

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Filing at a Glance

Company: MVP Health Insurance Company
 Product Name: VT LG HIC Filing 3Q/4Q 2016
 State: VermontGMCB
 TOI: H16G Group Health - Major Medical
 Sub-TOI: H16G.002A Large Group Only - PPO
 Filing Type: GMCB Rate
 Date Submitted: 02/22/2016
 SERFF Tr Num: MVPH-130454426
 SERFF Status: Closed-Approved
 State Tr Num:
 State Status:
 Co Tr Num:

 Implementation: 07/01/2016
 Date Requested:
 Author(s): Matt Lombardo, Eric Bachner
 Reviewer(s): Thomas Crompton (primary), David Dillon, Judith Henkin, Jacqueline Lee, Marisa Melamed, Noel Hudson

 Disposition Date: 05/23/2016
 Disposition Status: Approved
 Implementation Date: 07/01/2016

 State Filing Description:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Large
Group Market Type: Employer	Overall Rate Impact: -8.2%
Filing Status Changed: 05/24/2016	
State Status Changed:	Deemer Date:
Created By: Eric Bachner	Submitted By: Eric Bachner
Corresponding Filing Tracking Number:	

PPACA: Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The proposed manual rates, experience rated formula, and addendum values included within this filing are for employer groups with 100+ employees in the state of Vermont with coverage dates beginning between 7/1/2016 - 12/31/2016.

Company and Contact

Filing Contact Information

Matt Lombardo,	mlombardo@mvphealthcare.com
625 State Street	518-388-2483 [Phone]
Schenectady, NY 12305	

Filing Company Information

MVP Health Insurance Company	CoCode: 11125	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Insurance
(518) 388-2469 ext. [Phone]	FEIN Number: 14-1827918	State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Thomas Crompton	05/24/2016	05/24/2016

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	03/17/2016	03/17/2016
Pending Response	Jacqueline Lee	03/07/2016	03/07/2016

Response Letters

Responded By	Created On	Date Submitted
Eric Bachner	03/17/2016	03/17/2016
Eric Bachner	03/17/2016	03/17/2016

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum	Eric Bachner	05/24/2016	05/24/2016

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
GMCB-004-16rr Order	Reviewer Note	Thomas Crompton	05/24/2016	
Original RRS tab and RRD submitted on 02/22/2016	Reviewer Note	Thomas Crompton	05/24/2016	

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State: VermontGMCB Filing Company: MVP Health Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: VT LG HIC Filing 3Q/4Q 2016
 Project Name/Number: /

Disposition

Disposition Date: 05/23/2016

Implementation Date: 07/01/2016

Status: Approved

HHS Status: Not Reported

State Review: Reviewed by Actuary

Comment: Approved per GMCB-004-16 order.

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):
MVP Health Insurance Company	Decrease	-12.200%	-12.200%	\$-427,398	20	\$11,890,430	-6.300%	-12.800%

Percent Change Approved:

Minimum: -12.800%

Maximum: -6.300%

Weighted Average: -12.200%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum and Certifications		No
Supporting Document	Civil Union Rating Requirements		No
Supporting Document	Consumer Disclosure Form		No
Supporting Document	Filing Compliance Certification		No
Supporting Document	Third Party Filing Authorization		No
Supporting Document	Unified Rate Review Template		No
Supporting Document (revised)	Response to Objection Letter #1		No
Supporting Document	Response to Objection Letter #1		No

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/17/2016
Submitted Date	03/17/2016
Respond By Date	03/18/2016

Dear Matt Lombardo,

Introduction:

It appears that the file uploaded earlier today was not the correct file. Please provide the intended response, or confirm that the intended response was uploaded.

Conclusion:

Sincerely,
Jacqueline Lee

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/07/2016
Submitted Date	03/07/2016
Respond By Date	03/18/2016

Dear Matt Lombardo,

Introduction:

Please see the attached letter.

Conclusion:

*Sincerely,
Jacqueline Lee*

Dallas

Cabe W. Chadick, F.S.A.
 S. Scott Gibson, F.S.A.
 Glenn A. Tobleman, F.S.A., F.C.A.S.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Brian D. Rankin, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Wesley R. Campbell, F.C.A.S., F.S.A.
 Xiaoxiao (Lisa) Jiang, F.S.A.
 Brian C. Stentz, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Johnathan L. O'Dell, A.S.A.
 Clint Prater, A.S.A.
 Larry Choi, A.S.A.
 Kevin Ruggeberg, A.S.A.
 Holly Blanchard, FLMI, MCM, AIE, AIRC

**Kansas City**

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher J. Merkel, F.S.A.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Kimberly S. Shores, F.S.A.
 Michael A. Brown, F.S.A.
 Naomi J. Kloeppersmith, F.S.A.
 Stephanie T. Crownhart, F.S.A.
 Mark W. Birdsall, F.S.A.

London/Kansas City

Timothy A. DeMars, F.S.A., F.I.A.
 Scott E. Morrow, F.S.A., F.I.A.

Denver

Mark P. Stukowski, F.S.A.
 William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

March 7, 2016

Matt Lombardo
 MVP Health Insurance Company
 625 State Street
 Schenectady, NY 12305

Re: MVP Health Insurance Company
 VT LG HIC Filing 3Q/4Q 2016
 SERFF Tracking #: MvPH-130454426
 1st Objection

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 2/22/2016. The following additional information is required for this filing. We request that your response retain the original question.

1. The rate decrease suggested by the data provided (as shown in “VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF”) is based on the “Projected Net Revenue Collected at Q2 2016 Rate Level.” Does this amount reflect Q2 rates with the Q2 age/gender factors?
 - a. If so, it seems that the change in the manual rate incorporates changes in population age and that a normalization to the age/gender factors is not necessary. Please address this concern, if applicable.
2. The exhibit titled “Derivation of Annual Revenue Change based on Quarterly Rate Changes” on page 2 of the actuarial memorandum appears to contain repeated quarters, and does not break out marginal changes for 3Q and 4Q 2016. Please complete the following table, showing the quarterly and annual rate changes.

	4Q15 / 3Q15	1Q16 / 4Q15	2Q16 / 1Q16	3Q16 / 2Q16	4Q16 / 3Q16	3Q16 / 3Q15 (Annual)	4Q16 / 4Q15 (Annual)
Manual Rate Change				-8.1%	1.2%	0.6%	0.0%
Age/Gender Factor Changes				2.9%	0.0%	-4.6%	-4.6%
Change in Target Loss Ratio						-4.7%	-5.3%
Other Changes						0.0%	0.0%
Revenue Change (Product of Above)						-8.6%	-9.6%

3. The proposed benefit change to plan VEHD-02L would not impact single policyholders. What is the distribution of this plan's enrollment by tier, and how does this compare to the data used to develop the 3.0% benefit adjustment for this plan?
4. The actuarial memorandum supports the requested rate decrease of 8.1% (as opposed to the 16.1% supported by the experience period data) by referencing the reduction in covered population between the experience periods for this filing and the prior filing. Please provide further explanation of how this change, which is reflected in base period experience, warrants what is effectively a 9.5% margin for adverse deviation in the proposed rates.
5. In converting from allowed trends to paid trends in Exhibit 2a, the trend on coinsurance payments is assumed to be equal to allowed trend, and the copay trend is assumed to be zero. These do not take the out-of-pocket maximum, or claims that cross the deductible due to trend, into account. Was any consideration given to incorporating out-of-pocket maximums in the paid trend calculation?
6. Regarding Rx trends:
 - a. In reference to the 3Q/4Q 2015 Large Group filing, (SERFF # MVPH-129877690), MVP stated that once adequate data had been accumulated, its new PBM would be providing trend forecasts that reflect MVP's utilization characteristics (rather than nationwide averages.) The PBM should now have just over a year of data. Why is this data not being used in developing trend forecasts?
 - b. Provide an exhibit comparing the current PBM's past trend projections to actual observed trends for at least three years.
 - c. The actuarial memorandum states that "the 2015 Rx trend forecast has not changed" since the 1Q 2016 rate filing. However, the assumed 2015 Rx unit cost trends are substantially higher than those assumed in the 1Q 2016 filing. Please explain.
 - d. We understand that discrete changes regularly occur in the Rx market, making historical trend an unreliable predictor for future trends. However, why are historical unit cost trends not used for 2015, which are now a known quantity?

7. The manual rate cap and credibility factors used for experience-rated groups effectively guarantee that the blended pure premium for a group of 100 subscribers or more will never deviate more than 12% from the experience rate after credibility blending.
 - a. How frequently does this cap modify the manual rate?
 - b. What are the average and maximum impact this cap has had on the manual rate for large groups in the past?
 - c. Have groups been observed to switch between having the cap applied and not from year to year?

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than March 18, 2016.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Kevin Ruggeberg, A.S.A.
Associate Actuary
Lewis & Ellis, Inc.
KRuggeberg@lewisellis.com
(972) 850-0850

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Filing 3Q/4Q 2016

Project Name/Number:

/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/17/2016
Submitted Date	03/17/2016

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the enclosed file which contains MVP's response to Objection #1.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	VT LG HIC 3Q 2016 - Objection #1.pdf Response to 3Q 2016 LG HIC VT Objection #1.pdf
<i>Previous Version</i>	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	VT LG HIC 3Q 2016 - Objection #1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Eric Bachner

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/17/2016
Submitted Date 03/17/2016

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the attached response.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	VT LG HIC 3Q 2016 - Objection #1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Eric Bachner

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Filing Company: MVP Health Insurance Company
Project Name/Number: /

Amendment Letter

Submitted Date: 05/24/2016

Comments:

Please see the changes to the Rate Filing and the Experience Rated Addendum that reflect the GMCB's decision.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2016 Experience Rating Formula Filing Exhibits A&B - Vermont.pdf Impact of Membership Growth_Decline on Experience Pd Claims.xlsx Impact of Membership Growth_Decline on Experience Pd Claims.pdf MVP Health Care - Experience Formula effective 1.1.16_VT.pdf Appendices A- C - 3Q 2016.pdf VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) GMCB Decision SERFF.pdf VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) GMCB Decision SERFF.xlsx VT Experience Rated Addendum - 3Q 2016 GMCB Decision.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx 3Q 2016 ACT MEMO HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	<i>2016 Experience Rating Formula Filing Exhibits A&B - Vermont.pdf</i> <i>Impact of Membership Growth_Decline on Experience Pd Claims.xlsx</i> <i>Impact of Membership Growth_Decline on Experience Pd Claims.pdf</i> <i>MVP Health Care - Experience Formula effective 1.1.16_VT.pdf</i> <i>Appendices A- C - 3Q 2016.pdf</i> <i>VT Experience Rated Addendum - 3Q 2016.pdf</i> <i>Rolling 12 Medical and Rx Data - LG HIC.pdf</i> <i>Rolling 12 Medical and Rx Data - LG HIC.xlsx</i> <i>3Q 2016 ACT MEMO HIC Large Group.pdf</i> <i>VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.pdf</i> <i>VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.xlsx</i>

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Reviewer Note

Created By:

Thomas Crompton on 05/24/2016 12:10 PM

Subject:

GMCB-004-16rr Order

Comments:

GMCB-004-16rr Order

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Insurance Company)	GMCB-004-16rr
Third Quarter 2016 and Fourth Quarter)	
2016 Large Group EPO/PPO Rate)	SERFF No.: MVPH-130454426
Filing)	
)	

DECISION & ORDER

Introduction

Vermont law requires that health insurers submit major medical rate filings to the Green Mountain Care Board which shall approve, modify, or disapprove the filing within 90 calendar days of its receipt. 8 V.S.A. § 4062(a)(2)(B). On review, the Board must determine whether the proposed rate is affordable, promotes quality care, promotes access to health care, protects insurer solvency, and is not unjust, unfair, inequitable, misleading or contrary to Vermont law. 8 V.S.A. § 4062(a)(3).

Procedural History

On February 22, 2016, MVP Health Insurance Company (MVPHIC) submitted its Third Quarter 2016 (3Q16) and Fourth Quarter 2016 (4Q16) Large Group EPO/PPO Rate Filing to the Board via the System for Electronic Rate and Form Filing (SERFF).¹ The Office of the Health Care Advocate (HCA), representing the interests of Vermont consumers of health insurance, entered an appearance as a party to this filing.

On April 18, 2016, the Board posted to the web the Department of Financial Regulation's (Department) analysis regarding the filing's impact on the insurer's solvency. On April 22, 2016, the Board posted to the web an actuarial memorandum provided by its contract actuaries, Lewis & Ellis (L&E). The Board received no public comment on the filing.

The parties have waived a hearing pursuant to GMCB Rule 2.000, § 2.309(a)(1) and have filed memoranda in lieu of hearing.

Findings of Fact

1. MVPHIC is a for-profit New York health insurer that provides EPO and PPO products to individuals and employers in the small and large group markets in New York and

¹ The contents of the SERFF filing and all documents referenced in this Decision and Order can be found at http://ratereview.vermont.gov/rate_review/MVPH-130454426.

Vermont. MVPHIC is owned by MVP Health Care, Inc., a New York corporation that transacts health insurance business in New York and Vermont through a variety of for-profit and non-profit subsidiaries.

2. The present filing includes the proposed manual rates for MVPHIC's large group EPO/PPO products for 3Q16 and 4Q16.² These rates will affect approximately 2,256 Vermonters covered under 20 group policies.

3. MVPHIC proposes an average annual rate decrease of -8.6% for members renewing in 3Q16 and an average annual rate decrease of -9.6% for those renewing in 4Q16. MVPHIC states that while actuarial data could justify a larger decrease, limiting the size of the proposed decrease will reduce the necessity for future increases.

4. MVPHIC used a paid pharmacy trend factor in its rate development that was supplied by its newly-contracted pharmacy benefit manager (PBM) and which does not take into consideration MVPHIC's Vermont book of business. MVPHIC anticipates that it will use Vermont-specific data starting with its 2017 Vermont Health Connect (Exchange) filing.

5. Beginning in 2016, MVPHIC proposes to use a "manual rate cap" when rating group policyholders. This cap would increase or reduce the manual rate to be within 15% of a group's experience.

6. MVPHIC assumes a general administrative expense load of 8.0%, and proposes a 2.0% contribution to reserve.³

7. MVPHIC anticipates that the proposed rates would generate a traditional loss ratio of 84.4%. The anticipated loss ratio using the federal formula is 88.1%.⁴

8. Pursuant to 8 V.S.A. § 4062(a)(2)(B), the Department assessed the impact of the proposed filing on the carrier's solvency. Noting that it is not MVPHIC's primary regulator, that New York State regulators have expressed no concerns about the company's solvency, and that

² A manual rate is a baseline rate structure that a carrier will blend with a specific group's claims experience to produce the group's actual rates. Its weight in calculating rates for a specific group will vary according to the group's size and actuarial credibility.

³ In various documents submitted with this filing, the terms "contribution to surplus" and "contribution to reserve" are used interchangeably. For the purpose of this Decision & Order, the latter term is used for consistency and because the funds at issue are not extra, or "surplus" funds, but are funds reserved solely to cover anticipated future claims.

⁴ As opposed to calculation of the traditional loss ratio, calculation of the federal minimum loss ratio under the ACA allows insurers to adjust for quality improvement activities and expenditures on taxes, licensing and regulatory fees.

all of MVP's health operations in Vermont account for approximately 3.7% of its total premiums earned, the Department determined that the carrier's Vermont operations pose little threat to the company's solvency. *See Solvency Analysis at 2.*

9. On review, L&E recommends three modifications to the filing. First, L&E recommends modifying the allowed trend assumption to incorporate the year-over-year change in cost distribution among category-specific cost trends, adding approximately 0.1% to the proposed rates. *See L&E Analysis at 5.*

10. Second, L&E recommends that the pharmacy trend be modified to reflect the one-time cost savings associated with switching to a new pharmacy benefit manager in 2015, reducing the proposed rates by approximately 0.1%. This modification of the pharmacy trend would have the effect of offsetting the effect of the modification to the allowed trend assumption. *Id.* at 6.

11. Third, L&E recommends that the Board implement an average manual rate change of -11.8%, rather than the approximate -8.1% change proposed by MVPHIC. L&E opines that a change of -16.1% is actuarially indicated, but that a reduction of -11.8% would eliminate the need for a 5.2% increase in MVPHIC's next filing should current paid-trend assumptions prove accurate.⁵ L&E agrees with MVPHIC that a smaller reduction than -16.1% is appropriate for the sake of future rate stability, but opines that MVPHIC's proposed -8.1% is higher than is actuarially justified. *See Id.* at 5.

12. L&E makes no specific recommendation concerning the proposed 2.0% contribution to reserve, noting that the Board has reduced the contribution in the past two filings from 2.0% to 1.0%. L&E recommends that the Board consider the Department's solvency analysis when making changes to the assumption. *Id.* at 6.

13. L&E's recommended changes to allowed trend, pharmacy trend, and manual rates would reduce the 3Q16 average annual rate change from -8.6% to -12.3%, and would reduce the 4Q16 average annual rate change from -9.6% to -13.3%.

14. L&E expressed concern regarding MVPHIC's new manual rate cap, stating that it would have the effect of assigning very high actuarial credibility to any group with outlier experience, even if the group's size did not warrant such credibility. L&E stated that the cap has

⁵ L&E noted that MVPHIC is assuming a 0.0% utilization trend, and that as a result this 5.2% paid-trend assumption may be understated.

not yet materially affected any existing group's rates, but opined that it should be closely monitored because it could result in unreasonable or unfairly discriminatory rates for MVPHIC policyholders.

15. MVPHIC disagrees with L&E's recommended manual rate change of -11.8%, arguing that it would rather have no quarterly rate change or another rate reduction in 1Q17 than risk the rate volatility possible with L&E's recommendation. *See MVP Memorandum in Lieu of Hearing.*

16. The HCA requests that the Board reduce the proposed CTR by an unspecified amount and adopt a manual rate change of -16.1%, producing more affordable rates for consumers. Further, the HCA contends that MVPHIC should not retain excess premiums with no guarantee of future reductions, and requests that the Board address concerns regarding rate stability by requiring MVPHIC to notify its policyholders that future rate volatility can be expected.

Standard of Review

1. The Board reviews rate filings to ensure that rates are "affordable, promotes quality care, promotes access to health care, protects insurer solvency, and is not unjust unfair inequitable, misleading, or contrary to the laws of this State." 8 V.S.A. § 4062(a)(2)(B); GMCB Rule 2.000, § 2.301(b). In addition, the Board takes into consideration changes in health care delivery, changes in payment methods and amounts, and other issues at its discretion. 18 V.S.A. § 9375(b)(6); GMCB Rule 2.000 at § 2.401.

2. In arriving at its decision, the Board will consider the Department's analysis and opinion of the impact of the proposed rate on the insurer's solvency and reserves. 8 V.S.A. § 4062(a)(3).

3. The insurer proposing a rate change has the burden to justify the requested rate. GMCB Rule 2.000 at, § 2.104(c).

Conclusions of Law

1. We agree with and adopt L&E's recommendations to modify the filing. First, we modify the allowed medical trend assumption to incorporate the year-over-year change in distribution among category-specific cost trends, resulting in an approximately 0.1% increase to MVPHIC's proposed rates.

2. Second, we modify the pharmacy trend to reflect the one-time cost savings associated with MVPHIC switching to a new pharmacy benefit manager in 2015, resulting in an approximately 0.1% decrease to all proposed rates.

3. Third, we modify the filing to incorporate L&E's recommended average manual rate change of -11.8%. Both MVPHIC and L&E agree that increasing the actuarially indicated rate change for the sake of future rate stability for policyholders is appropriate. However, we conclude that L&E's recommendation results in actuarially justified and more affordable rates for 3Q16 and 4Q16 while using currently available trend figures to target a stable rate for 1Q17.

4. In addition, we agree with and adopt L&E's recommendation to monitor closely MVP's use of a "manual rate cap" in future filings. Since it is not clear whether this cap can be used without producing unreasonable or unfairly discriminatory rates, approval of the present filing shall not be construed as a general approval of the manual rate cap methodology in future filings.

5. Finally, we conclude that the 2.0% CTR proposed by MVPHIC is reasonable and appropriate to maintain current RBC levels while also providing adequate margin for unidentifiable future risks within Vermont's large group market

6. With the above-stated modifications, we estimate that the proposed rate changes will be reduced from -8.6% to approximately -12.3% for members renewing in 3Q16, and from -9.6% to approximately -13.3% for those renewing in 4Q16.

Order

For the reasons discussed above, the Board modifies and then approves MVPHIC's 3Q16 and 4Q16 Large Group EPO/PPO Rate Filing. Specifically, the Board orders that MVPHIC adjust its allowed medical trend to account for a changing distribution of specific costs, adjust its pharmacy trend to reflect savings associated with using its new PBM, and reduce its average manual rate change to -11.8%. The effect of these modifications will be an average annual rate change of approximately -12.3% for members renewing in 3Q16, and approximately -13.3% for those renewing in 4Q16.

SO ORDERED.

