003	BasicBlue Direct 6450/12900 WPDAcu	Bronze	0.6453	Standard AV	Off	Y	Y	1.0000	1.0401	1.0008	0.6175	1.19	1.00	0.766	0.59
Plan 22B		PPO		N	15287RI1200003	BasicBlue Direct 6450/12900 WOPDAcu	Bronze	0.6453	Standard AV	Off	N	Y	1.0000	1.0401	1.0008	0.6163	1.19	1.00	0.765	0.59
Plan 23A		POS		N	15287RI1210002	BlueCHiP Direct 2300/4600 WPDAcu	Gold	0.7817	Standard AV	Off	Y	Y	0.9434	1.2041	1.0008	0.7556	1.19	1.00	1.024	0.59
Plan 23B		POS		N	15287RI1220002	BlueCHiP Direct 2300/4600 WOPDAcu	Gold	0.7817	Standard AV	Off	N	Y	0.9434	1.2041	1.0008	0.7541	1.19	1.00	1.022	0.59

Plan Number	Total Number of Members/Enrolled Policyholders + Covered Dependents	Total Number of Subscribers/Enrolled Policyholders	1/1/19 Number of Members/Enrolled Policyholders + Covered Dependents	1/1/19 Number of Subscribers/Enrolled Policyholders	1/1/18 Normalized Plan Adjusted Rate PMPM	1/1/19 Normalized Plan Adjusted Rate	1/1/19 Normalized PMPM Value of Benefits Other Than EHB	1/1/19 Normalized Plan Adjusted Rate PMPM Excluding Non-EHB	Proposed Rate Change Compared to Prior 12 months	1/1/19 Rate Increase Due to Plan Design Changes	% of Total Members/Enrolled Policyholders + Covered Dependents	% of 1/1/19 Members/Enrolled Policyholders + Covered Dependents
Totals	**21,535**	**14,310**	**21,535**	**14,310**	**$296.52**	**$328.30**			**10.7%**	**-1.1%**		
Plan 1A	3,159	1,782	3,159	1,782	$ 361.36	$403.85	$0.00	$403.85	11.8%	-1.7%	14.7%	14.7%
Plan 1B	1,497	1,017	1,497	1,017	$ 360.64	$403.04	$0.00	$403.04	11.8%	-1.7%	7.0%	7.0%
Plan 2A	681	480	681	480	$ 339.40	$360.38	$0.00	$360.38	6.2%	-2.5%	3.2%	3.2%
Plan 2B	-	-	-	-	$ 338.72	$359.66	$0.00	$359.66	6.2%	-2.5%	0.0%	0.0%
Plan 4A	884	504	884	504	$ 349.92	$394.91	$0.00	$394.91	12.9%	0.0%	4.1%	4.1%
Plan 4B	239	162	239	162	$ 349.22	$394.12	$0.00	$394.12	12.9%	0.0%	1.1%	1.1%
Plan 5A	1,674	1,317	1,674	1,317	$ 301.15	$339.40	$0.00	$339.40	12.7%	0.0%	7.8%	7.8%
Plan 5B	-	-	-	-	$ 300.55	$338.72	$0.00	$338.72	12.7%	0.0%	0.0%	0.0%
Plan 6A	2,802	1,793	2,802	1,793	$ 215.49	$236.19	$0.00	$236.19	9.6%	-1.9%	13.0%	13.0%
Plan 6B	731	520	731	520	$ 215.06	$235.72	$0.00	$235.72	9.6%	-1.9%	3.4%	3.4%
Plan 11A	247	147	247	147	$ 316.94	$357.71	$0.00	$357.71	12.9%	0.0%	1.1%	1.1%
Plan 11B	50	37	50	37	$ 316.30	$356.99	$0.00	$356.99	12.9%	0.0%	0.2%	0.2%