Dated: May 23, 2016 at Montpelier, Vermont

<u>s/ Alfred Gobeille</u>)	
)	
<u>s/ Cornelius Hogan</u>)	GREEN MOUNTAIN
)	CARE BOARD
<u>s/ Jessica Holmes</u>)	OF VERMONT
)	
<u>s/ Betty Rambur</u>)	
)	
<u>s/ Allan Ramsay</u>)	

Filed: May 23, 2016

Attest: s/ Janet Richard
Green Mountain Care Board, Administrative Services Coordinator

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Board (by e-mail, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (E-mail address: Janet.Richard@vermont.gov). Appeal of this decision to the Supreme Court of Vermont must be filed with the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Reviewer Note

Created By:

Thomas Crompton on 05/24/2016 12:09 PM

Subject:

Original RRS tab and RRD submitted on 02/22/2016

Comments:

Original RRS and RRD

Original RRS tab and RRD submitted on 02/22/2016

This Rate filing is not eligible for reporting to HHS.
[View/Edit Rate Justification](#)


Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	8.400 %
Effective Date of Last Rate Revision:	07/01/2015
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Company Rate Change? *	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
MVP Health Insurance Company	Decrease	-8.600 %	-8.600 %	\$71,394.00	20	\$12,387,999.00	-2.400 %	-9.100 %


[View Rate Review Detail](#)


Company Name: MVP Health Insurance Company

HHS Issuer ID:  * 92082

PRODUCTS:  *

Product Name *	HIOS Product ID	HIOS Submission ID	Number of Covered Lives *
Preferred Suite EPO	92802VT004	92802VT00400	1310
Preferred Suite HD EPO	92802VT006	92802VT00600	943
Preferred Suite PPO	92802VT005	92802VT00500	3

Trend Factors: 

FORMS: * 

New Policy Forms:

Affected Forms for Closed Blocks:

Other Affected Forms: VT EPO COC, VT HDEPO COC

REQUESTED RATE CHANGE INFORMATION: 

Change Period: * Annual

Member Months: * 34016

Benefit Change: * Decrease

Percent Rate Change Requested: Min: -2.4% Max: -10.1% Weighted Avg.: -8.6%

PRIOR RATE: 

Total Earned Premium: * 12316606

Total Incurred Claims: * 10161200

Annualized PMPM \$: Min: * \$ 339.05 Max: * \$ 578.59 Weighted Avg.: * \$ 467.6

REQUESTED RATE: 

Projected Earned Premium: * 12387999

Projected Incurred Claims: * 10451135

Annualized PMPM \$: Min: * \$ 310.03 Max: * \$ 529.07 Weighted Avg.: * \$ 470.31

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Filing 3Q/4Q 2016
Project Name/Number: /

Post Submission Update Request Processed On 05/24/2016

Status: Allowed
Created By: Eric Bachner
Processed By: Thomas Crompton
Comments: This post submission update is allowed per GMCB-004-16rr order.

State: VermontGMCB Filing Company: MVP Health Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: VT LG HIC Filing 3Q/4Q 2016
 Project Name/Number: /

Company Rate Information:

Company Name:MVP Health Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	-12.200%	-8.600%
Overall % Rate Impact	-12.200%	-8.600%
Written Premium Change for this Program	\$-427398	\$71394
Written Premium for this Program	\$11890430	\$12387999
Maximum %Change (where required)	-6.300%	-2.400%
Minimum %Change (where required)	-12.800%	-9.100%

Product:	NEW
Product Name	Preferred Suite EPO
HIOS Product ID	92802VT004
HIOS Submission ID	92802VT00400
Number of Covered Lives	1310

Product:	NEW
Product Name	Preferred Suite HD EPO
HIOS Product ID	92802VT006
HIOS Submission ID	92802VT00600
Number of Covered Lives	943

Product:	NEW
Product Name	Preferred Suite PPO
HIOS Product ID	92802VT005
HIOS Submission ID	92802VT00500
Number of Covered Lives	3

REQUESTED RATE CHANGE INFORMATION:

Min:	-6.300	-2.400
Max:	-12.800	-10.1
Weighted Avg.:	-12.200	-8.6

REQUESTED RATE:

Projected Earned Premium:	11,890,430.000	12,387,999.000
Projected Incurred Claims:	10,031,346.000	10,451,135.000
Min:	297.550	310.030
Max:	501.750	529.070
Weighted Avg.:	451.420	470.310

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Filing 3Q/4Q 2016

Project Name/Number:

/

Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

8.400%

Effective Date of Last Rate Revision:

07/01/2015

Filing Method of Last Filing:

SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Decrease	-12.200%	-12.200%	\$-427,398	20	\$11,890,430	-6.300%	-12.800%

State: VermontGMCB Filing Company: MVP Health Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: VT LG HIC Filing 3Q/4Q 2016
 Project Name/Number: /

Rate Review Detail

COMPANY:

Company Name: MVP Health Insurance Company
 HHS Issuer Id: 92082

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Preferred Suite EPO	92802VT004	92802VT00400	1310
Preferred Suite HD EPO	92802VT006	92802VT00600	943
Preferred Suite PPO	92802VT005	92802VT00500	3

Trend Factors:

FORMS:

New Policy Forms:
 Affected Forms:
 Other Affected Forms: VT EPO COC, VT HDEPO COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 34,016
 Benefit Change: Decrease
 Percent Change Requested: Min: -6.3 Max: -12.8 Avg: -12.2

PRIOR RATE:

Total Earned Premium: 12,316,606.00
 Total Incurred Claims: 10,161,200.00
 Annual \$: Min: 339.05 Max: 578.59 Avg: 467.60

REQUESTED RATE:

Projected Earned Premium: 11,890,430.00
 Projected Incurred Claims: 10,031,346.00
 Annual \$: Min: 297.55 Max: 501.75 Avg: 451.42

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC Filing 3Q/4Q 2016

Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2016 Experience Rating Formula Filing Exhibits A&B - Vermont.pdf Impact of Membership Growth_Decline on Experience Pd Claims.xlsx Impact of Membership Growth_Decline on Experience Pd Claims.pdf MVP Health Care - Experience Formula effective 1.1.16_VT.pdf Appendices A- C - 3Q 2016.pdf VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) GMCB Decision SERFF.pdf VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) GMCB Decision SERFF.xlsx VT Experience Rated Addendum - 3Q 2016 GMCB Decision.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx 3Q 2016 ACT MEMO HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Civil Union Rating Requirements
Comments:	MVP's forms comply with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Certification of Compliance - VT.pdf

SERFF Tracking #:

MVPH-130454426

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

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Filing 3Q/4Q 2016

Project Name/Number:

/

Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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

Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	VT LG HIC 3Q 2016 - Objection #1.pdf Response to 3Q 2016 LG HIC VT Objection #1.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Filing 3Q/4Q 2016

Project Name/Number:

/

Attachment Impact of Membership Growth_Decline on Experience Pd Claims.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) GMCB Decision SERFF.xlsx is not a PDF document and cannot be reproduced here.

Attachment Rolling 12 Medical and Rx Data - LG HIC.xlsx is not a PDF document and cannot be reproduced here.

MVP Health Care - Large Group Experience Rating Formula

I. Case Information		Date: <input type="text"/>	
Group Name:	<input type="text"/>	Effective Date:	<input type="text"/>
Group #:	<input type="text"/>		
Marketing Rep:	<input type="text"/>		
Underwriter:	<input type="text"/>		
II. Manual Pure Premium Calculation		Medical w/ Non-Pharmacy Riders	Pharmacy
1 - Manual Pure Premium	Addendum Value	Addendum Value	Addendum Value
2 - Industry Factor	Addendum Value	Addendum Value	Addendum Value
3 - Demographic Factor	Addendum Value	Addendum Value	Addendum Value
4 - Manual Group Risk Assessment	Addendum Value	Addendum Value	Addendum Value
5 - HRA/HSA Funding Load Factor	Addendum Value	Addendum Value	Addendum Value
6 - Adjusted Manual Pure Premium	$1 \times 2 \times 3 \times 4 \times 5$		$1 \times 2 \times 3 \times 4 \times 5$
			Total PMPM
III. Experience Pure Premium Calculation			
Experience Period Start Date	Input	Input	Input
Experience Period End Date	Input	Input	Input
Paid Through Date	Input	Input	Input
Midpoint of Experience Period	Input	Input	Input
Product Reflected in Experience	Input	Input	Input
Product in the Rate Quote	Input	Input	Input
Member Months	Input	Input	Input
Out-of-Area Subscribers	Input	n/a	n/a
Claims Information			
1 - Date of Service Paid Claims	Input	Input	Input
2 - Composite Completion Factor Adjustment	Input	Input	Input
3 - Incurred Claims	1x2	1x2	1x2
4 - Other non fee for service medical expenses	Input	n/a	n/a
5 - Pooling Level (PL)	Addendum Value	Addendum Value	Addendum Value
6 - Actual Large Claims (Excess Over PL)	Input	Input	Input
7 - Pharmacy Rebate Factor	n/a	Addendum Value	Addendum Value
8 - Incurred Claims Less Large Claims	3+4-6	(3 - 6) * 7	(3 - 6) * 7
9 - Trend Factor to MP of Projection Period	Addendum Value	Addendum Value	Addendum Value
10 - Trended Net Claims	8x9	8x9	8x9
11 - Trended pmpm Net Claims	10 / membermonths	10 / membermonths	10 / membermonths
Experience Adjustments			
12 - Demographic Adjustment (Carrier Replacement Only)	Addendum Value	Addendum Value	Addendum Value
13 - Prior Period Adjustment, if applicable	Value from Exhibit B	Value from Exhibit B	Value from Exhibit B
14 - Network Adjustment Factor	Addendum Value	n/a	n/a
15 - Benefit Adjustment	Addendum Value	Addendum Value	Addendum Value
16 - Pooling Charge %	Addendum Value	Addendum Value	Addendum Value
17 - Adjusted pmpm Net Claims	product(11 thru 15) x (1+16)	product(11 thru 15) x (1+16)	product(11 thru 15) x (1+16)
18 - Covered Lives Assessment	Addendum Value	n/a	n/a
19 - Indigent Care	Addendum Value	n/a	n/a
20 - Experience Pure Premium	$17 + 18 + 19$	17	17
IV. Employer Specific Premium Rates		Total	
Blending the Manual Pure Premium and Experience			
1 - Adjusted Manual Pure Premium	6 From Section II		
2 - Capped Manual Pure Premium	If group has over 100 enrolled subscribers and adjusted manual premium is +/- 15% or more of the Experience Pure Premium, cap adjusted manual rate at Experience Pure premium * 1.15 or Experience Pure Premium *.85, respectively. Otherwise, equal to Adjusted Manual Pure Premium		
3 - Experience Pure Premium	20 From Section III		
4 - Experience Credibility Weight	Addendum Value		
5 - Blended Pure Premium	$3x4 + 2x(100\%-4)$		
6 - Group Risk Assessment Factor	Addendum Value		
7 - New Business Discount	Addendum Value		
8 - Retrospective Financial Underwriting Factor	Addendum Value		
9 - Network Access Fee	Addendum Value		
10 - Retention Charges excluding Premium Tax	Addendum Value		
11 - Premium Taxes	Addendum Value		
12 - Group Required Pure Premium	$5x6x7x8+9+10+11$		
Premium Rate Development			
13 - Employer Specific Loading Factors	<u>Single</u>	<u>EE/SP</u>	<u>EE/Ch(ren)</u>
14 - Final Premium Rates	Based on the Group's specific rate ratios/census		
	12 x 13	12 x 13	12 x 13
			12 x 13
V. Minimum Premium Funding			
1 - Final Premium Rates	<u>Single</u>	<u>EE/SP</u>	<u>EE/Ch(ren)</u>
2 - Retention Rate	From Section IV, line 14		
3 - Claims Liability Rate	From Section IV., lines 10 + 11 x Employer Specific Loading Factors		
4 - Claims Fluctuation Margin	1-2		
5 - Maximum Monthly Premium Liability	Addendum Value		
	3X4		

MVP Health Care - Large Group Experience Rating Formula - Two Periods of Experience calculation

Group Name:	<input type="text" value="Input"/>	Date:	<input type="text" value="Input"/>
Group #:	<input type="text" value="Input"/>	Effective Date:	<input type="text" value="Input"/>
Marketing Rep:	<input type="text" value="Input"/>		
Underwriter:	<input type="text" value="Input"/>		

	Medical Claims		Pharmacy Claims	
	Period 1	Period 2	Period 1	Period 2
Experience Pure Premium Calculation				
Experience Period Start Date	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Experience Period End Date	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Paid Through Date	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Midpoint of Experience Period	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Product Reflected in Experience	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Product in the Rate Quote	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Member Months	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
Claims Information				
1 - Date of Service Paid Claims	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
2 - Composite Completion Factor Adjustment	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
3 - Incurred Claims	<i>1x2</i>	<i>1x2</i>	<i>1x2</i>	<i>1x2</i>
4 - Other non fee for service medical expenses	<i>Input</i>	<i>Input</i>	<i>n/a</i>	<i>n/a</i>
5 - Pooling Level (PL)	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
6 - Actual Large Claims (Excess Over PL)	<i>Input</i>	<i>Input</i>	<i>Input</i>	<i>Input</i>
7 - Pharmacy Rebate Factor	<i>n/a</i>	<i>n/a</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
8 - Incurred Claims Less Large Claims	<i>3+4-6</i>	<i>3+4-6</i>	<i>(3 - 6) * 7</i>	<i>(3 - 6) * 7</i>
9 - Trend Factor to MP of Projection Period	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
10 - Regional Trend Adjustment Factor	<i>Addendum Value</i>	<i>n/a</i>	<i>Addendum Value</i>	<i>n/a</i>
11 - Trended Net Claims	<i>8x9x10</i>	<i>8x9x10</i>	<i>8x9x10</i>	<i>8x9x10</i>
12 - Trended pmpm Net Claims	<i>11 / membermonths</i>	<i>11 / membermonths</i>	<i>11 / membermonths</i>	<i>11 / membermonths</i>
Experience Adjustments				
13 - Demographic Adjustment (Carrier Replacement Only)	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
14 - Network Adjustment Factor	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
15 - Benefit Adjustment	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
16 - Pooling Charge %	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>n/a</i>	<i>n/a</i>
17 - Adjusted pmpm Net Claims	<i>product(12 thru 15) x (1+16)</i>	<i>product(12 thru 15) x (1+16)</i>	<i>product(12 thru 15) x (1+16)</i>	<i>product(12 thru 15) x (1+16)</i>
Period Weight	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>	<i>Addendum Value</i>
Prior Period Adjustment Factor	<i>P1 and P2 Weighted Average line 17 / P1 line 17</i>		<i>P1 and P2 Weighted Average line 17 / P1 line 17</i>	

Large Group HIC

% of Mbrship 8.2% 8.2% 8.2% 8.2% 8.1% 8.0% 7.9% 8.0% 7.9% 7.7% 9.8% 9.8%

Adjustment Factors by Deductible Level

Percent of Total Member Months

Deductible Level	Factors											
	1	2	3	4	5	6	7	8	9	10	11	12
\$0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
\$250	0.69	0.95	1.00	1.02	1.03	1.04	1.04	1.04	1.04	1.05	1.05	1.05
\$500	0.56	0.88	0.97	1.02	1.04	1.06	1.06	1.07	1.08	1.08	1.08	1.09
\$1,000	0.43	0.79	0.92	1.00	1.04	1.07	1.09	1.11	1.12	1.13	1.14	1.15
\$1,500	0.37	0.72	0.88	0.97	1.03	1.08	1.11	1.14	1.16	1.17	1.18	1.19
\$2,000	0.32	0.67	0.84	0.95	1.03	1.08	1.12	1.15	1.18	1.20	1.22	1.23
\$2,500	0.29	0.63	0.81	0.94	1.02	1.08	1.13	1.17	1.20	1.22	1.25	1.26
\$5,000	0.20	0.53	0.73	0.87	0.98	1.07	1.14	1.21	1.26	1.30	1.34	1.37

Deductible Level	Coverage Month											
	1	2	3	4	5	6	7	8	9	10	11	12
\$0	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%
\$250	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$500	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.6%	0.6%
\$1,000	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
\$1,500	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%
\$2,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%
\$2,500	3.4%	3.4%	3.4%	3.4%	3.4%	3.3%	3.3%	3.3%	3.3%	3.1%	4.4%	4.4%
\$5,000	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	1.2%	1.2%

Avg Policy Duration Factor 1.0072
Inverse of Factor 0.9928



MVP Health Care, Inc.

Article 42 and AR44 Experience Rating Formula

EPO, PPO, and HMO Products

For Large Employer Groups

(100+ Employees as defined by regulation)

Effective 01/01/16

INTRODUCTION

MVP Health Insurance Company and MVP Health Plan, Inc. (“MVP”) market Experience Rated EPO, PPO, and HMO products to large employer groups as defined per Vermont regulation. Prospective experience rating and Retrospective experience rating methods are offered. In addition, a Minimum Premium Funding arrangement is available via a rider.

MVP’s large group rating formula has three parts. Part 1 develops a group specific manual pure premium. Part 2 develops a pure premium based on the group’s actual claims experience. Part 3 blends the two using credibility factors and then develops the group’s premium rates. The attached Exhibits A and B illustrate the calculation from start to finish and this document provides a description of each component. The actual factors used in the calculation are contained in a separate Experience Rating Addendum filing.

The addendum filing and the factors contained within will be reviewed and adjusted annually or as necessary. Whenever possible, the rating factors will be developed using MVP historical experience and will be normalized to MVP’s population.

II: MANUAL PURE PREMIUM (part 1)

Part 1 of the formula is the calculation of the group specific Manual Pure Premium (the Adjusted Manual Pure Premium).

1. ***Manual Pure Premium*** – The Manual Pure Premium rate table can be found in the Experience Rating Addendum. These rates reflect the expected claim cost for the book of business for each benefit offering for the rating period.
2. ***Industry Factor*** – A factor to adjust for the group’s specific industry. The industry factor table can be found in the Experience Rating Addendum.
3. ***Demographic Factor*** – A factor to adjust for the group’s specific demographic makeup. For the purpose of calculating the demographic adjustment factor, any employees or retirees who have Medicare as their primary coverage are excluded from the census. The demographic tables can be found in the Experience Rating Addendum.
4. ***Manual Group Risk Assessment Factor*** - Rating factors to reflect specific characteristics of the group. See the Experience Rating Addendum for the applicable factors.
5. ***HRA/HSA Funding Load Factor*** – The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated

increase in utilization of services due to the resulting ‘first dollar’ coverage provided. See the Experience Rating Addendum for the applicable factors.

6. **Adjusted Manual Pure Premium** - The product of 1 through 5 above. This is the starting basis for the non-credible portion of the group’s premium calculation.

III:EXPERIENCE PURE PREMIUM (part 2)

For existing MVP groups, historical paid claim experience will be used. The underwriter will typically use the most recent 12 months of data with 2 months run-off. There may be instances where more or less data is available. It will be reviewed to determine appropriateness and credibility.

For groups new to MVP, historical paid claim information will be used if it is determined to be credible and appropriate. The data will be adjusted whenever possible to reflect differences in products and benefits being quoted and for differences in provider contracting and medical management. Any adjustments to the data will be documented in the group’s rating file. If MVP is not satisfied with the historical paid claim data received, the Adjusted Manual Pure Premium will be used for the first policy year.

PRIMARY INPUTS

- Experience Period Start Date – The first date of the experience data, based on date of service.
- Experience Period End Date – The last date of the experience data, based on the date of service.
- Paid Through Date – The date the claims in the experience period are paid through. This is used to determine the appropriate IBNR completion factor to adjust claims.
- Midpoint of the Experience Period – Middle date of the period start date and the period end date

Product Reflected in the experience – The product previously offered and reflected in the experience. For MVP renewal groups, the benefits are known in detail. For new groups, MVP may have limited benefit detail. When applicable, adjustments to claim information will be determined based on this information.

Product in the rate quote – The product and benefits being quoted. All products quoted will have rates on file with the State of Vermont.

Member Months – The member months for the experience period.

Out-of-Area Subscribers – The number of subscribers who are living outside of the MVP service areas.

CLAIM INFORMATION

1. ***Date of Service Paid Claims*** – The total claims paid for claims incurred in the experience period prior to adjusting for large claims and incurred but not reported claims.
2. ***Composite Completion Factor Adjustment*** – The factor used to complete paid claims. The completion factor depends on the length of the experience period and the number of months paid after the end of the experience period (or “claims runoff”). Factors are often applied during the data reporting and may also be included in #1 in an actual group calculation.
3. ***Incurred Claims*** - The projected total incurred claim cost for the group, adjusted for unpaid claims.
4. ***Other non Fee for Service medical expenses*** – The medical expenses associated with items like Capitation arrangements, Wellness Reward programs and Provider Incentive programs.
5. ***Pooling Level*** – The pooling level (attachment point) for the group. (See Experience Rating Addendum for details). Medical and Pharmacy claims will be included in the pooling calculation.
6. ***Actual Large Claims (excess over pooling level)*** – The claim amount in excess of the attachment point for all applicable claims in the experience period.
7. ***Pharmacy Rebate Factor*** – A factor to reflect pharmacy rebates received from MVP’s Pharmacy Benefit Manager. This represents an average percentage adjustment for MVP’s Rx community pool and is only applied to Rx costs. See Experience Rating Addendum for details.
8. ***Incurred Claims less Large Claims*** – The total Incurred Claims less the Large Claims.
9. ***Trend factor to midpoint of Projection Period*** – The trend rate based on the start and end date of the experience period and the renewal rating period. See the Experience Rating Addendum for trend factors.
10. ***Trended Net Claims*** – The Incurred Claims less Large Claims multiplied by the trend factor.
11. ***Trended PMPM Net Claims*** – The Trended Net Claims divided by the member month exposure for the experience period.

EXPERIENCE ADJUSTMENTS

12. **Demographic Factor (Carrier Replacement Only)** – In the event MVP is requested to provide an experience rate for the entire group, a demographic adjustment may be warranted. If MVP is offered on a slice basis and the quote is for full carrier replacement, MVP may adjust their own experience to reflect the demographics of the entire group. If claims experience is obtained for the rest of the group then that will be used instead. See the Experience Rating Addendum for the demographic factors.
13. **Prior Period Adjustment Factor** – In most cases, the underwriter will be looking at the most recent 12 months of a group's experience with 2 months of runoff. However, there may be instances where the underwriter will look at another claim period for the group and combine it with the most recent experience period. An example of this may be if a group had an unusually high number of large claims in the current period, the underwriter could look at the prior period to evaluate the large claim history. In the event the prior period history is very different, the underwriter could dampen the impact of the extraordinary large claims by blending the two periods together.

The calculation of this adjustment factor is shown in the attached Exhibit B. The calculation of the Adjusted PMPM Net Claim amount is done in the same manner as in Exhibit A for the current experience period (Period 1) and is repeated for the prior experience period as well (Period 2). A weighted average of the two is then computed based on Period Weights assumed by the underwriter. The average PMPM is divided by the Period 1 PMPM to derive the Period Period Adjustment Factor.

The Period weight is the amount of weight given to each period. See the Experience Rating Addendum for details.

14. **Network Adjustment Factor** – An adjustment to reflect differences in network providers, contractual provider reimbursement rates, gatekeeper vs. no gatekeeper, and referral vs. open access between the experience period data and the product being quoted. The calculation of any adjustment to the paid claims will be documented in the group file. See Experience Rating Addendum for details.
15. **Benefit Adjustment** – An adjustment to reflect material differences between the benefits inherent in the groups historical paid claim experience and the benefits being proposed in the quote. The factor will be calculated and applied separately to the Medical vs. the Prescription Drug claims. The calculation of any adjustment to the paid claims will be documented in the group file. See Experience Rating Addendum for details.

16. ***Pooling Charge %*** - The load applicable to the pooling level selected. See Experience Rating Addendum for details.
17. ***Adjusted PMPM Net Claims*** – The net incurred claims after applying the experience adjustments.
18. ***Covered Lives Assessment (CLA)*** – The amount paid for the Covered Lives Assessment. See the Experience Rating Addendum for detail.
19. ***Indigent Care*** – The amount paid to the State Public Goods Pool. This does not apply to Rx claims. See Experience Rating Addendum for detail.
20. ***Experience Pure Premium*** – Equal to the Adjusted PMPM Net Claims multiplied by the Prior Period Adjustment Factor, if applicable plus the PMPM CLA and Indigent Care expenses.

IV: EMPLOYER SPECIFIC PREMIUM RATES (part 3)

The results of Sections II and III above are blended together using credibility factors to determine the blended pure premium. Final adjustments, explained below, are then applied to arrive at the premium for the group. The premiums for the group's specific tier structure being quoted are then derived from this.

BLENDING OF EXPERIENCE PURE PREMIUM AND ADJUSTED MANUAL PURE PREMIUM

1. ***Adjusted Manual Pure Premium*** –Section II, line 6
2. ***Capped Manual Pure Premium*** – for accounts with over 100 subscribers and sufficient claims data, to calculate an Experience Pure Premium a manual rate cap may apply. When the Adjusted Manual Pure Premium is greater than 115% or less than 85% of the Experience Pure Premium, the Adjusted Manual Rate will be capped at 115% and 85%, respectively, of the Experience Pure Premium. If the group has less than 100 subscribers or the Adjusted Manual Pure Premium is within +/-15% of the Experience Pure Premium, the Capped Manual Pure Premium will be equal to the Adjusted Manual Pure Premium.
3. ***Experience Pure Premium*** –Section III, line 20
4. ***Experience Credibility Weight*** – The weight assigned to the Experience Pure Premium based on the member months from the experience period. See the Experience Rate Addendum for the applicable credibility table.
5. ***Blended Pure Premium*** – The weighted average of the Capped Manual Pure Premium and the Experience Pure Premium based on the credibility assigned to the group.

6. **Group Risk Assessment Factor** – Rating factors to reflect specific characteristics of the group. See the Experience Rating Addendum.
7. **New Business Discount Factor** – See the Experience Rate Addendum for details.
8. **Retrospective Financial Underwriting Factor** – The additional risk charge applied when the group is retrospectively experience rating. See the Experience Rating Addendum for the applicable factors.
9. **Network Access Fee** – In the event the group has members who live outside of MVP’s service area, MVP’s rental network assesses an out-of-network access fee. The access fee is charged per OOA subscriber and then translated into a PMPM fee based on the group’s total membership. See the Experience Rating Addendum for the network access fee.
10. **Retention Excluding Premium Tax** – The expense loads added to pure premium to cover general administrative fees, bad debt, risk charges, broker fees, net reinsurance, etc. See Experience Rating Addendum for details.
11. **Premium Tax** – The amount of premium tax. It is a percentage of premium and shown as a PMPM value. See Experience Rating Addendum for details.
12. **Group Required Pure Premium** – $(5 \times 6 \times 7 \times 8) + 9 + 10 + 11$

PREMIUM RATE DEVELOPMENT

13. Employer Specific Loading Factor – Converts the Group Specific Pure Premium to Single, Double, Parent/Child(ren), and Family premiums. A group can choose a two-tier, three-tier, or four-tier billing structure. A group specific Step-Up Factor is calculated using the group census and the group’s desired load ratios.

If MVP doesn’t have credible census information for the group the premium conversion factors from an MVP community rate filing will be used.

14. **Final Premium Rates** – 12 x 13. When more than one plan is offered to an employer, the rates for each plan are developed in a consistent manner as described here. In the case where the employer’s own claim’s experience is being used to develop the premium rates, the actual claims are allocated back to the individual products based on the expected cost of each benefit plan.

Renewal Rate Cap Guarantee – A maximum renewal increase (cap) may be offered to select employer groups at point of sale for a new group or upon renewal for an existing group. If a cap is offered, the group’s next renewal premium derived via this formula will be constrained by the maximum agreed upon renewal increase. A cap will be considered only for groups with a minimum of 100 enrolled subscribers and where MVP is the only carrier offering health insurance to the group. The group

must have 2 years of claim history available for review in the rate setting, regardless of whether it is a new or existing case and there are no ongoing large claimants. Groups that meet these selection criteria will be considered on a case by case basis for the cap offer. Not every group that meets these criteria will be offered a renewal increase cap. The maximum renewal increase offered will be at least equal to the projected trend rate used in the rate setting plus some margin. The amount of the margin will depend on the risk characteristics of the group.

V: RETROSPECTIVE EXPERIENCE RATE ACCOUNTING

MVP offers two options for Retrospective Accounting:

- 1) underwriting gains and losses are shared with the group
- 2) only underwriting gains are shared with the group

All retrospectively rated groups will pay a risk charge above the standard retention expenses associated with prospectively rated groups. This risk charge is outlined in the Experience Rating Addendum filed under separate cover and updated annually.

The Underwriting gain or loss for each retrospectively rated large group is determined annually using the prior policy years' incurred claim expense and 3 months of paid claim run out plus an additional amount for assumed IBNR claims.

To determine if the group is in a gain or loss position the actual premium collected over the policy year is compared to the actual incurred claims (including an estimate for IBNR) plus the PMPM fee for service medical claim expenses and non claim expenses from the group's premium rate development for that policy year. The actual incurred claims used will be net of any individual member claims over the pooling point purchased by the group for that policy year.

The group is in a gain position if the actual premium collected is greater than the sum of the estimated total incurred claims, the non fee for service medical expenses and the non claim expenses. If not, the group is in a loss position. Underwriting gains, or a portion of, are returned to the group. Underwriting losses, depending on the group contract, will either be the groups or MVP's responsibility.

VII: MINIMUM PREMIUM FUNDING ARRANGEMENT

An employer group can use Minimum Premium Funding by attaching a Minimum Premium Funding Arrangement (MPFA) rider to the group contract. MVP will utilize the large group formula to establish the Claims Liability Rate and other items in the MPFA rider. Exhibit A, attached, Section V. shows the calculations necessary to complete the MPFA rider.

1. ***Final Premium Rates*** – The final rates as determined using the MVP Large Group formula.
2. ***Retention Rate*** – The amount of retention included in the Final Premium Rates. The group is billed separately for retention charges.
3. ***Claims Liability Rate (CLR)*** – Line 1 minus Line 2, or the premium rates without retention.
4. ***Claims Fluctuation Margin*** - Addendum value. Also sometimes referred to as the Minimum Premium “Risk Corridor”, the amount of risk over the claims projection to be absorbed by the employer group. The amount of risk assumption will vary by group size and risk characteristics of the group.
5. ***Maximum Monthly Premium Liability (MPL)*** – Line 3 x Line 4 x the number of subscribers in each premium tier for the month. The MPL will be used to determine any monthly gain or loss by comparing against actual claims in the month. Over the contract period, the cumulative gain or loss is determined by comparing the cumulative MPT to the cumulative actual claims paid. Settlements of gains and losses will be described in the MPFA rider language.

VIII: EARLY QUOTING CLAUSE

Large Employers often require firm rate proposals 7-9 months in advance of the renewal effective date due to the effort required to coordinate renewals from multiple carriers and prepare open enrollment materials for their employees. It is usually the case that MVP does not yet have the next calendar year addendum values finalized and ready to quote and file this far in advance.

Upon request, for accounts with at least 2,000 total employees, MVP will develop the group’s premium rates based on the current formula and addendum values. Once MVP finalizes the next calendar year addendum factors and formula, all rates calculated thereafter will be based on the updated formula and addendum.

CERTIFICATION

I believe the rating formula described herein is consistent with industry norms, follows sound actuarial and underwriting principals and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP’s book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.



Matthew Lombardo, FSA, MAAA

July 23, 2015

Date

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
111	Wheat	0.90
112	Rice	0.90
115	Corn	0.90
116	Soybeans	0.90
119	Cash Grains, NEC	0.90
131	Cotton	0.90
132	Tobacco	0.90
133	Sugarcane and Sugar Beets	0.90
134	Irish Potatoes	0.90
139	Field Crops, Except Cash Grains, NEC	0.90
161	Vegetables and Melons	0.90
171	Berry Crops	0.90
172	Grapes	0.90
173	Tree Nuts	0.90
174	Citrus Fruits	0.90
175	Deciduous Tree Fruits	0.90
179	Fruits and Tree Nuts, NEC	0.90
181	Ornamental Floriculture and Nursery Products	0.90
182	Food Crops Grown Under Cover	0.90
191	General Farms, Primarily Crop	0.90
211	Beef Cattle Feedlots	0.95
212	Beef Cattle, Except Feedlots	0.95
213	Hogs	0.95
214	Sheep and Goats	0.95
219	General Livestock, Except Dairy and Poultry	1.00
241	Dairy Farms	1.00
251	Broiler, Fryers, and Roaster Chickens	0.95
252	Chicken Eggs	0.95
253	Turkey and Turkey Eggs	0.95
254	Poultry Hatcheries	0.95
259	Poultry and Eggs, NEC	0.95
271	Fur-Bearing Animals and Rabbits	0.95
272	Horses and Other Equines	0.95
273	Animal Aquaculture	0.95
279	Animal Specialities, NEC	0.95
291	General Farms, Primarily Livestock and Animal Specialties	1.00
711	Soil Preparation Services	0.95
721	Crop Planting, Cultivating, and Protecting	0.95
722	Crop Harvesting, Primarily by Machine	0.95
723	Crop Preparation Services For Market, except Cotton Ginning	0.95
724	Cotton Ginning	0.95
741	Veterinary Services For Livestock	0.95
742	Veterinary Services for Animal Specialties	0.95
751	Livestock Services, Except Veterinary	1.00
752	Animal Specialty Services, Except Veterinary	0.95
761	Farm Labor Contractors and Crew Leaders	0.95
762	Farm Management Services	0.95
781	Landscape Counseling and Planning	0.90
782	Lawn and Garden Services	1.10
783	Ornamental Shrub and Tree Services	1.10
811	Timber Tracts	0.90
831	Forest Nurseries and Gathering of Forest Products	0.90
851	Forestry Services	0.95
912	Finfish	1.05
913	Shellfish	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
919	Miscellaneous Marine Products	0.95
921	Fish Hatcheries and Preserves	0.95
971	Hunting and Trapping, and Game Propagation	0.95
1011	Iron Ores	1.15
1021	Copper Ores	1.15
1031	Lead and Zinc Ores	1.15
1041	Gold Ores	1.15
1044	Silver Ores	1.15
1061	Ferroalloy Ores, Except Vanadium	1.15
1081	Metal Mining Services	1.05
1094	Uranium-Radium-Vanadium Ores	1.15
1099	Miscellaneous Metal Ores, NEC	1.15
1221	Bituminous Coal and Lignite Surface Mining	1.15
1222	Bituminous Coal Underground Mining	1.15
1231	Anthracite Mining	1.15
1241	Coal Mining Services	1.15
1311	Crude Petroleum and Natural Gas	1.05
1321	Natural Gas Liquids	1.05
1381	Drilling Oil and Gas Wells	1.05
1382	Oil and Gas Field Exploration Services	0.95
1389	Oil and Gas Field Services, NEC	1.05
1411	Dimension Stone	1.15
1422	Crushed and Broken Limestone	1.15
1423	Crushed and Broken Granite	1.15
1429	Crushed and Broken Stone, NEC	1.15
1442	Construction Sand and Gravel	1.15
1446	Industrial Sand	1.15
1455	Kaolin and Ball Clay	1.15
1459	Clay, Ceramic, and Refractory Minerals, NEC	1.15
1474	Potash, Soda, and Borate Minerals	1.15
1475	Phosphate Rock	1.15
1479	Chemical and Fertilizer Mineral Mining, NEC	1.15
1481	Nonmetallic Minerals Services Except Fuels	1.05
1499	Miscellaneous Nonmetallic Minerals, Except Fuels	1.15
1521	General Contractors-Single-Family Houses	0.95
1522	General Contractors-Residential Buildings, Other Than Single-Family	1.00
1531	Operative Builders	1.00
1541	General Contractors-Industrial Buildings and Warehouses	1.00
1542	General Contractors-Nonresidential Buildings, Other than Industrial Buildings and Warehouses	1.00
1611	Highway and Street Construction, Except Elevated Highways	1.00
1622	Bridge, Tunnel, and Elevated Highway Construction	1.00
1623	Water, Sewer, Pipeline, and Communications and Power Line Construction	1.00
1629	Heavy Construction, NEC	1.00
1711	Plumbing, Heating, and Air-Conditioning	1.00
1721	Painting and Paper Hanging	1.00
1731	Electrical Work	1.00
1741	Masonry, Stone Setting, and Other Stone Work	1.00
1742	Plastering, Drywall, Acoustical, and Insulation Work	1.00
1743	Terrazzo, Tile, Marble, and Mosaic Work	1.00
1751	Carpentry Work	1.00
1752	Floor Laying and Other Floor Work, NEC	1.00
1761	Roofing, Siding, and Sheet Metal Work	1.00
1771	Concrete Work	1.00
1781	Water Well Drilling	1.00
1791	Structural Steel Erection	1.00

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
1793	Glass and Glazing Work	1.00
1794	Excavation Work	1.00
1795	Wrecking and Demolition Work	1.00
1796	Installation or Erection of Building Equipment, NEC	1.00
1799	Special Trade Contractors, NEC	1.00
2011	Meat Packing Plants	1.05
2013	Sausages and Other Prepared Meats	1.05
2015	Poultry Slaughtering and Processing	1.00
2021	Creamery Butter	0.95
2022	Natural, Processed, and Imitation Cheese	0.95
2023	Dry, Condensed, and Evaporated Dairy Products	0.95
2024	Ice Cream and Frozen Desserts	0.95
2026	Fluid Milk	0.95
2032	Canned Specialties	0.95
2033	Canned Fruits, Vegetables, Preserves, Jams, and Jellies	0.95
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes	0.95
2035	Pickled Fruits and Vegetables, Vegetable Sauces and Seasonings, and Salad Dressings	0.95
2037	Frozen Fruits, Fruit Juices, and Vegetables	0.95
2038	Frozen Specialties, NEC	0.95
2041	Flour and Other Grain Mill Products	0.95
2043	Cereal Breakfast Foods	0.95
2044	Rice Milling	0.95
2045	Prepared Flour Mixes and Doughs	0.95
2046	Wet Corn Milling	0.95
2047	Dog and Cat Food	0.95
2048	Prepared Feed and Feed Ingredients for Animals and Fowls, Except Dogs and Cats	0.95
2051	Bread and Other Bakery Products, Except Cookies and Crackers	0.95
2052	Cookies and Crackers	0.95
2053	Frozen Bakery Products, Except Bread	0.95
2061	Cane Sugar, Except Refining	0.95
2062	Cane Sugar Refining	0.95
2063	Beet Sugar	0.95
2064	Candy and Other Confectionery Products	0.95
2066	Chocolate and Cocoa Products	0.95
2067	Chewing Gum	0.95
2068	Salted and Roasted Nuts and Seeds	0.95
2074	Cottonseed Oil Mills	0.95
2075	Soybean Oil Mills	0.95
2076	Vegetable Oil Mills, Except Corn, Cottonseed, and Soybeans	0.95
2077	Animal and Marine Fats and Oils	1.00
2079	Shortening, Table Oils, Margarine, and Other Edible Fats and Oils, NEC	0.95
2082	Malt Beverages	0.95
2083	Malt	0.95
2084	Wines, Brandy, and Brandy Spirits	0.95
2085	Distilled and Blended Liquors	0.95
2086	Bottled and Canned Soft Drinks and Carbonated Waters	0.95
2087	Flavoring Extracts and Flavoring Syrups NEC	0.95
2091	Canned and Cured Fish and Seafood	0.95
2092	Prepared Fresh or Frozen Fish and Seafoods	0.95
2095	Roasted Coffee	0.95
2096	Potato Chips, Corn Chips, and Similar Snacks	0.95
2097	Manufactured Ice	0.95
2098	Macaroni, Spaghetti, Vermicelli, and Noodles	0.95
2099	Food Preparations, NEC	0.95
2111	Cigarettes	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2121	Cigars	1.05
2131	Chewing and Smoking Tobacco and Snuff	1.05
2141	Tobacco Stemming and Redrying	1.05
2211	Broadwoven Fabric Mills, Cotton	0.95
2221	Broadwoven Fabric Mills, Manmade Fiber and Silk	0.95
2231	Broadwoven Fabric Mills, Wool (Including Dyeing and Finishing)	0.95
2241	Narrow Fabric and Other Smallware Mills: Cotton, Wool, Silk, and Manmade Fiber	0.95
2251	Women's Full-Length and Knee-Length Hosiery, Except Socks	1.00
2252	Hosiery, NEC	1.00
2253	Knit Outerwear Mills	1.00
2254	Knit Underwear and Nightwear Mills	1.00
2257	Weft Knit Fabric Mills	0.95
2258	Lace and Warp Knit Fabric Mills	0.95
2259	Knitting Mills, NEC	0.95
2261	Finishers of Broadwoven Fabrics of Cotton	0.95
2262	Finishers of Broadwoven Fabrics of Manmade Fiber and Silk	0.95
2269	Finishers of Textiles, NEC	0.95
2273	Carpets and Rugs	0.95
2281	Yarn Spinning Mills	0.95
2282	Yarn Texturizing, Throwing, Twisting, and Winding Mills	0.95
2284	Thread Mills	0.95
2295	Coated Fabrics, Not Rubberized	0.95
2296	Tire Cord and Fabrics	0.95
2297	Nonwoven Fabrics	0.95
2298	Cordage and Twine	0.95
2299	Textile Goods, NEC	0.95
2311	Men's and Boys' Suits, Coats, and Overcoats	1.00
2321	Men's and Boys' Shirts, Except Work Shirts	1.00
2322	Men's and Boys' Underwear and Nightwear	1.00
2323	Men's and Boys' Neckwear	1.00
2325	Men's and Boys' Trousers and Slacks	1.00
2326	Men's and Boys' Work Clothing	1.00
2329	Men's and Boys' Clothing, NEC	1.00
2331	Women's, Misses', and Juniors' Blouses and Shirts	1.00
2335	Women's, Misses', and Juniors' Dresses	1.00
2337	Women's, Misses' and Juniors' Suits, Skirts, and Coats	1.00
2339	Women's, Misses', and Juniors' Outerwear, NEC	1.00
2341	Women's, Misses', Children's, and Infants' Underwear and Nightwear	1.00
2342	Brassieres, Girdles, and Allied Garments	1.00
2353	Hats, Caps, and Millinery	1.00
2361	Girls', Children's, and Infants' Dresses, Blouses, and Shirts	1.00
2369	Girls', Children's, and Infants' Outerwear, NEC	1.00
2371	Fur Goods	1.00
2381	Dress and Work Gloves, Except Knit and All-Leather	1.00
2384	Robes and Dressing Gowns	1.00
2385	Waterproof Outerwear	1.00
2386	Leather and Sheep-Lined Clothing	1.00
2387	Apparel Belts	1.00
2389	Apparel and Accessories, NEC	1.00
2391	Curtains and Draperies	1.00
2392	Housefurnishings, Except Curtains and Draperies	0.95
2393	Textile Bags	0.95
2394	Canvas and Related Products	0.95
2395	Pleating, Decorative and Novelty Stitching, and Tucking for the Trade	1.00
2396	Automotive Trimmings, Apparel Findings, and Related Products	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2397	Schiffli Machine Embroideries	0.95
2399	Fabricated Textile Products, NEC	1.00
2411	Logging	1.15
2421	Sawmills and Planing Mills, General	1.15
2426	Hardwood Dimension and Flooring Mills	1.15
2429	Special Product Sawmills, NEC	1.15
2431	Millwork	1.10
2434	Wood Kitchen Cabinets	0.95
2435	Hardwood Veneer and Plywood	1.00
2436	Softwood Veneer and Plywood	1.00
2439	Structural Wood Members, NEC	1.00
2441	Nailed and Lock Corner Wood Boxes and Shook	1.00
2448	Wood Pallets and Skids	1.00
2449	Wood Containers, NEC	1.00
2451	Mobile Homes	1.00
2452	Prefabricated Wood Buildings and Components	1.00
2491	Wood Preserving	1.00
2493	Reconstituted Wood Products	1.00
2499	Wood Products, NEC	1.00
2511	Wood Household Furniture, Except Upholstered	0.95
2512	Wood Household Furniture, Upholstered	0.95
2514	Metal Household Furniture	0.95
2515	Mattresses, Foundations, and Convertible Beds	0.95
2517	Wood Television, Radio, Phonograph and Sewing Machine Cabinets	0.95
2519	Household Furniture, NEC	0.95
2521	Wood Office Furniture	0.95
2522	Office Furniture, Except Wood	0.95
2531	Public Building and Related Furniture	0.95
2541	Wood Office and Store Fixtures, Partitions, Shelving, and Lockers	0.95
2542	Office and Store Fixtures, Partitions, Shelving, and Lockers, Except Wood	0.95
2591	Drapery Hardware and Window Blinds and Shades	0.95
2599	Furniture and Fixtures, NEC	0.95
2611	Pulp Mills	0.95
2621	Paper Mills	0.95
2631	Paperboard Mills	0.95
2652	Setup Paperboard Boxes	0.95
2653	Corrugated and Solid Fiber Boxes	0.95
2655	Fiber Cans, Tubes, Drums, and Similar Products	0.95
2656	Sanitary Food Containers, Except Folding	0.95
2657	Folding Paperboard Boxes, Including Sanitary	0.95
2671	Packaging Paper and Plastics Film, Coated and Laminated	0.95
2672	Coated and Laminated Paper, NEC	0.95
2673	Plastics, Foil, and Coated Paper Bags	0.95
2674	Uncoated Paper and Multiwall Bags	0.95
2675	Die-Cut Paper and Paperboard and Cardboard	0.95
2676	Sanitary Paper Products	0.95
2677	Envelopes	0.95
2678	Stationery, Tablets, and Related Products	0.95
2679	Converted Paper and Paperboard Products, NEC	0.95
2711	Newspapers: Publishing, or Publishing and Printing	0.90
2721	Periodicals: Publishing, or Publishing and Printing	0.90
2731	Books: Publishing, or Publishing and Printing	0.95
2732	Book Printing	0.90
2741	Miscellaneous Publishing	0.90
2752	Commercial Printing, Lithographic	0.90