Plan 10A	863	691	863	691	$ 311.95	$342.42	$0.00	$342.42	9.8%	0.0%	4.0%	4.0%
Plan 10B	-	-	-	-	$ 311.33	$341.74	$0.00	$341.74	9.8%	0.0%	0.0%	0.0%
Plan 7A	948	552	948	552	$ 343.60	$393.86	$0.00	$393.86	14.6%	0.2%	4.4%	4.4%
Plan 7B	242	198	242	198	$ 342.91	$393.08	$0.00	$393.08	14.6%	0.2%	1.1%	1.1%
Plan 8A	497	381	497	381	$ 336.39	$375.48	$0.00	$375.48	11.6%	0.0%	2.3%	2.3%
Plan 8B	-	-	-	-	$ 335.71	$374.73	$0.00	$374.73	11.6%	0.0%	0.0%	0.0%
Plan 9A	1,854	1,260	1,854	1,260	$ 248.15	$267.67	$0.00	$267.67	7.9%	-0.9%	8.6%	8.6%
Plan 9B	547	438	547	438	$ 247.66	$267.14	$0.00	$267.14	7.9%	-0.9%	2.5%	2.5%
Plan 12A	683	557	683	557	$ 277.35	$307.03	$0.00	$307.03	10.7%	0.0%	3.2%	3.2%
Plan 12B	-	-	-	-	$ 276.79	$306.41	$0.00	$306.41	10.7%	0.0%	0.0%	0.0%
Plan 17A	394	286	394	286	$ 255.93	$304.18	$0.00	$304.18	18.9%	-4.0%	1.8%	1.8%
Plan 17B	-	-	-	-	$ 255.41	$303.57	$0.00	$303.57	18.9%	-4.0%	0.0%	0.0%
Plan 13A	1,085	578	1,085	578	$ 284.04	$300.13	$0.23	$299.90	5.7%	-2.5%	5.0%	5.0%
Plan 13B	691	484	691	484	$ 283.47	$299.53	$0.23	$299.30	5.7%	-2.5%	3.2%	3.2%
Plan 14A	226	122	226	122	$ 252.03	$282.66	$0.22	$282.44	12.2%	0.0%	1.0%	1.0%
Plan 14B	182	118	182	118	$ 251.53	$282.09	$0.21	$281.88	12.1%	0.0%	0.8%	0.8%
Plan 16A	234	142	234	142	$ 261.07	$285.18	$0.22	$284.96	9.2%	0.0%	1.1%	1.1%
Plan 16B	148	123	148	123	$ 260.55	$284.61	$0.22	$284.39	9.2%	0.0%	0.7%	0.7%
Plan 15A	451	247	451	247	$ 281.52	$312.71	$0.24	$312.47	11.1%	0.0%	2.1%	2.1%
Plan 15B	265	208	265	208	$ 280.95	$312.09	$0.24	$311.85	11.1%	0.0%	1.2%	1.2%
Plan 3A	158	87	158	87	$ 315.55	$347.43	$0.26	$347.17	10.1%	0.0%	0.7%	0.7%
Plan 3B	103	79	103	79	$ 314.92	$346.74	$0.26	$346.48	10.1%	0.0%	0.5%	0.5%
Plan 18A	-	-	-	-		$404.15	$0.31	$403.84			0.0%	0.0%
Plan 18B	-	-	-	-		$403.35	$0.31	$403.04			0.0%	0.0%
Plan 19A	-	-	-	-		$395.21	$0.30	$394.91			0.0%	0.0%
Plan 19B	-	-	-	-		$394.42	$0.30	$394.12			0.0%	0.0%
Plan 20A	-	-	-	-		$236.37	$0.18	$236.19			0.0%	0.0%
Plan 20B	-	-	-	-		$235.90	$0.18	$235.72			0.0%	0.0%
Plan 21A	-	-	-	-		$394.16	$0.30	$393.86			0.0%	0.0%
Plan 21B	-	-	-	-		$393.38	$0.30	$393.08			0.0%	0.0%
Plan 22A	-	-	-	-		$267.88	$0.20	$267.68			0.0%	0.0%
Plan 22B	-	-	-	-		$267.34	$0.20	$267.14			0.0%	0.0%
Plan 23A	-	-	-	-		$357.98	$0.27	$357.71			0.0%	0.0%
Plan 23B	-	-	-	-		$357.27	$0.27	$357.00			0.0%	0.0%