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2754	Commercial Printing, Gravure	0.90
2759	Commercial Printing, NEC	0.90
2761	Manifold Business Forms	0.90
2771	Greeting Cards	0.90
2782	Blankbooks, Loose-leaf Binders and Devices	0.90
2789	Bookbinding and Related Work	0.90
2791	Typesetting	0.90
2796	Platemaking and Related Services	0.90
2812	Alkalies and Chlorine	1.00
2813	Industrial Gases	1.00
2816	Inorganic Pigments	1.00
2819	Industrial Inorganic Chemicals, NEC	1.00
2821	Plastics Material and Synthetic Resins, and Nonvulcanizable Elastomers	1.00
2822	Synthetic Rubber	1.00
2823	Cellulosic Manmade Fibers	1.00
2824	Manmade Organic Fibers, Except Cellulosic	1.00
2833	Medicinal Chemicals and Botanical Products	0.90
2834	Pharmaceutical Preparations	0.90
2835	In Vitro and In Vivo Diagnostic Substances	0.90
2836	Biological Products, Except Diagnostic Substances	0.90
2841	Soaps and Other Detergents, Except Speciality Cleaners	0.90
2842	Speciality Cleaning, Polishing, and Sanitary Preparations	0.90
2843	Surface Active Agents, Finishing Agents, Sulfonated Oils, and Assistants	0.90
2844	Perfumes, Cosmetics, and Other Toilet Preparations	0.90
2851	Paints, Varnishes, Lacquers, Enamels, and Allied Products	0.95
2861	Gum and Wood Chemicals	1.00
2865	Cyclic Organic Crudes and Intermediates, and Organic Dyes and Pigments	1.00
2869	Industrial Organic Chemicals, NEC	1.00
2873	Nitrogenous Fertilizers	1.00
2874	Phosphatic Fertilizers	1.00
2875	Fertilizers, Mixing Only	1.00
2879	Pesticides and Agricultural Chemicals, NEC	1.00
2891	Adhesives and Sealants	0.95
2892	Explosives	1.15
2893	Printing Ink	0.95
2895	Carbon Black	1.00
2899	Chemicals and Chemical Preparations, NEC	0.95
2911	Petroleum Refining	1.05
2951	Asphalt Paving Mixtures and Blocks	1.05
2952	Asphalt Felts and Coatings	1.05
2992	Lubricating Oils and Greases	1.05
2999	Products of Petroleum and Coal, NEC	1.05
3011	Tires and Inner Tubes	0.95
3021	Rubber and Plastics Footwear	0.95
3052	Rubber and Plastics Hose and Belting	0.95
3053	Gaskets, Packing, and Sealing Devices	0.90
3061	Molded, Extruded, and Lathe-Cut Mechanical Rubber Goods	0.95
3069	Fabricated Rubber Products, NEC	0.95
3081	Unsupported Plastics Film and Sheet	0.95
3082	Unsupported Plastics Profile Shapes	0.95
3083	Laminated Plastics Plate, Sheet, and Profile Shapes	0.95
3084	Plastics Pipe	0.95
3085	Plastics Bottles	0.95
3086	Plastics Foam Products	0.95
3087	Custom Compounding of Purchased Plastics Resins	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3088	Plastics Plumbing Fixtures	0.95
3089	Plastics Products, NEC	0.95
3111	Leather Tanning and Finishing	1.15
3131	Boot and Shoe Cut Stock and Findings	1.00
3142	House Slippers	0.95
3143	Men's Footwear, Except Athletic	0.95
3144	Women's Footwear, Except Athletic	0.95
3149	Footwear, Except Rubber, NEC	0.95
3151	Leather Gloves and Mittens	1.00
3161	Luggage	0.95
3171	Women's Handbags and Purses	0.95
3172	Personal Leather Goods, Except Women's Handbags and Purses	0.95
3199	Leather Goods, NEC	0.95
3211	Flat Glass	0.95
3221	Glass Containers	0.95
3229	Pressed and Blown Glass and Glassware, NEC	0.95
3231	Glass Products, Made of Purchased Glass	0.95
3241	Cement, Hydraulic	0.95
3251	Brick and Structural Clay Tile	0.95
3253	Ceramic Wall and Floor Tile	0.95
3255	Clay Refractories	0.95
3259	Structural Clay Products, NEC	0.95
3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories	0.95
3262	Vitreous China Table and Kitchen Articles	0.95
3263	Fine Earthenware (Whiteware) Table and Kitchen Articles	0.95
3264	Porcelain Electrical Supplies	0.95
3269	Pottery Products, NEC	0.95
3271	Concrete Block and Brick	0.95
3272	Concrete Products, Except Block and Brick	1.05
3273	Ready-Mixed Concrete	0.95
3274	Lime	0.95
3275	Gypsum Products	0.95
3281	Cut Stone and Stone Products	0.95
3291	Abrasive Products	1.05
3292	Asbestos Products	1.05
3295	Minerals and Earths, Ground or Otherwise Treated	1.10
3296	Mineral Wool	0.95
3297	Nonclay Refractories	0.95
3299	Nonmetallic Mineral Products, NEC	1.05
3312	Steel Works, Blast Furnaces (Including Coke Ovens), and Rolling Mills	1.10
3313	Electrometallurgical Products, Except Steel	1.10
3315	Steel Wiredrawing and Steel Nails and Spikes	1.05
3316	Cold-Rolled Steel Sheet, Strip, and Bars	1.10
3317	Steel Pipe and Tubes	1.10
3321	Gray and Ductile Iron Foundries	1.10
3322	Malleable Iron Foundries	1.10
3324	Steel Investment Foundries	1.10
3325	Steel Foundries, NEC	1.10
3331	Primary Smelting and Refining of Copper	1.10
3334	Primary Production of Aluminum	1.10
3339	Primary Smelting and Refining of Nonferrous Metals, Except Copper and Aluminum	1.10
3341	Secondary Smelting and Refining of Nonferrous Metals	1.10
3351	Rolling, Drawing, and Extruding of Copper	1.10
3353	Aluminum Sheet, Plate, and Foil	1.10
3354	Aluminum Extruded Products	1.10

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3355	Aluminum Rolling and Drawing, NEC	1.10
3356	Rolling, Drawing, and Extruding of Nonferrous Metals, Except Copper and Aluminum	1.10
3357	Drawing and Insulating of Nonferrous Wire	1.00
3363	Aluminum Die-Castings	1.10
3364	Nonferrous Die-Castings, Except Aluminum	1.10
3365	Aluminum Foundries	1.10
3366	Copper Foundries	1.10
3369	Nonferrous Foundries, Except Aluminum and Copper	1.10
3398	Metal Heat Treating	0.95
3399	Primary Metal Products, NEC	1.05
3411	Metal Cans	0.95
3412	Metal Shipping Barrels, Drums, Kegs, and Pails	0.95
3421	Cutlery	0.95
3423	Hand and Edge Tools, Except Machine Tools and Handsaws	0.95
3425	Saw Blades and Handsaws	0.95
3429	Hardware, NEC	0.95
3431	Enameled Iron and Metal Sanitary Ware	0.95
3432	Plumbing Fixture Fittings and Trim	0.95
3433	Heating Equipment, Except Electric and Warm Air Furnaces	0.95
3441	Fabricated Structural Metal	0.95
3442	Metal Doors, Sash, Frames, Molding, and Trim Manufacturing	0.95
3443	Fabricated Plate Work (Boiler Shops)	0.95
3444	Sheet Metal Work	0.95
3446	Architectural and Ornamental Metal Work	0.95
3448	Prefabricated Metal Buildings and Components	0.95
3449	Miscellaneous Structural Metal Work	0.95
3451	Screw Machine Products	0.95
3452	Bolts, Nuts, Screws, Rivets, and Washers	0.95
3462	Iron and Steel Forgings	0.95
3463	Nonferrous Forgings	0.95
3465	Automotive Stamping	0.95
3466	Crowns and Closures	0.95
3469	Metal Stamping, NEC	0.95
3471	Electroplating, Plating, Polishing, Anodizing, and Coloring	0.95
3479	Coating, Engraving, and Allied Services, NEC	0.90
3482	Small Arms Ammunition	0.95
3483	Ammunition, Except for Small Arms	0.95
3484	Small Arms	0.95
3489	Ordnance and Accessories, NEC	0.95
3491	Industrial Valves	0.95
3492	Fluid Power Valves and Hose Fittings	0.95
3493	Steel Springs, Except Wire	0.95
3494	Valves and Pipe Fittings, NEC	0.95
3495	Wire Springs	0.95
3496	Miscellaneous Fabricated Wire Products	0.95
3497	Metal Foil and Leaf	0.95
3498	Fabricated Pipe and Pipe Fittings	0.95
3499	Fabricated Metal Products, NEC	0.95
3511	Steam, Gas, and Hydraulic Turbines, and Turbine Generator Set Units	0.95
3519	Internal Combustion Engines, NEC	0.95
3523	Farm Machinery and Equipment	0.95
3524	Lawn and Garden Tractors and Home Lawn and Garden Equipment	0.95
3531	Construction Machinery and Equipment	0.95
3532	Mining Machinery and Equipment, Except Oil and Gas Field Machinery and Equipment	0.95
3533	Oil and Gas Field Machinery and Equipment	0.95

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3534	Elevators and Moving Stairways	0.95
3535	Conveyors and Conveying Equipment	0.95
3536	Overhead Traveling Cranes, Hoists, and Monorail Systems	0.95
3537	Industrial Trucks, Tractors, Trailers, and Stackers	0.95
3541	Machine Tools, Metal Cutting Type	0.95
3542	Machine Tools, Metal Forming Type	0.95
3543	Industrial Patterns	0.95
3544	Special Dies and Tools, Die Sets, Jigs and Fixtures, and Industrial Molds	0.95
3545	Cutting Tools, Machine Tool Accessories, and Machinists' Precision Measuring Devices	0.95
3546	Power-Driven Handtools	0.95
3547	Rolling Mill Machinery and Equipment	0.95
3548	Electric and Gas Welding and Soldering Equipment	0.95
3549	Metalworking Machinery, NEC	0.95
3552	Textile Machinery	0.95
3553	Woodworking Machinery	0.95
3554	Paper Industries Machinery	0.95
3555	Printing Trades Machinery and Equipment	0.95
3556	Food Products Machinery	0.95
3559	Special Industry Machinery, NEC	0.95
3561	Pumps and Pumping Equipment	0.95
3562	Ball and Roller Bearings	0.95
3563	Air and Gas Compressors	0.95
3564	Industrial and Commercial Fans and Blowers and Air Purification Equipment	0.95
3565	Packaging Machinery	0.95
3566	Speed Changers, Industrial High-Speed Drives, and Gears	0.95
3567	Industrial Process Furnaces and Ovens	0.95
3568	Mechanical Power Transmission Equipment, NEC	0.95
3569	General Industrial Machinery and Equipment, NEC	0.95
3571	Electronic Computers	0.90
3572	Computer Storage Devices	0.90
3575	Computer Terminals	0.90
3577	Computer Peripheral Equipment, NEC	0.90
3578	Calculating and Accounting Machines, Except Electronic Computers	0.95
3579	Office Machines, NEC	0.90
3581	Automatic Vending Machines	0.95
3582	Commercial Laundry, Drycleaning, and Pressing Machines	0.95
3585	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment	0.95
3586	Measuring and Dispensing Pumps	0.95
3589	Service Industry Machinery, NEC	0.95
3592	Carburetors, Pistons, Piston Rings, and Valves	0.95
3593	Fluid Power Cylinders and Actuators	0.95
3594	Fluid Power Pumps and Motors	0.95
3596	Scales and Balances, Except Laboratory	0.95
3599	Industrial and Commercial Machinery and Equipment, NEC	0.95
3612	Power, Distribution, and Specialty Transformers	0.90
3613	Switchgear and Switchboard Apparatus	0.90
3621	Motors and Generators	0.90
3624	Carbon and Graphite Products	0.90
3625	Relays and Industrial Controls	0.90
3629	Electrical Industrial Apparatus, NEC	0.90
3631	Household Cooking Equipment	0.90
3632	Household Refrigerators and Home and Farm Freezers	0.90
3633	Household Laundry Equipment	0.90
3634	Electric Housewares and Fans	0.90
3635	Household Vacuum Cleaners	0.90

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3639	Household Appliances, NEC	0.90
3641	Electric Lamp Bulbs and Tubes	0.90
3643	Current-Carrying Wiring Devices	0.90
3644	Noncurrent-Carrying Wiring Devices	0.95
3645	Residential Electric Lighting Fixtures	0.90
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.90
3647	Vehicular Lighting Equipment	0.95
3648	Lighting Equipment, NEC	0.90
3651	Household Audio and Video Equipment	0.90
3652	Phonograph Records and Prerecorded Audio Tapes and Disks	0.95
3661	Telephone and Telegraph Apparatus	0.90
3663	Radio and Television Broadcasting and Communications Equipment	0.90
3669	Communications Equipment, NEC	0.90
3671	Electron Tubes	0.90
3672	Printed Circuit Boards	0.90
3674	Semiconductors and Related Devices	0.90
3675	Electronic Capacitors	0.90
3676	Electronic Resistors	0.90
3677	Electronic Coils, Transformers, and Other Inductors	0.90
3678	Electronic Connectors	0.90
3679	Electronic Components, NEC	0.90
3691	Storage Batteries	0.90
3692	Primary Batteries, Dry and Wet	0.90
3694	Electrical Equipment for Internal Combustion Engines	0.95
3695	Magnetic and Optical Recording Media	0.90
3699	Electrical Machinery, Equipment, and Supplies, NEC	0.95
3711	Motor Vehicles and Passenger Car Bodies	0.95
3713	Truck and Bus Bodies	0.95
3714	Motor Vehicle Parts and Accessories	0.95
3715	Truck Trailers	0.95
3716	Motor Homes	0.95
3721	Aircraft	0.95
3724	Aircraft Engines and Engine Parts	0.95
3728	Aircraft Parts and Auxiliary Equipment, NEC	0.95
3731	Ship Building and Repairing	1.00
3732	Boat Building and Repairing	1.00
3743	Railroad Equipment	0.95
3751	Motorcycles, Bicycles, and Parts	0.95
3761	Guided Missiles and Space Vehicles	0.95
3764	Guided Missile and Space Vehicle Propulsion Units and Propulsion Unit Parts	0.95
3769	Guided Missile Space Vehicle Parts and Auxiliary Equipment, NEC	0.95
3792	Travel Trailers and Campers	0.95
3795	Tanks and Tank Components	0.95
3799	Transportation Equipment, NEC	0.95
3812	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems and Instruments	0.90
3821	Laboratory Apparatus and Furniture	0.90
3822	Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.90
3823	Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.90
3824	Totalizing Fluid Meters and Counting Devices	0.90
3825	Instruments for Measuring and Testing of Electricity and Electrical Signals	0.90
3826	Laboratory Analytical Instruments	0.90
3827	Optical Instruments and Lenses	0.95
3829	Measuring and Controlling Devices, NEC	0.90
3841	Surgical and Medical Instruments and Apparatus	0.90
3842	Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.90

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3843	Dental Equipment and Supplies	0.90
3844	X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.90
3845	Electromedical and Electrotherapeutic Apparatus	0.90
3851	Ophthalmic Goods	0.90
3861	Photographic Equipment and Supplies	0.95
3873	Watches, Clocks, Clockwork Operated Devices and Parts	0.90
3911	Jewelry, Precious Metal	0.90
3914	Silverware, Plated Ware, and Stainless Steel Ware	0.95
3915	Jewelers' Findings and Materials, and Lapidary Work	0.90
3931	Musical Instruments	0.90
3942	Dolls and Stuffed Toys	0.90
3944	Games, Toys, and Children's Vehicles, Except Dolls and Bicycles	0.95
3949	Sporting and Athletic Goods, NEC	0.90
3951	Pens, Mechanical Pencils, and Parts	0.90
3952	Lead Pencils, Crayons, and Artist's Materials	0.95
3953	Marking Devices	0.90
3955	Carbon Paper and Inked Ribbons	0.90
3961	Costume Jewelry and Costume Novelties, Except Precious Metals	0.90
3965	Fasteners, Buttons, Needles, and Pins	0.90
3991	Brooms and Brushes	0.90
3993	Signs and Advertising Specialties	0.90
3995	Burial Caskets	0.90
3996	Linoleum, Asphalted-Felt-Base, and Other Hard Surface Floor Coverings, NEC	0.95
3999	Manufacturing Industries, NEC	0.95
4011	Railroads, Line-haul Operating	1.05
4013	Railroad Switching and Terminal Establishments	1.05
4111	Local and Suburban Transit	1.10
4119	Local Passenger Transportation, NEC	1.10
4121	Taxicabs	1.15
4131	Intercity and Rural Bus Transportation	1.10
4141	Local Bus Charter Service	1.10
4142	Bus Charter Service, Except Local	1.10
4151	School Buses	1.10
4173	Terminal and Service Facilities for Motor Vehicle Passenger Transportation	1.05
4212	Local Trucking Without Storage	1.00
4213	Trucking, Except Local	1.05
4214	Local Trucking with Storage	1.05
4215	Courier Services Except by Air	1.05
4221	Farm Product Warehousing and Storage	1.05
4222	Refrigerated Warehousing and Storage	1.05
4225	General Warehousing and Storage	1.10
4226	Special Warehousing and Storage, NEC	1.05
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.05
4311	United States Postal Service	0.95
4412	Deep Sea Foreign Transportation of Freight	0.95
4424	Deep Sea Domestic Transportation of Freight	0.95
4432	Freight Transportation on the Great Lakes - St. Lawrence Seaway	0.95
4449	Water Transportation of Freight, NEC	0.95
4481	Deep Sea Transportation of Passengers, Except by Ferry	0.95
4482	Ferries	0.95
4489	Water Transportation of Passengers, NEC	1.00
4491	Marine Cargo Handling	1.05
4492	Towing and Tugboat Services	1.05
4493	Marinas	1.15
4499	Water Transportation Services, NEC	1.05

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
4512	Air Transportation, Scheduled	0.95
4513	Air Courier Services	1.05
4522	Air Transportation, Nonscheduled	1.00
4581	Airports, Flying Fields, and Airport Terminal Services	1.05
4612	Crude Petroleum Pipelines	0.95
4613	Refined Petroleum Pipelines	0.95
4619	Pipelines, NEC	0.95
4724	Travel Agencies	0.95
4725	Tour Operators	0.95
4729	Arrangement of Passenger Transportation, NEC	1.00
4731	Arrangement of Transportation of Freight and Cargo	1.00
4741	Rental of Railroad Cars	1.00
4783	Packing and Crating	1.05
4785	Fixed Facilities and Inspection and Weighing Services for Motor Vehicle Transportation	1.05
4789	Transportation Services, NEC	1.10
4812	Radiotelephone Communications	0.90
4813	Telephone Communications, Except Radiotelephone	0.90
4822	Telegraph and Other Message Communications	0.90
4832	Radio Broadcasting Stations	0.90
4833	Television Broadcasting Stations	0.90
4841	Cable and Other Pay Television Services	0.90
4899	Communications Services, NEC	1.00
4911	Electric Services	0.95
4922	Natural Gas Transmission	0.95
4923	Natural Gas Transmission and Distribution	0.95
4924	Natural Gas Distribution	0.95
4925	Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution	0.95
4931	Electric and Other Services Combined	0.95
4932	Gas and Other Services Combined	0.95
4939	Combination Utilities, NEC	0.95
4941	Water Supply	0.95
4952	Sewerage Systems	0.95
4953	Refuse Systems	1.05
4959	Sanitary Services, NEC	1.10
4961	Steam and Air-Conditioning Supply	0.95
4971	Irrigation Systems	0.95
5012	Automobiles and Other Motor Vehicles	0.95
5013	Motor Vehicle Supplies and New Parts	1.05
5014	Tires and Tubes	1.05
5015	Motor Vehicle Parts, Used	1.05
5021	Furniture	0.95
5023	Home Furnishings	0.95
5031	Lumber, Plywood, Millwork, and Wood Panels	0.95
5032	Brick, Stone and Related Construction Materials	0.95
5033	Roofing, Siding, and Insulation Materials	0.95
5039	Construction Materials, NEC	0.95
5043	Photographic Equipment and Supplies	0.95
5044	Office Equipment	0.95
5045	Computers and Computer Peripheral Equipment and Software	0.95
5046	Commercial Equipment, NEC	0.95
5047	Medical, Dental, and Hospital Equipment and Supplies	0.95
5048	Ophthalmic Goods	0.95
5049	Professional Equipment and Supplies, NEC	0.95
5051	Metals Service Centers and Offices	0.95
5052	Coal and Other Minerals and Ores	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5063	Electrical Apparatus and Equipment Wiring Supplies, and Construction Materials	0.95
5064	Electrical Appliances, Television and Radio Sets	0.95
5065	Electronic Parts and Equipment, NEC	0.95
5072	Hardware	0.95
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	0.95
5075	Warm Air Heating and Air-Conditioning Equipment and Supplies	0.95
5078	Refrigeration Equipment and Supplies	0.95
5082	Construction and Mining (Except Petroleum) Machinery and Equipment	0.95
5083	Farm and Garden Machinery and Equipment	0.95
5084	Industrial Machinery and Equipment	0.95
5085	Industrial Supplies	0.95
5087	Service Establishment Equipment and Supplies	0.95
5088	Transportation Equipment and Supplies, Except Motor Vehicles	0.95
5091	Sporting and Recreational Goods and Supplies	0.95
5092	Toys and Hobby Goods and Supplies	0.95
5093	Scrap and Waste Materials	1.10
5094	Jewelry, Watches, Precious Stones, and Precious Metals	0.95
5099	Durable Goods, NEC	0.95
5111	Printing and Writing Paper	0.95
5112	Stationery and Office Supplies	0.95
5113	Industrial and Personal Service Paper	0.95
5122	Drugs, Drug Proprietaries, and Druggists' Sundries	0.95
5131	Piece Goods, Notions, and Other Dry Goods	0.95
5136	Men's and Boys' Clothing and Furnishings	0.95
5137	Women's, Children's, and Infants' Clothing and Accessories	0.95
5139	Footwear	0.95
5141	Groceries, General Line	0.95
5142	Packaged Frozen Foods	0.95
5143	Dairy Products, Except Dried or Canned	0.95
5144	Poultry and Poultry Products	0.95
5145	Confectionery	0.95
5146	Fish and Seafoods	0.95
5147	Meats and Meat Products	1.00
5148	Fresh Fruits and Vegetables	0.95
5149	Groceries and Related Products, NEC	0.95
5153	Grain and Field Beans	0.95
5154	Livestock	0.95
5159	Farm-Product Raw Materials, NEC	0.95
5162	Plastics Materials and Basic Forms and Shapes	0.95
5169	Chemicals and Allied Products, NEC	0.95
5171	Petroleum Bulk Stations and Terminals	1.00
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	0.95
5181	Beer and Ale	1.05
5182	Wine and Distilled Alcoholic Beverages	1.05
5191	Farm Supplies	0.95
5192	Books, Periodicals, and Newspapers	0.95
5193	Flowers, Nursery Stock, and Florists' Supplies	0.95
5194	Tobacco and Tobacco Products	0.95
5198	Paint, Varnishes, and Supplies	0.95
5199	Nondurable Goods, NEC	1.00
5211	Lumber and Other Building Materials Dealers	0.95
5231	Paint, Glass, and Wallpaper Stores	0.95
5251	Hardware Stores	0.95
5261	Retail Nurseries, Lawn and Garden Supply Stores	0.95
5271	Mobile Home Dealers	1.10

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5311	Department Stores	0.90
5331	Variety Stores	0.90
5399	Miscellaneous General Merchandise Stores	0.90
5411	Grocery Stores	1.00
5421	Meat and Fish (Seafood) Markets, Including Freezer Provisioners	0.95
5431	Fruit and Vegetable Markets	0.95
5441	Candy, Nut, and Confectionery Stores	0.95
5451	Dairy Products Stores	0.95
5461	Retail Bakeries	1.05
5499	Miscellaneous Food Stores	0.95
5511	Motor Vehicle Dealers (New and Used)	1.10
5521	Motor Vehicle Dealers (Used Only)	1.10
5531	Auto and Home Supply Stores	1.05
5541	Gasoline Service Stations	1.10
5551	Boat Dealers	1.10
5561	Recreational Vehicle Dealers	1.10
5571	Motorcycle Dealers	1.10
5599	Automotive Dealers, NEC	1.10
5611	Men's and Boys' Clothing and Accessory Stores	0.95
5621	Women's Clothing Stores	0.95
5632	Women's Accessory and Specialty Stores	0.95
5641	Children's and Infants' Wear Stores	0.95
5651	Family Clothing Stores	0.95
5661	Shoe Stores	0.95
5699	Miscellaneous Apparel and Accessory Stores	0.95
5712	Furniture Stores	0.95
5713	Floor Covering Stores	0.95
5714	Drapery, Curtain, and Upholstery Stores	0.95
5719	Miscellaneous Homefurnishings Stores	0.95
5722	Household Appliance Stores	0.95
5731	Radio, Television, and Consumer Electronics Stores	1.05
5734	Computer and Computer Software Stores	0.95
5735	Record and Prerecorded Tape Stores	0.95
5736	Musical Instrument Stores	0.95
5812	Eating and Drinking Places	1.15
5813	Drinking Places (Alcoholic Beverages)	1.15
5912	Drug Stores and Proprietary Stores	0.95
5921	Liquor Stores	1.15
5932	Used Merchandise Stores	0.90
5941	Sporting Goods Stores and Bicycle Shops	0.95
5942	Book Stores	0.95
5943	Stationery Stores	0.95
5944	Jewelry Stores	0.95
5945	Hobby, Toy, and Game Shops	0.95
5946	Camera and Photographic Supply Stores	0.95
5947	Gift, Novelty, and Souvenir Shops	0.95
5948	Luggage and Leather Goods Stores	0.95
5949	Sewing, Needlework, and Piece Goods Stores	0.95
5961	Catalog and Mail-Order Houses	0.95
5962	Automatic Merchandising Machine Operator	0.95
5963	Direct Selling Establishments	1.05
5983	Fuel Oil Dealers	1.05
5984	Liquefied Petroleum Gas (Bottled Gas) Dealers	1.05
5989	Fuel Dealers, NEC	1.05
5992	Florists	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5993	Tobacco Stores and Stands	0.95
5994	News Dealers and Newsstands	0.95
5995	Optical Goods Stores	0.95
5999	Miscellaneous Retail Stores, NEC	0.95
6011	Federal Reserve Banks	0.90
6019	Central Reserve Depository Institutions, NEC	0.90
6021	National Commercial Banks	0.90
6022	State Commercial Banks	0.90
6029	Commercial Banks, NEC	0.90
6035	Savings Institutions, Federally Chartered	0.90
6036	Savings institutions, Not Federally Chartered	0.90
6061	Credit Unions, Federally Chartered	0.90
6062	Credit Unions, Not Federally Chartered	0.90
6081	Branches and Agencies of Foreign Banks	0.90
6082	Foreign Trade and International Banking Institutions	0.90
6091	Nondeposit Trust Facilities	0.95
6099	Functions Related to Deposit Banking, NEC	0.90
6111	Federal and Federally-Sponsored Credit Agencies	0.90
6141	Personal Credit Institutions	0.90
6153	Short-Term Business Credit Institutions, Except Agricultural	0.90
6159	Miscellaneous Business Credit Institutions	0.90
6162	Mortgage Bankers and Loan Correspondents	0.90
6163	Loan Brokers	0.90
6211	Security Brokers, Dealers, and Flotation Companies	0.95
6221	Commodity Contracts Brokers and Dealers	0.95
6231	Security and Commodity Exchanges	0.95
6282	Investment Advice	0.95
6289	Services Allied With the Exchange of Securities or Commodities, NEC	0.95
6311	Life Insurance	0.90
6321	Accident and Health Insurance	0.90
6324	Hospital and Medical Service Plans	0.90
6331	Fire, Marine, and Casualty Insurance	0.90
6351	Surety Insurance	0.90
6361	Title Insurance	0.90
6371	Pension, Health, and Welfare Funds	0.95
6399	Insurance Carriers, NEC	0.90
6411	Insurance Agents, Brokers, and Service	1.00
6512	Operators of Nonresidential Buildings	1.15
6513	Operators of Apartment Buildings	1.10
6514	Operators of Dwellings Other Than Apartment Buildings	1.10
6515	Operators of Residential Mobile Home Sites	1.10
6517	Lessors of Railroad Property	1.10
6519	Lessors of Real Property, NEC	1.10
6531	Real Estate Agents and Managers	1.10
6541	Title Abstract Offices	1.00
6552	Land Subdividers and Developers, Except Cemeteries	1.00
6553	Cemetery Subdividers and Developers	0.95
6712	Offices of Bank Holding Companies	0.90
6719	Offices of Holding Companies, NEC	0.90
6722	Management Investment Offices, Open-End	0.90
6726	Unit Investment Trusts, Face-Amount Certificate Offices, and Closed-End Management Investment Offices	0.90
6732	Education, Religious, and Charitable Trusts	0.90
6733	Trusts, Except Educational, Religious, and Charitable	0.95
6792	Oil Royalty Traders	0.95
6794	Patent Owners and Lessors	0.90

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
6798	Real Estate Investment Trusts	0.90
6799	Investors, NEC	0.95
7011	Hotels and Motels	1.15
7021	Rooming and Boarding Houses	1.15
7032	Sporting and Recreational Camps	1.15
7033	Recreational Vehicle Parks and Campsites	1.15
7041	Organization Hotels and Lodging Houses, on Membership Basis	1.15
7211	Power Laundries, Family and Commercial	1.15
7212	Garment Pressing, and Agents for Laundries and Drycleaners	1.15
7213	Linen Supply	1.15
7215	Coin-Operated Laundries and Drycleaning	1.15
7216	Drycleaning Plants, Except Rug Cleaning	1.15
7217	Carpet and Upholstery Cleaning	1.10
7218	Industrial Launderers	1.15
7219	Laundry and Garment Services, NEC	1.15
7221	Photographic Studios, Portrait	0.95
7231	Beauty Shops	1.10
7241	Barber Shops	1.05
7251	Shoe Repair Shops and Shoeshine Parlors	1.00
7261	Funeral Services and Crematories	0.95
7291	Tax Return Preparation Services	0.90
7299	Miscellaneous Personal Services, NEC	1.05
7311	Advertising Agencies	1.05
7312	Outdoor Advertising Services	1.05
7313	Radio, Television, and Publishers' Advertising Representatives	1.05
7319	Advertising, NEC	1.05
7322	Adjustment and Collection Services	0.95
7323	Credit Reporting Services	0.95
7331	Direct Mail Advertising Services	1.00
7334	Photocopying and Duplicating Services	0.95
7335	Commercial Photography	0.95
7336	Commercial Art and Graphic Design	0.95
7338	Secretarial and Court Reporting Services	0.95
7342	Disinfecting and Pest Control Services	1.15
7349	Building Cleaning and Maintenance Services, NEC	1.10
7352	Medical Equipment Rental and Leasing	0.95
7353	Heavy Construction Equipment Rental and Leasing	1.00
7359	Equipment Rental and Leasing, NEC	0.95
7361	Employment Agencies	0.95
7363	Help Supply Services	0.95
7371	Computer Programming Services	0.90
7372	Prepackaged Software	0.90
7373	Computer Integrated Systems Design	0.90
7374	Computer Processing and Data Preparation and Processing Services	0.95
7375	Information Retrieval Services	0.95
7376	Computer Facilities Management Services	0.90
7377	Computer Rental and Leasing	0.95
7378	Computer Maintenance and Repair	1.00
7379	Computer Related Services, NEC	0.90
7381	Detective, Guard, and Armored Car Services	1.00
7382	Security Systems Services	1.00
7383	News Syndicates	1.05
7384	Photofinishing Laboratories	0.95
7389	Business Services, NEC	0.95
7513	Truck Rental and Leasing, Without Drivers	1.10

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
7514	Passenger Car Rental	1.10
7515	Passenger Car Leasing	1.10
7519	Utility Trailer and Recreational Vehicle Rental	1.10
7521	Automobile Parking	1.10
7532	Top, Body, and Upholstery Repair Shops and Paint Shops	1.10
7533	Automotive Exhaust System Repair Shops	1.10
7534	Tire Retreading and Repair Shops	1.05
7536	Automotive Glass Replacement Shops	1.10
7537	Automotive Transmission Repair Shops	1.10
7538	General Automotive Repair Shops	1.10
7539	Automotive Repair Shops, NEC	1.10
7542	Carwashes	1.10
7549	Automotive Services, Except Repair and Carwashes	1.10
7622	Radio and Television Repair Shops	1.00
7623	Refrigeration and Air-Conditioning Services and Repair Shops	1.00
7629	Electrical and Electronic Repair Shops, NEC	1.00
7631	Watch, Clock, and Jewelry Repair	1.00
7641	Reupholstery and Furniture Repair	1.00
7692	Welding Repair	1.00
7694	Armature Rewinding Shops	0.95
7699	Repair Shops and Related Services, NEC	1.00
7812	Motion Picture and Video Tape Production	0.95
7819	Services Allied to Motion Picture Production	0.95
7822	Motion Picture and Video Tape Distribution	0.95
7829	Services Allied to Motion Picture Distribution	0.95
7832	Motion Picture Theaters, Except Drive-In	0.95
7833	Drive-In Motion Picture Theaters	0.95
7841	Video Tape Rental	0.95
7911	Dance Studios, Schools, and Halls	1.05
7922	Theatrical Producers (Except Motion Picture) and Miscellaneous Theatrical Services	1.10
7929	Bands, Orchestras, Actors, and Other Entertainers and Entertainment Groups	1.15
7933	Bowling Centers	1.15
7941	Professional Sports Clubs and Promoters	1.15
7948	Racing, Including Track Operations	1.15
7991	Physical Fitness Facilities	1.15
7992	Public Golf Courses	1.15
7993	Coin-Operated Amusement Devices	1.15
7996	Amusement Parks	1.15
7997	Membership Sports and Recreation Clubs	1.15
7999	Amusement and Recreation Services, NEC	1.10
8011	Offices and Clinics of Doctors of Medicine	1.15
8021	Offices and Clinics of Dentists	1.15
8031	Offices and Clinics of Doctors of Osteopathy	1.15
8041	Offices and Clinics of Chiropractors	1.15
8042	Offices and Clinics of Optometrists	1.15
8043	Offices and Clinics of Podiatrists	1.15
8049	Offices and Clinics of Health Practitioners, NEC	1.15
8051	Skilled Nursing Care Facilities	1.15
8052	Intermediate Care Facilities	1.15
8059	Nursing and Personal Care Facilities, NEC	1.15
8062	General Medical and Surgical Hospitals	1.15
8063	Psychiatric Hospitals	1.15
8069	Specialty Hospitals, Except Psychiatric	1.15
8071	Medical Laboratories	1.05
8072	Dental Laboratories	1.00

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
8082	Home Health Care Services	1.15
8092	Kidney Dialysis Centers	1.15
8093	Specialty Outpatient Facilities, NEC	1.15
8099	Health and Allied Services, NEC	1.05
8111	Legal Services	0.95
8211	Elementary and Secondary Schools	1.05
8221	Colleges, Universities, and Professional Schools	1.05
8222	Junior Colleges and Technical Institutes	1.05
8231	Libraries	0.90
8243	Data Processing Schools	0.95
8244	Business and Secretarial Schools	0.95
8249	Vocational Schools, NEC	0.95
8299	Schools and Educational Services, NEC	0.95
8322	Individual and Family Social Services	1.00
8331	Job Training and Vocational Rehabilitation Services	1.00
8351	Child Day Care Services	1.00
8361	Residential Care	1.15
8399	Social Services, NEC	1.00
8412	Museums and Art Galleries	1.05
8422	Arboreta and Botanical or Zoological Gardens	1.05
8611	Business Associations	1.15
8621	Professional Membership Organizations	1.15
8631	Labor Unions and Similar Labor Organizations	1.15
8641	Civic, Social, and Fraternal Associations	1.15
8651	Political Organizations	1.15
8661	Religious Organizations	1.15
8699	Membership Organizations, NEC	1.10
8711	Engineering Services	0.90
8712	Architectural Services	0.90
8713	Surveying Services	0.90
8721	Accounting, Auditing, and Bookkeeping Services	0.90
8731	Commercial Physical and Biological Research	0.95
8732	Commercial Economic, Sociological, and Educational Research	0.95
8733	Noncommercial Research Organizations	0.95
8734	Testing Laboratories	0.90
8741	Management Services	0.95
8742	Management Consulting Services	0.90
8743	Public Relations Services	1.05
8744	Facilities Support Management Services	0.95
8748	Business Consulting Services, NEC	0.90
8811	Private Households	1.15
8999	Services, NEC	0.95
9111	Executive Offices	1.15
9121	Legislative Bodies	1.15
9131	Executive and Legislative Offices, Combined	1.15
9199	General Government, NEC	1.15
9211	Courts	1.15
9221	Police Protection	1.15
9222	Legal Counsel and Prosecution	1.15
9223	Correctional Institutions	1.15
9224	Fire Protection	1.15
9229	Public Order and Safety, NEC	1.15
9311	Public Finance, Taxation, and Monetary Policy	1.15
9411	Administration of Educational Programs	1.15
9431	Administration of Public Health Programs	1.15

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
9441	Administration of Social, Human Resource and Income Maintenance Programs	1.15
9451	Administration of Veterans' Affairs, Except Health Insurance	1.15
9511	Air and Water Resource and Solid Waste Management	1.15
9512	Land, Mineral, Wildlife, and Forest Conservation	1.15
9531	Administration of Housing Programs	1.15
9532	Administration of Urban Planning and Community and Rural Development	1.15
9611	Administration of General Economic Programs	1.15
9621	Regulation and Administration of Transportation Programs	1.10
9631	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	1.15
9641	Regulation of Agricultural Marketing and Commodities	1.15
9651	Regulation, Licensing, and Inspection of Miscellaneous Commercial Sectors	1.15
9661	Space Research and Technology	1.15
9711	National Security	1.15
9721	International Affairs	1.15

Appendix B

Demographic Adjustment Factors									
Male									
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	0.324	0.324	0.324	1.201	1.285	1.132	1.654	2.414	2.532
25 - 29	0.388	0.388	0.388	1.294	1.426	1.183	1.969	2.514	2.647
30 - 34	0.475	0.475	0.475	1.357	1.565	1.249	2.246	2.576	2.712
35 - 39	0.583	0.583	0.583	1.416	1.682	1.361	2.349	2.564	2.698
40 - 44	0.722	0.722	0.722	1.603	1.897	1.464	2.449	2.640	2.763
45 - 49	0.921	0.921	0.921	1.982	2.234	1.649	2.680	2.920	3.038
50 - 54	1.263	1.263	1.263	2.580	2.741	1.960	3.042	3.374	3.477
55 - 59	1.618	1.618	1.618	3.205	3.289	2.271	3.427	3.845	3.931
60 - 64	2.126	2.126	2.126	3.994	4.037	2.771	4.061	4.410	4.470
65 - 199	2.956	2.956	2.956	5.224	5.241	3.650	5.234	5.364	5.554

Female									
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	0.651	0.651	0.651	1.340	1.017	1.663	1.571	2.147	2.141
25 - 29	0.885	0.885	0.885	1.489	1.317	1.793	1.880	2.344	2.447
30 - 34	1.027	1.027	1.027	1.621	1.560	1.892	2.187	2.490	2.627
35 - 39	1.048	1.048	1.048	1.647	1.753	1.862	2.267	2.497	2.663
40 - 44	1.100	1.100	1.100	1.754	2.034	1.836	2.370	2.618	2.808
45 - 49	1.263	1.263	1.263	2.147	2.494	1.956	2.664	2.986	3.194
50 - 54	1.485	1.485	1.485	2.727	3.018	2.140	3.043	3.439	3.651
55 - 59	1.723	1.723	1.723	3.385	3.588	2.328	3.526	3.983	4.177
60 - 64	2.058	2.058	2.058	4.186	4.319	2.638	4.216	4.556	4.797
65 - 199	2.500	2.500	2.500	5.231	5.312	3.196	5.230	5.228	6.151

Average Contract Size									
Male									
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	1.000	1.000	1.000	2.000	2.000	2.143	2.521	3.389	3.438
25 - 29	1.000	1.000	1.000	2.000	2.000	2.415	2.944	3.704	3.758
30 - 34	1.000	1.000	1.000	2.000	2.000	2.656	3.456	3.996	4.071
35 - 39	1.000	1.000	1.000	2.000	2.000	2.851	3.779	4.183	4.280
40 - 44	1.000	1.000	1.000	2.000	2.000	2.840	3.793	4.200	4.297
45 - 49	1.000	1.000	1.000	2.000	2.000	2.743	3.544	4.072	4.151
50 - 54	1.000	1.000	1.000	2.000	2.000	2.580	3.060	3.825	3.873
55 - 59	1.000	1.000	1.000	2.000	2.000	2.417	2.548	3.583	3.607
60 - 64	1.000	1.000	1.000	2.000	2.000	2.375	2.233	3.462	3.460
65 - 199	1.000	1.000	1.000	2.000	2.000	2.500	2.114	3.444	3.500

Female									
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	1.000	1.000	1.000	2.000	2.000	2.227	2.405	3.417	3.500
25 - 29	1.000	1.000	1.000	2.000	2.000	2.415	2.726	3.583	3.706
30 - 34	1.000	1.000	1.000	2.000	2.000	2.674	3.178	3.819	3.972
35 - 39	1.000	1.000	1.000	2.000	2.000	2.816	3.425	3.948	4.147
40 - 44	1.000	1.000	1.000	2.000	2.000	2.750	3.355	3.907	4.084
45 - 49	1.000	1.000	1.000	2.000	2.000	2.602	3.091	3.773	3.904
50 - 54	1.000	1.000	1.000	2.000	2.000	2.433	2.698	3.565	3.638
55 - 59	1.000	1.000	1.000	2.000	2.000	2.259	2.316	3.341	3.368
60 - 64	1.000	1.000	1.000	2.000	2.000	2.143	2.093	3.143	3.167
65 - 199	1.000	1.000	1.000	2.000	2.000	2.500	2.129	3.333	3.500

The demographic factor input into Exhibit A of the Experience Rating Formula is determined by dividing the average subscriber demographic factor by the weighted average number of members per contract (using the demographic factors and average contract size from the tables above).