Rate Template Part IV
Administrative Charges

Section I. EHB 0% cost sharing, silver utilization level (70%)

		Individual Market 1/1/19		Individual Market 1/1/18	
		PMPM	Percentage	PMPM	Percentage
(1)	Retention Charge	$132.51	16.1%	$134.45	18.9%
(2)	ACA Fees and Taxes	$0.00	0.0%	$15.62	2.2%
(3)	Premium Tax	$16.43	2.0%	$14.24	2.0%
(4)	Other Retention Charge	$0.00	0.0%	$0.00	0.0%
(5)	Contribution to Reserve	$24.64	3.0%	$20.22	2.8%
(6)	Investment Income Credit	-$0.58	-0.1%	-$0.07	0.0%
(7)	Administrative Expense Load	$92.01	11.2%	$84.44	11.9%
7a.	Payroll and benefits	$39.42	4.8%	$33.50	4.7%
7b.	Outsourced Services (EDP, claims etc.)	$22.10	2.7%	$20.63	2.9%
7c.	Auditing and consulting	$4.25	0.5%	$2.23	0.3%
7d.	Commissions	$0.00	0.0%	$0.00	0.0%
7e.	Marketing and Advertising	$1.61	0.2%	$0.93	0.1%
7f.	Legal Expenses	$0.39	0.0%	$0.33	0.0%
7g.	Taxes, Licenses and Fees not included in (2) and (3)	$0.00	0.0%	$0.00	0.0%
7h.	Reimbursements by Uninsured Plans	$0.00	0.0%	$0.00	0.0%
7i.	Other Admin Expenses	$24.25	3.0%	$26.82	3.8%
		$92.01	11.2%	$84.44	11.9%

Section II. Market Segment

		Individual Market 1/1/19		Small Group Market 1/1/19		Large Group Market 1/1/19	
		PMPM	Percentage	PMPM	Percentage	PMPM	Percentag
(1)	Retention Charge	$87.01	16.1%	$106.12	19.0%	$87.21	16.1%
(2)	ACA Fees and Taxes	$0.00	0.0%	$0.00	0.0%	$3.09	0.6%
(3)	Premium Tax	$10.79	2.0%	$11.15	2.0%	$10.85	2.0%
(4)	Other Retention Charge	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
(5)	Contribution to Reserve	$16.18	3.0%	$19.51	3.5%	$18.99	3.5%
(6)	Investment Income Credit	-$0.38	-0.1%	-$0.56	-0.1%	-$0.79	-0.1%
(7)	Administrative Expense Load	$60.42	11.2%	$76.02	13.6%	$55.07	10.2%
7a.	Payroll and benefits	$25.89	4.8%	$35.18	6.3%	$27.78	5.1%
7b.	Outsourced Services (EDP, claims etc.)	$14.51	2.7%	$19.62	3.5%	$21.06	3.9%
7c.	Auditing and consulting	$2.79	0.5%	$3.15	0.6%	$3.01	0.6%
7d.	Commissions	$0.00	0.0%	$12.55	2.3%	$0.00	0.0%
7e.	Marketing and Advertising	$1.06	0.2%	$0.65	0.1%	$0.63	0.1%
7f.	Legal Expenses	$0.26	0.0%	$0.47	0.1%	$0.42	0.1%
7g.	Taxes, Licenses and Fees not included in (2) and (3)	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
7h.	Reimbursements by Uninsured Plans	$0.00	0.0%	-$22.16	-4.0%	-$16.48	-3.0%
7i.	Other Admin Expenses	$15.92	3.0%	$26.55	4.8%	$18.65	3.4%