Appendix C

HRA/HSA Deductible Funding Adjustment Factors

Single Deductible	51%-75% Funding		76%-100% Funding	
	HRA	HSA	HRA	HSA
\$1,000	1.20%	0.60%	2.40%	1.20%
\$1,250	1.30%	0.70%	2.60%	1.40%
\$1,500	1.30%	0.80%	2.70%	1.60%
\$1,750	1.40%	0.90%	2.80%	1.80%
\$2,000	1.50%	1.00%	2.90%	2.00%
\$2,250	1.90%	1.10%	3.70%	2.20%
\$2,500	2.30%	1.20%	4.50%	2.40%
\$2,750	2.70%	1.30%	5.30%	2.70%
\$3,000	3.10%	1.50%	6.10%	2.90%
\$3,250	3.10%	1.40%	6.10%	2.80%
\$3,500	3.10%	1.30%	6.10%	2.70%
\$3,750	3.10%	1.30%	6.10%	2.60%
\$4,000	3.10%	1.20%	6.10%	2.40%
\$4,250	2.90%	1.20%	5.90%	2.30%
\$4,500	2.80%	1.10%	5.70%	2.20%
\$4,750	2.70%	1.00%	5.40%	2.10%
\$5,000	2.60%	1.00%	5.20%	2.00%



MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

- Exhibit 1 -- Summary of Medical Coplans Offered
- Exhibit 2a -- 3Q 2016 Pricing Trend Assumptions
- Exhibits 2b-2d -- 3Q 2016 Rx Paid Trend Development
- Exhibit 2e -- 4Q 2016 Pricing Trend Assumptions
- Exhibits 2f-2h -- 4Q 2016 Rx Paid Trend Development
- Exhibit 3a -- 3Q 2016 Claim Projection and Proposed Rate Change
- Exhibit 3b -- 4Q 2016 Claim Projection and Proposed Rate Change
- Exhibit 3c -- Example of Revenue Neutrality
- Exhibit 4a -- Medical Manual Rates
- Exhibit 4b -- Medical Rider Rates
- Exhibit 4c -- Rx Rider Rates

Exhibit 1 -- Summary of Medical Coplans Offered

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Coplan	Product Type	In-Network Benefits										Out-of-Network Benefits			Pharmacy
		PCP	SCP	IP (Med/Surg)	ER	OP Surg	DME	Amb	Ded	Coins.	OOP Max	Coins	Ded	OOP Max	
VE021L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE054L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$6,000	N/A	N/A	N/A	Riders Available
VE060L	HyEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE085L	EPO	\$20	\$20	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE087L	EPO	\$25	\$40	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE088L	EPO	\$25	\$40	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE089L	EPO	\$30	\$50	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE090L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE091L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE092L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE093L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE095L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE096L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE100L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE101L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE102L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	N/A	N/A	N/A	Riders Available
VE103L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE105L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE106L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE107L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE108L	EPO	\$75	\$75	\$1,000	\$200	\$200	50%	\$200	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE109L	HyEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE110L	HyEPO	\$30	\$30	20%	\$200	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE111L	HyEPO	\$30	\$30	\$0	\$200	\$0	50%	\$0	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE114L	HyEPO	\$30	\$60	\$150	\$400	\$75	50%	\$400	\$1,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE115L	HyEPO	\$30	\$60	\$200	\$400	\$100	50%	\$400	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE116L	HyEPO	\$30	\$50	\$0	\$200	\$0	50%	\$0	\$5,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VP015L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP017L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$6,000	40%	\$4,000	\$12,000	Riders Available
VP019L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP020L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	40%	\$2,000	\$6,000	Riders Available
VP060L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP061L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP062L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP063L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP065L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP066L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP067L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VP071L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP072L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP073L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VT08LA	EPO	\$15	\$40	\$300	\$75	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LB	EPO	\$20	\$40	\$0	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LC	EPO	\$25	\$40	\$300	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VEHD-01L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$1,500	0%	\$2,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-02L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,500	0%	\$3,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-06L	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	N/A	N/A	N/A	10%/10%/30%
VEHD-07L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	N/A	N/A	N/A	20%/20%/40%
VEHD-08L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	20%/20%/40%
VEHD-09L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-15L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	50%
VEHD-17L	HDEPOagg	\$30	\$50	\$500	\$150	\$200	50%	\$150	\$2,500	0%	\$5,000	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-19L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-20L	HDEPO	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-31L	HDEPOagg	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	\$4,000	20%	\$5,950	N/A	N/A	N/A	20%/20%/40%
VEHD-41L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,600	0%	\$2,600	N/A	N/A	N/A	\$0 after Deductible
VEHD-42L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-43L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$4,000	0%	\$4,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-44L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$6,450	0%	\$6,450	N/A	N/A	N/A	\$0 after Deductible
VEHD-45L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,600	0%	\$2,600	N/A	N/A	N/A	\$0 after Deductible
VEHD-46L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VPHD-03L	HDPPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	20%	#####	\$20,000	\$0 after Deductible
VPHD-05L	HDPPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,000	10%	\$4,000	30%	\$4,000	\$8,000	10%/10%/30%
VPHD-07L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	40%	\$3,000	\$6,000	20%/20%/40%
VPHD-09L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	20%/20%/40%
VPHD-15L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	50%

Exhibit 2a -- Pricing Trend Assumptions -- 3Q Projection

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	July 1, 2016 - June 30, 2017

Months of Trend	2015	2016	2017	Total
	2	12	6	20

Medical Trend Summary

2015 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total		4.2%	0.0%	4.2%

2016 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.8%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	2.8%

2017 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.5%	5.1%	0.0%	5.1%
OP and Other Med	46.6%	4.0%	0.0%	4.0%
PHY	33.8%	0.0%	0.0%	0.0%
Medical Total		2.9%	0.0%	2.9%

Leveraging Impact - Large Group Non-HDHP Fee-For-Service Medical Claims

Member Months	12,900				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$323.98	\$8.90	\$14.39	\$19.89	\$280.80
20 Months of Trend:	1.050	1.050	1.000	1.015	1.055
Projection Period:	\$340.25	\$9.35	\$14.39	\$20.19	\$296.32
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.3%				
Leveraging (Annual)	0.3%				

Leveraging Impact - Large Group HDHP Fee-For-Service Medical Claims

Member Months	21,116				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$318.92	\$13.81	\$0.00	\$74.21	\$230.90
20 Months of Trend:	1.050	1.050	1.000	1.021	1.060
Projection Period:	\$334.94	\$14.51	\$0.00	\$75.76	\$244.67
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.5%				
Leveraging (Annual)	0.5%				

Leveraging Impact - Large Group Fee-For-Service Medical Claims

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$320.84	\$11.95	\$5.46	\$53.61	\$249.82
20 Months of Trend:	1.050	1.050	1.000	1.020	1.058
Projection Period:	\$336.95	\$12.55	\$5.46	\$54.69	\$264.26
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.4%				
Leveraging (Annual)	0.4%				

ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 30 unless these adjustments are taken into account.

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	2.1%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	11.1%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	13.6%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2b -- Rx Trend Development - 3Q
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MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months with Rx Benefit: 34,016

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,910	1,028	75	10,012
Experience Period Allowed PMPM	\$16.37	\$16.65	\$27.18	\$60.21
Experience Period Deductible PMPM	\$3.46	\$2.13	\$0.32	\$5.90
Experience Period Copay PMPM	\$2.05	\$1.19	\$0.07	\$3.31
Experience Period Coinsurance PMPM	\$0.54	\$0.75	\$0.40	\$1.69
Experience Period Cost Sharing PMPM	\$6.05	\$4.07	\$0.78	\$10.90
Experience Period Paid PMPM	\$10.32	\$12.58	\$26.40	\$49.31
Annual Util Trend	1.024	0.944	1.053	1.016
Annual Unit Cost Trend	1.029	1.133	1.122	1.099
Annual Deductible Trend	1.013	1.013	1.012	1.013
Annual Paid Trend	1.073	1.090	1.183	1.137
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	9,262	934	82	10,277
Projected Allowed PMPM as of Q3 2016	\$17.86	\$18.62	\$35.86	\$72.34
Projected Deductible PMPM	\$3.53	\$2.18	\$0.32	\$6.03
Projected Copay PMPM	\$2.13	\$1.08	\$0.08	\$3.29
Projected Coinsurance PMPM	\$0.59	\$0.84	\$0.52	\$1.95
Projected Cost Sharing PMPM as of Q3 2016	\$6.25	\$4.09	\$0.92	\$11.27
Projected Paid PMPM as of Q3 2016	\$11.60	\$14.53	\$34.94	\$61.07

Exhibit 2c -- Rx Trend Development - Non-HDHP 3Q

MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months with Rx Benefit: 12,900

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	9,836	1,011	87	10,934
Experience Period Allowed PMPM	\$20.28	\$18.42	\$46.45	\$85.15
Experience Period Deductible PMPM	\$0.06	\$0.01	\$0.00	\$0.07
Experience Period Copay PMPM	\$4.50	\$2.56	\$0.18	\$7.23
Experience Period Coinsurance PMPM	\$0.45	\$0.67	\$0.89	\$2.02
Experience Period Cost Sharing PMPM	\$5.01	\$3.24	\$1.07	\$9.32
Experience Period Paid PMPM	\$15.27	\$15.18	\$45.37	\$75.82
Annual Util Trend	1.024	0.944	1.053	1.017
Annual Unit Cost Trend	1.029	1.133	1.122	1.109
Annual Deductible Trend	1.053	1.069	1.181	1.055
Annual Paid Trend	1.062	1.089	1.181	1.140
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	10,225	919	94	11,238
Projected Allowed PMPM as of Q3 2016	\$22.12	\$20.59	\$61.28	\$104.00
Projected Deductible PMPM	\$0.07	\$0.01	\$0.00	\$0.07
Projected Copay PMPM	\$4.68	\$2.32	\$0.20	\$7.19
Projected Coinsurance PMPM	\$0.49	\$0.75	\$1.18	\$2.42
Projected Cost Sharing PMPM as of Q3 2016	\$5.23	\$3.08	\$1.38	\$9.69
Projected Paid PMPM as of Q3 2016	\$16.88	\$17.51	\$59.91	\$94.30

Exhibit 2d -- Rx Trend Development - HDHP 3Q

MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months: 21,116

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,344	1,038	68	9,450
Experience Period Allowed PMPM	\$13.99	\$15.57	\$15.41	\$44.97
Experience Period Deductible PMPM	\$5.53	\$3.43	\$0.51	\$9.47
Experience Period Copay PMPM	\$0.55	\$0.35	\$0.01	\$0.91
Experience Period Coinsurance PMPM	\$0.60	\$0.80	\$0.09	\$1.49
Experience Period Cost Sharing PMPM	\$6.68	\$4.58	\$0.60	\$11.87
Experience Period Paid PMPM	\$7.30	\$10.99	\$14.81	\$33.11
Annual Util Trend	1.024	0.944	1.053	1.015
Annual Unit Cost Trend	1.029	1.133	1.122	1.087
Annual Deductible Trend	1.012	1.012	1.012	1.012
Annual Paid Trend	1.086	1.090	1.186	1.133
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	8,673	943	74	9,690
Projected Allowed PMPM as of Q3 2016	\$15.25	\$17.41	\$20.34	\$53.00
Projected Deductible PMPM	\$5.65	\$3.50	\$0.52	\$9.67
Projected Copay PMPM	\$0.58	\$0.32	\$0.01	\$0.90
Projected Coinsurance PMPM	\$0.65	\$0.89	\$0.12	\$1.67
Projected Cost Sharing PMPM as of Q3 2016	\$6.87	\$4.71	\$0.64	\$12.23
Projected Paid PMPM as of Q3 2016	\$8.38	\$12.70	\$19.69	\$40.77

Exhibit 2e -- Pricing Trend Assumptions -- 4Q Projection

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	October 1, 2016 - September 30, 2017

Months of Trend	2015	2016	2017	Total
	2	12	9	23

Medical Trend Summary

2015 Annual Trend				
% of Allowed				
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total	4.2%	0.0%		4.2%

2016 Annual Trend				
% of Allowed				
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.8%	0.0%	0.0%	0.0%
Medical Total	2.8%	0.0%		2.8%

2017 Annual Trend				
% of Allowed				
	Claims	Unit Cost	Utilization	Total
IP	19.5%	5.1%	0.0%	5.1%
OP and Other Med	46.6%	4.0%	0.0%	4.0%
PHY	33.8%	0.0%	0.0%	0.0%
Medical Total	2.9%	0.0%		2.9%

Leveraging Impact - Large Group Non-HDHP Fee-For-Service Medical Claims					
Member Months	12,900				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$323.98	\$8.90	\$14.39	\$19.89	\$280.80
23 Months of Trend:	1.058	1.058	1.000	1.017	1.063
Projection Period:	\$342.67	\$9.42	\$14.39	\$20.24	\$298.63
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.3%				
Leveraging (Annual)	0.3%				

Leveraging Impact - Large Group HDHP Fee-For-Service Medical Claims					
Member Months	21,116				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$318.92	\$13.81	\$0.00	\$74.21	\$230.90
23 Months of Trend:	1.058	1.058	1.000	1.024	1.068
Projection Period:	\$337.32	\$14.61	\$0.00	\$76.00	\$246.72
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.5%				
Leveraging (Annual)	0.5%				

Leveraging Impact - Large Group Fee-For-Service Medical Claims					
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$320.84	\$11.95	\$5.46	\$53.61	\$249.82
23 Months of Trend:	1.058	1.058	1.000	1.023	1.066
Projection Period:	\$339.35	\$12.64	\$5.46	\$54.85	\$266.40
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.4%				
Leveraging (Annual)	0.4%				

** Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.*

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	2.1%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	11.1%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	13.6%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2f -- Rx Trend Development - 4Q
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MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months with Rx Benefit: 34,016

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,910	1,028	75	10,012
Experience Period Allowed PMPM	\$16.37	\$16.65	\$27.18	\$60.21
Experience Period Deductible PMPM	\$3.46	\$2.13	\$0.32	\$5.90
Experience Period Copay PMPM	\$2.05	\$1.19	\$0.07	\$3.31
Experience Period Coinsurance PMPM	\$0.54	\$0.75	\$0.40	\$1.69
Experience Period Cost Sharing PMPM	\$6.05	\$4.07	\$0.78	\$10.90
Experience Period Paid PMPM	\$10.32	\$12.58	\$26.40	\$49.31
Annual Util Trend	1.024	0.944	1.051	1.016
Annual Unit Cost Trend	1.029	1.133	1.121	1.097
Annual Deductible Trend	1.013	1.013	1.012	1.013
Annual Paid Trend	1.073	1.089	1.181	1.136
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	9,317	920	83	10,319
Projected Allowed PMPM as of Q4 2016	\$18.09	\$18.93	\$37.26	\$74.28
Projected Deductible PMPM	\$3.54	\$2.18	\$0.32	\$6.05
Projected Copay PMPM	\$2.14	\$1.06	\$0.08	\$3.28
Projected Coinsurance PMPM	\$0.60	\$0.85	\$0.54	\$1.99
Projected Cost Sharing PMPM as of Q4 2016	\$6.28	\$4.10	\$0.94	\$11.33
Projected Paid PMPM as of Q4 2016	\$11.81	\$14.83	\$36.31	\$62.95

Exhibit 2g -- Rx Trend Development - Non-HDHP 4Q

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months with Rx Benefit: 12,900

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	9,836	1,011	87	10,934
Experience Period Allowed PMPM	\$20.28	\$18.42	\$46.45	\$85.15
Experience Period Deductible PMPM	\$0.06	\$0.01	\$0.00	\$0.07
Experience Period Copay PMPM	\$4.50	\$2.56	\$0.18	\$7.23
Experience Period Coinsurance PMPM	\$0.45	\$0.67	\$0.89	\$2.02
Experience Period Cost Sharing PMPM	\$5.01	\$3.24	\$1.07	\$9.32
Experience Period Paid PMPM	\$15.27	\$15.18	\$45.37	\$75.82
Annual Util Trend	1.024	0.944	1.051	1.017
Annual Unit Cost Trend	1.029	1.133	1.121	1.108
Annual Deductible Trend	1.053	1.069	1.179	1.055
Annual Paid Trend	1.062	1.089	1.179	1.139
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	10,286	905	95	11,286
Projected Allowed PMPM as of Q4 2016	\$22.41	\$20.93	\$63.67	\$107.01
Projected Deductible PMPM	\$0.07	\$0.01	\$0.00	\$0.08
Projected Copay PMPM	\$4.70	\$2.29	\$0.20	\$7.19
Projected Coinsurance PMPM	\$0.50	\$0.76	\$1.23	\$2.49
Projected Cost Sharing PMPM as of Q4 2016	\$5.27	\$3.06	\$1.42	\$9.75
Projected Paid PMPM as of Q4 2016	\$17.15	\$17.87	\$62.24	\$97.26

Exhibit 2h -- Rx Trend Development - HDHP 4Q

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months: 21,116

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,344	1,038	68	9,450
Experience Period Allowed PMPM	\$13.99	\$15.57	\$15.41	\$44.97
Experience Period Deductible PMPM	\$5.53	\$3.43	\$0.51	\$9.47
Experience Period Copay PMPM	\$0.55	\$0.35	\$0.01	\$0.91
Experience Period Coinsurance PMPM	\$0.60	\$0.80	\$0.09	\$1.49
Experience Period Cost Sharing PMPM	\$6.68	\$4.58	\$0.60	\$11.87
Experience Period Paid PMPM	\$7.30	\$10.99	\$14.81	\$33.11
Annual Util Trend	1.024	0.944	1.051	1.015
Annual Unit Cost Trend	1.029	1.133	1.121	1.083
Annual Deductible Trend	1.012	1.012	1.012	1.012
Annual Paid Trend	1.086	1.090	1.184	1.132
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	8,725	929	75	9,728
Projected Allowed PMPM as of Q4 2016	\$15.46	\$17.70	\$21.13	\$54.28
Projected Deductible PMPM	\$5.66	\$3.51	\$0.52	\$9.70
Projected Copay PMPM	\$0.58	\$0.31	\$0.01	\$0.90
Projected Coinsurance PMPM	\$0.66	\$0.91	\$0.12	\$1.69
Projected Cost Sharing PMPM as of Q4 2016	\$6.90	\$4.73	\$0.65	\$12.29
Projected Paid PMPM as of Q4 2016	\$8.55	\$12.97	\$20.47	\$41.99

Exhibit 3a -- Claim Projection & Proposed Rate Change
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31,

Paid Through: December 31, 2015

Experience Period Member Months	34,016
1) Experience Period Medical Claims PMPM	\$244.99
1a) Claims in Excess of \$100k over Experience Period	\$12.32
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$259.00
3a) Benefit Adjustment to Experience Period Incurred Medical Claims <i>Represents value of embedded OOPM for members in Plan VEHD-02L on 2014 contract</i>	\$0.69
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.034
5) Months of Trend to Q3 2016	20
6a) Capitations and Non-FFS Claim Expenses	\$5.04
7) Trended Incurred Medical Claims PMPM as of Q3 2016 = [[3) + 3a)] * 4) ^ [5) / 12] + 6a)]	\$279.73
8) Experience Period Rx Claims PMPM	\$49.31
8a) Rx Claims in Excess of \$100k over Experience Period	\$2.43
8b) Pooling Charge	1.0916
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.137
10) Months of Trend to Q3 2016	20
11) Trended Gross Rx Claims PMPM as of Q3 2016 = [8) - 8a)] * 8b) * [9)] ^ [10) / 12]	\$63.38
11a) Impact of Bill H559	\$0.37
11b) Rx Rebates	(\$8.23)
12) Trended Net Rx Claims PMPM as of Q3 2016 = 11) + 11a) + 11b)	\$55.52
13) Industry Normalization Factor	0.997
13a) NY State HCRA Surcharge	0.25%
13b) Impact of Membership Growth/Decline on Experience Pd Claims	0.993
14) Total Claim Cost as of Q3 2016 = [7) + 12)] * 13) * [1+ 13a)] * 13b)	\$332.65
15) Projected Net Revenue Collected at Q2 2016 Rate Level <i>Based on distribution of experience period members</i>	\$396.65
16) Data Suggested Quarterly Rate Change = 14) / 15) - 1	-16.1%
17) GMCB Approved Quarterly Rate Change	-11.8%

Exhibit 3b -- Claim Projection & Proposed Rate Change
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015

Experience Period Member Months	34,016
1) Experience Period Medical Claims PMPM	\$244.99
1a) Claims in Excess of \$100k over Experience Period	\$12.32
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims <i>= [1) - 1a)] * 1b) * 2)</i>	\$259.00
3a) Benefit Adjustment to Experience Period Incurred Medical Clai <i>Represents value of embedded OOPM for members in Plan VEHD-02L on 2014 contract</i>	\$0.69
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.034
5) Months of Trend to Q3 2016	23
6a) Capitations and Non-FFS Claim Expenses	\$5.04
7) Trended Incurred Medical Claims PMPM as of Q4 2016 <i>= [[3) + 3a)] * 4) ^ [5) / 12] + 6a)]</i>	\$281.96
8) Experience Period Rx Claims PMPM	\$49.31
8a) Rx Claims in Excess of \$100k over Experience Period	\$2.43
8b) Pooling Charge	1.0916
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.136
10) Months of Trend to Q4 2016	23
11) Trended Gross Rx Claims PMPM as of Q4 2016 <i>= [8) - 8a)] * 8b) * [9)] ^ [10) / 12]</i>	\$65.33
11a) Impact of Bill H559	\$0.37
11b) Rx Rebates	(\$8.20)
12) Trended Net Rx Claims PMPM as of Q4 2016 <i>= 11) + 11a) + 11b)</i>	\$57.50
13) Industry Normalization Factor	0.997
13a) NY State HCRA Surcharge	0.25%
13b) Impact of Membership Growth/Decline on Experience Pd Clai	0.993
14) Total Claim Cost as of Q4 2016 <i>= [7) + 12)] * 13) * [1 + 13a)] * 13b)</i>	\$336.83
15) Projected Claim Cost Q3 2016 <i>Based on distribution of experience period members</i>	\$332.65
16) Proposed Quarterly Rate Change <i>= 14) / 15) - 1</i>	1.3%

Exhibit 3c -- Revenue Neutrality of Proposed Rate Relativity Changes

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Rx Coplan	Experience Period Member Months	2Q 2016 Manual Rates	2Q 2016 Manual Rate Slope	(A)	(B) Benefit Adjustment Factor	(C) = (B) * (A) Revised Manual Rate Slope Prior to Normalizing	(D) Normalized Revised Manual Rate Slope	(E) = (D) / (A) *
									3Q Qtrly Rate Change
VE021L	V500L	286	\$441.30	1.113	1.000	1.113	1.106	-12.3%	
VE038L	V500L	86	\$414.96	1.046	1.000	1.046	1.040	-12.3%	
VE085L	V500L	212	\$532.88	1.343	1.000	1.343	1.335	-12.3%	
VE085LA	V500L	767	\$534.43	1.347	1.000	1.347	1.339	-12.3%	
VE087L	V500L	1,310	\$522.61	1.318	1.000	1.318	1.310	-12.3%	
VE087LA	V500L	1,287	\$524.06	1.321	1.000	1.321	1.313	-12.3%	
VE089L	V500L	170	\$508.09	1.281	1.000	1.281	1.273	-12.3%	
VE089LA	V500L	743	\$509.54	1.285	1.000	1.285	1.277	-12.3%	
VE092L	V500L	2,777	\$477.60	1.204	1.000	1.204	1.197	-12.3%	
VE096L	V500L	244	\$422.41	1.065	1.000	1.065	1.059	-12.3%	
VE096LA	V500L	238	\$426.77	1.076	1.000	1.076	1.070	-12.3%	
VE100L	V501L	804	\$429.12	1.082	1.000	1.082	1.075	-12.3%	
VE101L	V500L	831	\$414.96	1.046	1.000	1.046	1.040	-12.3%	
VE107L	V502L	364	\$398.74	1.005	1.000	1.005	0.999	-12.3%	
VE107L15	V502L	734	\$402.47	1.015	1.000	1.015	1.009	-12.3%	
VE110L	V500L	313	\$419.93	1.059	1.000	1.059	1.052	-12.3%	
VE110LA	V500L	1,499	\$423.87	1.069	1.000	1.069	1.062	-12.3%	
VE111LA	V601	145	\$443.29	1.118	1.000	1.118	1.111	-12.3%	
VEHD-02L	Integrated HD	7,258	\$370.57	0.934	1.030	0.962	0.957	-9.7%	
VEHD-03L	Integrated HD	928	\$292.32	0.737	1.000	0.737	0.733	-12.3%	
VEHD-07L	Integrated HD	3,981	\$382.06	0.963	1.000	0.963	0.957	-12.3%	
VEHD-08L	Integrated HD	1,275	\$350.35	0.883	1.000	0.883	0.878	-12.3%	
VEHD-09L	Integrated HD	4,695	\$327.81	0.826	1.000	0.826	0.822	-12.3%	
VEHD-15L	Integrated HD	2,368	\$330.43	0.833	1.000	0.833	0.828	-12.3%	
VEHD-18L	Integrated HD	42	\$383.56	0.967	1.000	0.967	0.961	-12.3%	
VEHD-19L	Integrated HD	569	\$313.87	0.791	1.000	0.791	0.787	-12.3%	
VP060L	V500L	90	\$515.66	1.300	1.000	1.300	1.292	-12.3%	
	Total	34,016	\$396.65	1.000	1.006	1.006	1.000	-11.8%	

Note: Plans with "A" at the end represent 2015 plan designs where combined Med + Rx OOP Max could not exceed 2015 Federal OOP Max.
Non-HDHPs without "A" at the end of benefit name are from 2014 where medical OOP Max was equal to 2014 Federal OOP Max.
For example, VEHD-85L is identical to plan VEHD-85LA except the single OOP Max for plan VEHD-85L = \$6,350 while the single OOP Max for plan VEHD-85LA = \$5,300

Exhibit 4a -- Medical Manual Rates (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
VE021L	HyEPO	\$341.65	-12.3%	-4.0%	-12.8%
VE054L	HyEPO	\$314.18	-12.3%	-4.0%	-12.8%
VE060L	HYEPO	\$359.47	-12.3%	-4.0%	-12.8%
VE085L	EPO	\$423.30	-12.3%	-4.0%	-12.8%
VE087L	EPO	\$414.21	-12.3%	-4.0%	-12.8%
VE088L	EPO	\$409.11	-12.3%	-4.0%	-12.8%
VE089L	EPO	\$401.48	-12.3%	-4.0%	-12.8%
VE090L	HyEPO	\$363.29	-12.3%	-4.0%	-12.8%
VE091L	HyEPO	\$326.37	-12.3%	-4.0%	-12.8%
VE092L	HyEPO	\$373.47	-12.3%	-4.0%	-12.8%
VE093L	HyEPO	\$341.65	-12.3%	-4.0%	-12.8%
VE095L	HyEPO	\$358.19	-12.3%	-4.0%	-12.8%
VE096L	HyEPO	\$328.91	-12.3%	-4.0%	-12.8%
VE100L	HyEPO	\$336.54	-12.3%	-4.0%	-12.8%
VE101L	HyEPO	\$320.73	-12.3%	-4.0%	-12.8%
VE102L	HyEPO	\$381.11	-12.3%	-4.0%	-12.8%
VE103L	HyEPO	\$353.09	-12.3%	-4.0%	-12.8%
VE105L	HyEPO	\$364.56	-12.3%	-4.0%	-12.8%
VE106L	HyEPO	\$332.73	-12.3%	-4.0%	-12.8%
VE107L	HyEPO	\$317.45	-12.3%	-4.0%	-12.8%
VE108L	EPO	\$377.29	-12.3%	-4.0%	-12.8%
VE109L	HYEPO	\$359.47	-12.3%	-4.0%	-12.8%
VE110L	HYEPO	\$326.37	-12.3%	-4.0%	-12.8%
VE111L	HYEPO	\$341.65	-12.3%	-4.0%	-12.8%
VE114L	HyEPO	\$362.01	-12.3%	-4.0%	-12.8%
VE115L	HyEPO	\$325.09	-12.3%	-4.0%	-12.8%
VE116L	HyEPO	\$318.54	-12.3%	-4.0%	-12.8%
VP015L	HyPPO	\$406.84	-12.3%	-4.0%	-12.8%
VP017L	HyPPO	\$339.39	-12.3%	-4.0%	-12.8%
VP019L	HyPPO	\$417.54	-12.3%	-4.0%	-12.8%
VP020L	HyPPO	\$388.41	-12.3%	-4.0%	-12.8%
VP060L	HyPPO	\$406.84	-12.3%	-4.0%	-12.8%
VP061L	HyPPO	\$377.82	-12.3%	-4.0%	-12.8%
VP062L	HyPPO	\$341.98	-12.3%	-4.0%	-12.8%
VP063L	HyPPO	\$417.54	-12.3%	-4.0%	-12.8%
VP065L	HyPPO	\$372.52	-12.3%	-4.0%	-12.8%
VP066L	HyPPO	\$335.49	-12.3%	-4.0%	-12.8%
VP067L	HyPPO	\$323.94	-12.3%	-4.0%	-12.8%
VP071L	HyPPO	\$367.23	-12.3%	-4.0%	-12.8%
VP072L	HyPPO	\$331.59	-12.3%	-4.0%	-12.8%
VP073L	HyPPO	\$320.63	-12.3%	-4.0%	-12.8%
VT08LA	EPO	\$421.32	-12.3%	-4.0%	-12.8%
VT08LB	EPO	\$421.32	-12.3%	-4.0%	-12.8%
VT08LC	EPO	\$421.32	-12.3%	-4.0%	-12.8%
VEHD-01L	HDEPOagg	\$375.24	-12.3%	-4.0%	-12.8%
VEHD-02L	HDEPOagg	\$334.65	-9.7%	-1.1%	-10.1%
VEHD-06L	HDEPOagg	\$302.39	-12.3%	-4.0%	-12.8%
VEHD-07L	HDEPOagg	\$334.97	-12.3%	-4.0%	-12.8%
VEHD-08L	HDEPOagg	\$307.18	-12.3%	-4.0%	-12.8%
VEHD-09L	HDEPOagg	\$287.41	-12.3%	-4.0%	-12.8%

Exhibit 4a -- Medical Manual Rates (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
VEHD-15L	HDEPOagg	\$289.71	-12.3%	-4.0%	-12.8%
VEHD-17L	HDEPOagg	\$302.18	-12.3%	-4.0%	-12.8%
VEHD-19L	HDEPO	\$275.19	-12.3%	-4.0%	-12.8%
VEHD-20L	HDEPO	\$295.98	-12.3%	-4.0%	-12.8%
VEHD-31L	HDEPOagg	\$253.97	-12.3%	-4.0%	-12.8%
VEHD-41L	HDEPO	\$336.29	-12.3%	-4.0%	-12.8%
VEHD-42L	HDEPO	\$323.69	-12.3%	-4.0%	-12.8%
VEHD-43L	HDEPO	\$295.04	-12.3%	-4.0%	-12.8%
VEHD-44L	HDEPO	\$251.03	-12.3%	-4.0%	-12.8%
VEHD-45L	HDEPOagg	\$325.54	-12.3%	-4.0%	-12.8%
VEHD-46L	HDEPOagg	\$310.41	-12.3%	-4.0%	-12.8%
VPHD-03L	HDPPOagg	\$276.43	-5.9%	3.1%	-6.3%
VPHD-05L	HDPPOagg	\$329.97	-12.3%	-4.0%	-12.8%
VPHD-07L	HDPPOagg	\$344.03	-12.3%	-4.0%	-12.8%
VPHD-09L	HDPPOagg	\$290.01	-12.3%	-4.0%	-12.8%
VPHD-15L	HDPPOagg	\$292.32	-12.3%	-4.0%	-12.8%

Exhibit 4a -- Medical Manual Rates (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
VE021L	HyEPO	\$346.09	1.3%	-4.5%	-13.7%
VE054L	HyEPO	\$318.26	1.3%	-4.5%	-13.7%
VE060L	HYEPO	\$364.14	1.3%	-4.5%	-13.7%
VE085L	EPO	\$428.80	1.3%	-4.5%	-13.7%
VE087L	EPO	\$419.59	1.3%	-4.5%	-13.7%
VE088L	EPO	\$414.43	1.3%	-4.5%	-13.7%
VE089L	EPO	\$406.70	1.3%	-4.5%	-13.7%
VE090L	HyEPO	\$368.01	1.3%	-4.5%	-13.7%
VE091L	HyEPO	\$330.61	1.3%	-4.5%	-13.7%
VE092L	HyEPO	\$378.33	1.3%	-4.5%	-13.7%
VE093L	HyEPO	\$346.09	1.3%	-4.5%	-13.7%
VE095L	HyEPO	\$362.85	1.3%	-4.5%	-13.7%
VE096L	HyEPO	\$333.19	1.3%	-4.5%	-13.7%
VE100L	HyEPO	\$340.92	1.3%	-4.5%	-13.7%
VE101L	HyEPO	\$324.90	1.3%	-4.5%	-13.7%
VE102L	HyEPO	\$386.06	1.3%	-4.5%	-13.7%
VE103L	HyEPO	\$357.68	1.3%	-4.5%	-13.7%
VE105L	HyEPO	\$369.30	1.3%	-4.5%	-13.7%
VE106L	HyEPO	\$337.06	1.3%	-4.5%	-13.7%
VE107L	HyEPO	\$321.58	1.3%	-4.5%	-13.7%
VE108L	EPO	\$382.19	1.3%	-4.5%	-13.7%
VE109L	HYEPO	\$364.14	1.3%	-4.5%	-13.7%
VE110L	HYEPO	\$330.61	1.3%	-4.5%	-13.7%
VE111L	HYEPO	\$346.09	1.3%	-4.5%	-13.7%
VE114L	HyEPO	\$366.72	1.3%	-4.5%	-13.7%
VE115L	HyEPO	\$329.32	1.3%	-4.5%	-13.7%
VE116L	HyEPO	\$322.68	1.3%	-4.5%	-13.7%
VP015L	HyPPO	\$412.13	1.3%	-4.5%	-13.7%
VP017L	HyPPO	\$343.80	1.3%	-4.5%	-13.7%
VP019L	HyPPO	\$422.97	1.3%	-4.5%	-13.7%
VP020L	HyPPO	\$393.46	1.3%	-4.5%	-13.7%
VP060L	HyPPO	\$412.13	1.3%	-4.5%	-13.7%
VP061L	HyPPO	\$382.73	1.3%	-4.5%	-13.7%
VP062L	HyPPO	\$346.43	1.3%	-4.5%	-13.7%
VP063L	HyPPO	\$422.97	1.3%	-4.5%	-13.7%
VP065L	HyPPO	\$377.36	1.3%	-4.5%	-13.7%
VP066L	HyPPO	\$339.85	1.3%	-4.5%	-13.7%
VP067L	HyPPO	\$328.15	1.3%	-4.5%	-13.7%
VP071L	HyPPO	\$372.00	1.3%	-4.5%	-13.7%
VP072L	HyPPO	\$335.90	1.3%	-4.5%	-13.7%
VP073L	HyPPO	\$324.80	1.3%	-4.5%	-13.7%
VT08LA	EPO	\$426.80	1.3%	-4.5%	-13.7%
VT08LB	EPO	\$426.80	1.3%	-4.5%	-13.7%
VT08LC	EPO	\$426.80	1.3%	-4.5%	-13.7%
VEHD-01L	HDEPOagg	\$380.12	1.3%	-4.5%	-13.7%
VEHD-02L	HDEPOagg	\$339.00	1.3%	-1.6%	-11.1%
VEHD-06L	HDEPOagg	\$306.32	1.3%	-4.5%	-13.7%
VEHD-07L	HDEPOagg	\$339.32	1.3%	-4.5%	-13.7%
VEHD-08L	HDEPOagg	\$311.17	1.3%	-4.5%	-13.7%
VEHD-09L	HDEPOagg	\$291.15	1.3%	-4.5%	-13.7%

Exhibit 4a -- Medical Manual Rates (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
VEHD-15L	HDEPOagg	\$293.48	1.3%	-4.5%	-13.7%
VEHD-17L	HDEPOagg	\$306.11	1.3%	-4.5%	-13.7%
VEHD-19L	HDEPO	\$278.77	1.3%	-4.5%	-13.7%
VEHD-20L	HDEPO	\$299.83	1.3%	-4.5%	-13.7%
VEHD-31L	HDEPOagg	\$257.27	1.3%	-4.5%	-13.7%
VEHD-41L	HDEPO	\$340.66	1.3%	-4.5%	-13.7%
VEHD-42L	HDEPO	\$327.90	1.3%	-4.5%	-13.7%
VEHD-43L	HDEPO	\$298.88	1.3%	-4.5%	-13.7%
VEHD-44L	HDEPO	\$254.29	1.3%	-4.5%	-13.7%
VEHD-45L	HDEPOagg	\$329.77	1.3%	-4.5%	-13.7%
VEHD-46L	HDEPOagg	\$314.45	1.3%	-4.5%	-13.7%
VPHD-03L	HDPPOagg	\$280.02	1.3%	2.6%	-7.3%
VPHD-05L	HDPPOagg	\$334.26	1.3%	-4.5%	-13.7%
VPHD-07L	HDPPOagg	\$348.50	1.3%	-4.5%	-13.7%
VPHD-09L	HDPPOagg	\$293.78	1.3%	-4.5%	-13.7%
VPHD-15L	HDPPOagg	\$296.12	1.3%	-4.5%	-13.7%

Exhibit 4b -- Medical Riders (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.35	-12.3%	-4.0%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.48	-12.3%	-4.1%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network)	EPO/PPO	\$4.23	-12.2%	-3.9%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.18)	-10.0%	0.0%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.51	-12.2%	-3.8%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plan	EPO/PPO	\$2.01	-12.2%	-3.8%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plan	EPO/PPO	\$2.32	-12.5%	-4.1%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plan	EPO/PPO	\$3.62	-12.3%	-4.2%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plan	EPO/PPO	\$4.16	-12.2%	-4.1%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plan	EPO/PPO	\$8.38	-12.3%	-4.1%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plan	EPO/PPO	\$8.85	-12.3%	-3.9%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 2x OOP Max plan	EPO/PPO	\$11.95	-12.3%	-4.0%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 3x OOP Max plan	EPO/PPO	\$12.29	-12.3%	-4.1%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$6.19	-12.3%	-3.9%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.82	-11.8%	-2.4%
VE313	Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.81	-12.6%	-4.2%
V314	Adult Preventative Dental	EPO/PPO	\$14.19	-12.4%	-4.1%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$19.33	-12.3%	-4.0%
V316	Disposable Medical Supplies	EPO/PPO	\$0.92	-12.4%	-4.2%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$3.91	-12.3%	-4.2%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	0.0%	0.0%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	0.0%	0.0%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	0.0%	0.0%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursment for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.66	-12.2%	-4.0%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Group:	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.84	-12.3%	-4.1%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.60	-12.5%	-4.1%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.15	-12.2%	-4.0%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.83	-12.4%	-4.2%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.58	-12.2%	-3.7%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.20	-12.4%	-4.0%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.97	-12.6%	-4.0%
VEHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.41	-12.8%	-4.7%
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.80	-12.1%	-3.6%
VPHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.84	-12.3%	-4.1%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.60	-12.5%	-4.1%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.15	-12.2%	-4.0%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.83	-12.4%	-4.2%
VPHD 312e	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.58	-12.2%	-3.7%
VPHD 312f	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.20	-12.4%	-4.0%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.97	-12.6%	-4.0%
VPHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.41	-12.8%	-4.7%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.43	-12.3%	-3.9%

Exhibit 4b -- Medical Riders (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network)	HDHP	\$4.50	-12.3%	-3.8%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.15)	-11.8%	-6.3%
VHD316	Disposable Medical Supplies	HDHP	\$0.60	-13.0%	-4.8%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Group:	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	0.0%	0.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	0.0%	0.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	0.0%	0.0%
VHD356L	Deductible Carryover Rider	HDHP	\$7.85	-12.3%	-4.0%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.57	-12.3%	-3.7%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$4.14	-12.3%	-4.2%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-03)	HDHP	\$13.55	-12.3%	-4.0%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-05)	HDHP	\$9.63	-12.3%	-4.0%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06)	HDHP	\$4.59	-12.2%	-4.0%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.50	-12.3%	-3.8%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.29	-12.3%	-4.1%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09 & VPHD-09)	HDHP	\$4.97	-12.3%	-4.1%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.31	-12.4%	-4.1%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.14	-12.3%	-4.2%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$13.20	-12.4%	-4.1%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$3.83	-12.4%	-4.0%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.45	-12.3%	-4.0%
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$6.27	-12.3%	-4.1%
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$6.87	-12.3%	-3.9%
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$9.75	-12.3%	-4.0%
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$14.91	-12.3%	-4.1%
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$6.75	-12.3%	-4.0%
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$7.34	-12.3%	-4.1%

Exhibit 4b -- Medical Riders (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.39	1.2%	-4.5%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.54	1.3%	-4.4%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network (EPO/PPO	\$4.28	1.2%	-4.5%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.18)	0.0%	0.0%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.54	1.2%	-4.5%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plan:	EPO/PPO	\$2.04	1.5%	-4.2%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plan:	EPO/PPO	\$2.35	1.3%	-4.5%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plai	EPO/PPO	\$3.67	1.4%	-4.7%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plai	EPO/PPO	\$4.21	1.2%	-4.8%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plai	EPO/PPO	\$8.49	1.3%	-4.5%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plai	EPO/PPO	\$8.97	1.4%	-4.3%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 2x OOP Max plai	EPO/PPO	\$12.11	1.3%	-4.4%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 3x OOP Max plai	EPO/PPO	\$12.45	1.3%	-4.5%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$6.27	1.3%	-4.3%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.83	1.2%	-2.4%
VE313	Rider To Change Outpt Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.83	1.1%	-4.7%
V314	Adult Preventative Dental	EPO/PPO	\$14.37	1.3%	-4.5%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$19.58	1.3%	-4.4%
V316	Disposable Medical Supplies	EPO/PPO	\$0.93	1.1%	-5.1%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$3.96	1.3%	-4.6%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	0.0%	0.0%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	0.0%	0.0%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	0.0%	0.0%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursment for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.68	1.2%	-4.5%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Group:	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.88	1.4%	-4.3%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.63	1.2%	-4.7%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.18	1.4%	-4.4%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.85	1.1%	-4.6%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.60	1.3%	-4.2%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.22	1.7%	-3.9%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.98	1.0%	-4.9%
VEHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.42	2.4%	-4.5%
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.81	1.3%	-3.6%
VPHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.88	1.4%	-4.3%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.63	1.2%	-4.7%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.18	1.4%	-4.4%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.85	1.1%	-4.6%
VPHD 312e	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.60	1.3%	-4.2%
VPHD 312f	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.22	1.7%	-3.9%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.98	1.0%	-4.9%
VPHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.42	2.4%	-4.5%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.49	1.4%	-4.3%

Exhibit 4b -- Medical Riders (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network)	HDHP	\$4.56	1.3%	-4.2%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.15)	0.0%	-6.3%
VHD316	Disposable Medical Supplies	HDHP	\$0.61	1.7%	-4.7%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Group:	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	0.0%	0.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	0.0%	0.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	0.0%	0.0%
VHD356L	Deductible Carryover Rider	HDHP	\$7.95	1.3%	-4.4%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.59	1.3%	-4.2%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$4.19	1.2%	-4.8%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-03)	HDHP	\$13.73	1.3%	-4.4%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-05)	HDHP	\$9.76	1.3%	-4.4%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06)	HDHP	\$4.65	1.3%	-4.3%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.53	1.2%	-4.5%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.33	1.2%	-4.6%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09 & VPHD-09)	HDHP	\$5.03	1.2%	-4.6%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.35	1.2%	-4.6%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.19	1.2%	-4.8%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$13.37	1.3%	-4.5%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$3.88	1.3%	-4.4%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.56	1.3%	-4.4%
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$6.35	1.3%	-4.7%
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$6.96	1.3%	-4.4%
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$9.88	1.3%	-4.4%
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$15.10	1.3%	-4.5%
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$6.84	1.3%	-4.3%
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$7.44	1.4%	-4.4%

Exhibit 4c -- Rx Riders (Q3 2016)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V500	\$10/\$30/\$50	EPO/PPO	\$45.27	-12.3%	-4.0%
V501	\$10/30%/50%	EPO/PPO	\$39.69	-12.3%	-4.0%
V502	50%	EPO/PPO	\$35.42	-12.3%	-4.0%
V504	\$0/\$30/\$50	EPO/PPO	\$52.71	-12.3%	-4.0%
V601	\$5/\$35/\$70	EPO/PPO	\$47.01	-12.3%	-4.0%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$41.28	-12.3%	-4.0%
V604	\$5/\$45/\$90	EPO/PPO	\$45.64	-12.3%	-4.0%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$40.41	-12.3%	-4.0%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$37.53	-12.3%	-4.0%
V550L	Removes MAC Pricing	EPO/PPO	\$0.75	-12.8%	-5.1%
V551L	Change mail copay from 2.5 to 2.0 First \$300 Covered in Full, then	EPO/PPO Bridgewell	\$0.32	-11.1%	-3.0%
V611	\$750 Ded/30% Coins	EPO	\$26.26	-12.3%	-4.0%

Exhibit 4c -- Rx Riders (Q4 2016)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V500	\$10/\$30/\$50	EPO/PPO	\$45.86	1.3%	-4.5%
V501	\$10/30%/50%	EPO/PPO	\$40.21	1.3%	-4.4%
V502	50%	EPO/PPO	\$35.88	1.3%	-4.4%
V504	\$0/\$30/\$50	EPO/PPO	\$53.40	1.3%	-4.5%
V601	\$5/\$35/\$70	EPO/PPO	\$47.62	1.3%	-4.5%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$41.82	1.3%	-4.4%
V604	\$5/\$45/\$90	EPO/PPO	\$46.23	1.3%	-4.4%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$40.94	1.3%	-4.4%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$38.02	1.3%	-4.4%
V550L	Removes MAC Pricing	EPO/PPO	\$0.76	1.3%	-5.0%
V551L	Change mail copay from 2.5 to 2.0 First \$300 Covered in Full, then \$750 Ded/30%	EPO/PPO Bridgewell	\$0.32	0.0%	-5.9%
V611	Coins	EPO	\$26.60	1.3%	-4.5%

MVP Health Care (“MVP”) Experience Rated Addendum – 3Q/4Q 2016 Effective Dates

This document is an Addendum to MVP’s 3Q/4Q 2016 Manual Rate Filing and Experience Rating Formula for products sold to employer groups with 100 or more employees in the State of Vermont. This addendum and its appendices outline the rating factors discussed in the Experience Rating Formula. These factors are being filed as an addendum to the Manual Rate and Formula filings so they can be updated as deemed necessary by MVP without having to re-file the rating methodology.

Whenever possible, the rating factors contained herein will be based on actual MVP experience or they will be normalized to MVP’s population.

BASE MANUAL RATES

Please see Exhibits 4a (base manual rates), 4b (medical riders), and 4c (Rx riders) of the accompanying manual rate filing for the net PMPMs of plans and riders being offered by MVP for 3Q/4Q 2016 effective dates.

SIC FACTORS

The industry factors in Appendix A will be applied to the manual rates based on the employer’s industry.

DEMOGRAPHIC FACTORS

To more closely resemble the health risk of the employer’s insured population, the manual pure premium will be adjusted to reflect differences in the demographic characteristics of a specific employer group compared to MVP’s community pool for the chosen product. This demographic factor will be applied to both the base rate and riders.

With respect to the employer specific experience rate, there may be a situation where MVP will be the sole health plan offering and be required to adjust the experience to reflect anticipated health characteristics of the entire group versus just MVP’s members who were enrolled in the previous year under a slice product offering. In this situation, MVP will develop a demographic factor relative of the entire group and compare that to the demographics of their existing employer membership.

The demographic factors are in Appendix B. A per member demographic factor is calculated as the weighted average subscriber age/sex factor / weighted average subscriber average contract size.

HRA/HSA DEDUCTIBLE FUNDING FACTORS

The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated increase in utilization of services due to the resulting ‘first dollar’ coverage provided. The manual rate adjustment factors are in Appendix C.

POOLING CHARGES

Each group is charged a pooling fee and fee-for-service medical and Rx claims above the applicable attachment point are removed from their claim data. The charge is based on the following table:

Pooling Level	2016 Pooling Charge
\$80,000	11.98%
\$85,000	11.11%
\$90,000	10.37%
\$100,000	9.16%
\$125,000	7.14%
\$150,000	5.75%
\$175,000	4.70%
\$200,000	3.94%
\$250,000	2.91%
\$300,000	2.16%
\$350,000	1.68%
\$400,000	1.26%
\$450,000	0.84%
\$500,000	0.52%

Group size will be considered when selecting the appropriate pooling charge. The max pool level is the maximum amount MVP will allow for a given group size:

Avg. Subscribers	Max Pool Level
Up to 299	\$100,000
300-499	\$150,000
500-999	\$200,000
1,000-1,499	\$250,000
1,500-2,499	\$350,000
2,500 and up	\$450,000

TREND FACTORS

The following trends are used to project historical experience of the group to the proposed rating period. Exhibit 1 and Exhibit 2 are developed by applying the appropriate pro-rated calendar year trend factors from the midpoint of the experience period to the midpoint of the rating period. Paid trends are calculated by multiplying the applicable allowed trend times the leveraging factor.

Year	Allowed Medical Trend	Pharmacy Trend
2014	8.6%	14.5%
2015	4.2%	9.5%
2016	2.8%	12.3%
2017 & Beyond	2.9%	11.1%

Annual Leveraging Factor	0.4%
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NETWORK ADJUSTMENT FACTOR

This adjustment reflects changes with respect to the differences in network providers, contractual provider reimbursement rates, the degree of medical management for MVP versus other carriers, gatekeeper versus no gatekeeper, and referral versus open access. For those accounts enrolled in MVP, this factor will primarily represent differences in provider contractual arrangements. If the experience is coming from another carrier, the adjustment may reflect all of the items above. MVP will make every effort to develop actuarial adjustments that properly determine the appropriate factor to reflect the expected experience of the group.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

BENEFIT ADJUSTMENT FACTOR

The purpose of the benefit adjustment is to reflect any difference between the benefits inherent in the group's historical claims experience period and the group's expected benefit plan for the prospective benefit period. This includes medical benefits and pharmacy benefits.

Based on filed manual rates, the underwriter will determine the value of the benefit adjustment factor by analyzing the actuarial equivalent difference in benefits. As it relates to a new group having experience from another carrier, the underwriter will use their best efforts to match up prior benefits to a currently filed benefit to determine the actuarial equivalent difference in benefits. In some cases, this may require interpolating between two manual rates, extrapolating from the filed manual rates, using other sources such as the Milliman USA guidelines, or other internal pricing models.

Other adjustments in this category may include benefit mandates. That is, mandated benefits that will be included in the future benefits, but not reflected in the group's experience.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

PHARMACY REBATE FACTOR

Pharmacy rebates are received periodically. The pharmacy rebate factor of 0.91 is used to account for this reduction in pharmacy costs. This reduction will only apply if the paid pharmacy claims do not already reflect pharmacy rebates. In the case where the employer group is not a MVP group, the underwriter will determine if the claims data provided includes or excludes rebates from the other carrier.

PERIOD WEIGHT

Period Weight is determined by the underwriter. The underwriters follow a general protocol for deriving the weights to apply for the Period Weight portion of the experience rating formula. Most groups are rated using 12 months of historical data and therefore, the period weights are not applicable. For the smaller of the large groups, the underwriter will consider extending the historical look back to 24 months if the data is available in order to provide a more stable block of data from which to do the rating. In these cases, the underwriter will generally give an 80% weight to the most recent 12 months of data and a 20% weight to the prior period of data. These weights may vary and could be 50% / 50% if the underwriter feels more weight should be given to the older data. This may be the case if the current 12 months are exceptionally higher or lower than the prior period.

CREDIBILITY WEIGHT

Based on MVP's product guidelines for offering a prospective experience rate, an employer must have (or project) a minimum of 100 eligible employees for the proposed rating period. However, consistent with industry rating practices, smaller sized experience rated groups should not be considered as producing 100% credible claims information. To protect the employer from significant rate fluctuation from year to year, MVP will be applying a credibility weight to the group's claim experience.

In determining a group's quoted rate, a weight will be given to the group's claims experience based on the number of member months in the experience period. The complement of the weight will be applied to the manual rate. The blended rate is one that will be quoted to the employer group. Below are the base credibility weightings:

Member Month Range	Credibility Factor
0 to 599	0%
600 to 2,400	20%
2,401 to 3,700	30%
3,701 to 4,900	40%
4,901 to 6,100	50%
6,101 to 7,300	60%
7,301 to 8,500	70%
8,501 to 9,700	80%
9,701 to 12,200	90%
12,201 and over	100%

These experience credibility weightings can be adjusted downward based on the underwriter's judgment in the following circumstances:

The employer group has provided less than 12 months of incurred claims data or data is not provided for all services or employees – Generally, a minimum of one full calendar year of incurred claims data for all populations and covered services included in the quote is desired to underwrite a case. In the event less than 12 months of data is available, the underwriter can adjust the credibility table downward, not to be less than 0%.

The employer group has had membership change by 50% or more since the experience period – With a significant membership change, the historical claims experience may no longer represent the group's current population. If the membership has changed by more than 50% from the experience period to the rating period, the underwriter may override the table above to reduce credibility downward, not to be less than 0%.

The most recent experience data provided is too old – Generally, from the mid-point of the experience period to the mid-point of the rating period should not be older than 24 months. If the more recent period of data is older than 24 months, the underwriter may adjust the credibility table downward, not to be less than 0%.

MVP may also make an upward adjustment to the table if the group has a favorable group risk assessment. The credibility percentage will never exceed 100%.

MANUAL RATE CAP

For groups with over 100 subscribers, when the group's manual rate exceeds 115% of the experience rate or is 85% or less of the experience rate, the manual rate is capped at 115% and 85% of the experience rate, respectively, prior to the blending of the experience and manual rates using the credibility table above.

UNDERWRITING JUDGMENT/GROUP RISK ASSESSMENT

Underwriting judgment will be used by the underwriter in determining inputs to the rating formula or to modify the result depending on the circumstances of the case, the data available, or the quality of the available data.

Adjustments may be made due to items such as poor claim and enrollment experience data being presented for new groups, the group's claim trend being historically different than the averages, variability in claims experience, participation levels/group size changes, plan sponsor contribution levels, number of plan offerings, plan sponsor and covered population stability, and plan sponsor persistency. Adjustments may be both positive and negative, but will not be larger than 10% in either direction.

NETWORK ACCESS FEES AND OTHER FEES

MVP has a contracted network access fee with a rental network in the event a group has members that live outside of MVP's service area. The net access fee is \$0 PEPM for just those subscribers who live outside of the service area.

COVERED LIVES ASSESSMENT

This is a New York State assessment passed on to groups in premium rates. The 2016 rates have been finalized by New York State.

Region	2016 Actual	
	Individual	Family
New York City	\$16.90	\$55.78
Long Island	\$5.62	\$18.54
Northern Metro	\$3.25	\$10.72
Northeastern	\$3.57	\$11.79
Utica/Watertown	\$0.85	\$2.82
Central	\$5.04	\$16.63
Rochester	\$9.60	\$31.68
Western	\$3.45	\$11.38

MVP will calculate the CLA with the group information that is available. For example, on a new business case, the number of single contracts by location may not be available. In that case, the CLA may have to be estimated based on the group's overall number single and family contracts and assume the same ratio exists in each region.

HCRA ASSESSMENT

This is another New York State assessment based on Hospital claims. A charge of 0.25% will be applied to the experience of new business quotes; this is consistent with the amount reflected in the manual portion of the rate.

RETENTION EXPENSES

Non-claim cost expenses must be added to the premium rates and can be per member per month (PMPM) charges, percent of paid claim charges, or percent of premium charges. The following tables reflect the retention loads:

Percent of Premium Retention:

General Administration = 8.0%

Bad Debt = 0.25%

Broker Loads = group specific

Percent of Premium Taxes/Fees:

Premium Tax = 2.0%

Contribution to Surplus = 2.0%

VT Vaccine Assessment = 0.5%

Insurer Tax = 2.0% for 2016 coverage dates; 0.0% for 2017 coverage dates

Percent of Paid Claim Surcharges:

VT Paid Claims Surcharge = 0.999%

PMPM Retention

PMPM = \$0

PMPM Taxes/Assessments:

Federal ACA Reinsurance/Treasury Assessment: 2016 coverage dates = \$2.25; 2017 coverage dates = \$0.00

Comparative Effectiveness Research Tax = \$0.18

EMPLOYER SPECIFIC PREMIUM RATES

The experience rating formula filing details the calculation of employer specific premium rates by using employer specific information. In the event the employer group cannot supply sufficient information to calculate employer specific conversion factors, the following community load ratios will be used:

- Single=1.0
- Double=2.0
- Family 2 tier=2.5
- Family 3 tier=2.6
- Family 4 tier= 2.8
- Parent Child 4 tier= 1.9

RETROSPECTIVE RATING

The risk charges for a group choosing to be rated retrospectively are outlined below:

(No DEFICIT CARRY FORWARD/80% SURPLUS REFUND FOR GROUPS 251+, 50% REFUND FOR GROUPS LESS THAN 251)

- Groups with 1,000+ enrolled subscribers = 1.01
- Groups with 251-999 enrolled subscribers = 1.01
- Groups with 51-250 enrolled subscribers = 1.01

MINIMUM PREMIUM FUNDING ARRANGMENTS

The following table shows the Claims Fluctuation Margin (CFM) available for groups of different sizes. The appropriate level of CFM will depend on the group’s size and risk assessment. Groups that are smaller with a higher risk assessment will have a higher CFM. Because of the risk involved with minimum premium funding, at the smaller group size, the underwriter will use judgment to determine if minimum premium funding is allowed.

Group Size	CFM
100-249	120%, 125%, or 130%
249-499	115%, 120%, or 125%
500-999	110%, 115%, or 120%
1,000+	105%, 110%, or 115%

NEW BUSINESS DISCOUNT

Due to the variances in information available for use in rating prospects, MVP is introducing the following additional adjustments to be used in developing new business proposals. The discount will apply to currently insured accounts that will offer MVP on a total replacement basis and have non-Medicare retiree enrollment of less than 5% of the total group enrollment.

Rate reduction of 5.0% will be applied if group meets the following criteria:

- *Demographic Factor <=1.10
- *Participation >70% of total employees being offered coverage
- *Employer Contribution > =50% of single rate of richest plan to all plans/tiers
- *Employer Deductible Funding not greater than 70% of the In-Network Deductible
- *One carrier prior 2 years
- *For accounts with <100 enrolled contracts quoted without claims data, documented incumbent Carrier Initial Renewal <12% (not from a rate cap)

Rate reduction of 8.0% will be applied if group meets the above list in addition to the following:

- *Employer Deductible Funding not greater than 50% of the In-Network Deductible
- *Enrollment decline of less than 15% in past 12 months
- *One carrier for prior 3 years

Discount Recovery:

Year 1 Discount	Year 2 Discount	Year 3 Discount
5.0%	3.5%	2.0%
8.0%	6.0%	4.0%

Employer groups will be required to provide documentation showing the criteria are met or sign an affidavit supporting the statement.

ACTUARIAL CERTIFICATION

I believe the rating factors described herein are consistent with industry norms, follows sound actuarial and underwriting principals, and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.



Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care



ACTUARIAL MEMORANDUM

3Q and 4Q 2016 Large Group AR42 Manual Rate and Addendum Filing

Purpose of Filing

The purpose of this filing is to demonstrate the development of manual rates in support of MVP Health Insurance Company's (MVP) Large Group AR42 product portfolio and seek approval of the manual rates and factors used to develop group specific premium rates. The premium rates included in this filing are for group effective dates between 7/1/2016 and 12/31/2016. The rates are effective for 12 months. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Scope of Filing

As of January 2016, there were 2,832 members enrolled in Large Group AR42 plans. Of those members, 2,256 are in groups with 100+ employees and will be eligible to renew into a large group policy in 2016. The remaining 576 members will transition to the Vermont Exchange in 2016. 45 of the 2,256 members have policy effective dates in 3Q while no members have policy effective dates in 4Q.

The overall projected annual revenue change for 3Q 2016 is -8.6% and is driven by three factors which are described below.

- Manual Rate Change: MVP is proposing a quarterly manual rate decrease of -8.1% which translates to an annual change of 0.6%.
- Age/Gender Table Normalization: MVP began normalizing its age/gender factor table in 1Q 2016. The average age/gender factor of the population in this experience period compared to the prior filing is 0.971. When combined with the normalization from the prior filing, the annual change to the age/gender factor results in a revenue decrease of -4.6%. MVP is dividing all of the current age/gender factors by this amount (0.971) which is actuarially equivalent to normalizing the claim projection by the same factor. The normalized age/gender table is included in Appendix B of the file, "Appendices A-C – 3Q 2016.xlsx".
- Change in Target Loss Ratio: MVP is increasing its target loss ratio from 80.2% in the 3Q 2015 filing to 84.4% for this rate filing which is decreasing the overall revenue change by an additional -4.7%. The drivers of this reduction are a decrease in the administrative load from 9.5% in 3Q 2015 to 8.0%, an increase in the contribution to surplus from 1.0% to 2.0%, a reduction in the VT Vaccine assessment worth 0.1%, a one year moratorium of the ACA Insurer Tax in 2017 and removal of the Temporary Reinsurance Pool fee for 2017 dates of service. Note, MVP proposed a contribution to surplus of 2.0% in 3Q 2015 which was reduced to 1.0% by the GMCB. For the 1Q 2016 filing, the GMCB approved a 2.0% contribution to surplus.

Please see below for a derivation of the overall revenue change for 3Q and 4Q 2016.

Derivation of Annual Revenue Change Based on Quarterly Rate Changes

	4Q '15 / 3Q '15	1Q '16 / 4Q '15	2Q '16 / 1Q '16	1Q '16 / 4Q '15	2Q '16 / 1Q '16	3Q '16 Annual Increase	4Q '16 Annual Increase
Manual Rate Changes	1.8%	6.3%	1.2%	-8.1%	1.2%	0.6%	0.0%
	Average Manual Rate Change for LG HIC Block					0.6%	0.0%
	Age Gender Table Normalization					-4.6%	-4.6%
	Impact of Changes in Target Loss Ratio					-4.7%	-5.3%
	Proposed Annual Revenue Change					-8.6%	-9.6%

Experience Period Claims

Large group AR42 claims incurred between November 2014 and October 2015, paid through December 2015 was the basis of MVP's rate analysis. Groups with 51-100 employees as well as an employer group that purchased an ASO policy from MVP in 2015 were excluded from the analysis as they will not be enrolling in these products in 2016. Fee-for-service (FFS) medical and pharmacy claims were projected to the 3Q 2016 rating period by applying 20 months of trend to the experience period data. The capitation and non-FFS costs included in the rate development represent MVP's best estimate of these costs during the rating period.

Pooling Charge

To account for volatility in high cost claims, claims in excess of \$100,000 are being removed from the claim projection and replaced by a pooling charge. The pooling charge of 9.16% is equal to the \$100,000 pooling charge included in MVP's LG Addendum which is included with this SERFF submission. Note MVP is not proposing changes to the currently approved pooling charges. For a summary of the high cost claim ratio in recent time periods, please refer to the attached file, "Rolling 12 Medical and Rx Data - LG HIC".

Benefit Adjustment for Members Enrolled in Plan VEHD-02L on a 2014 Contract

On Exhibit 3a, there is an adjustment made in line item 3a to account for an out-of-pocket maximum (OOPM) change made to plan VEHD-02L in 2015. Upon renewal in 2015, the OOPM was changed from an aggregate benefit to an embedded benefit. Claim experience for members enrolled in this product on a 2014 contract do not reflect this benefit change. The benefit change reduces a member's OOPM expense from \$7,000 to \$3,500 when enrolled in a non-single contract, and using MVP's benefit pricing tool results in a 3.0% increase to the actuarial value of the plan. Over the experience period, 2,116 member months were enrolled in this benefit on a 2014 contract. The derivation of the adjustment can be found below:

Derivation of OOPM Change to Coplan VEHD-02L	
VEHD-02L Current Manual Rate	\$370.57
Benefit Adjustment for OOPM Change	3.0%
Experience Pd Member Months Requiring Adjustment	2,116
Total Dollars Added to Experience Period Claims	\$23,524
Total Experience Period Member Months	34,016
PMPM Addition to Experience Period Claims	\$0.69

Development of Manual Rate Increase

Exhibit 3a demonstrates the development of the proposed 3rd quarter rate action. FFS medical claims completed with IBNR, adjusted for the pooling charge and benefit adjustment described above, are projected to the rating period. Non-FFS claim expenses and capitation expenses are added to the claim projection. Please see the table below for a summary of non-FFS and capitation expenses reflected in MVP's rate development for this filing. Note the

Medical Home and PCP Incentive reflects MVP's expected liability in 2016 based on Craig Jones' June 2015 presentation to the Green Mountain Care Board (GMCB).

Summary of Capitations and Non-FRDM Claim Expenses	
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Other Medical Expense not in warehouse	\$2.08
ASH Cap	\$0.29
Net Reinsurance Expense	\$0.21
Medical Home and PCP Incentive	\$2.46
Total	\$5.04

The expected non-FFS medical expenses added to the claim projection reflect costs associated with net reinsurance expense, Wellstyle Rewards program administrative expense, PCP incentive payments and Medical Home, and other miscellaneous MVP claim expenses not included in the historical experience period data such as manual checks and Massachusetts surcharges.

Next, experience period Rx claims are adjusted for pooling and projected to the rating period. Rx claims are adjusted for the impact of Bill H559 which is not fully reflected in the experience period data and rebates are removed from the projected claim cost.

Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is an out of pocket maximum for prescription drug expenses. All of the claim adjustments attributable to Bill H559 are not being processed within MVP's claim system during the experience period for this rate filing. Therefore, an adjustment to the experience period claims is needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the 10 month period January – October 2015 for members with a January renewal month (18,471 member months). MVP captured amounts paid by members in excess of the Rx OOP maximum to be in effect for 3Q 2016, or \$1,300. The PMPM amount of Rx claims in excess of \$1,300 was used to quantify the impact of this mandate on drug claim expenses in 2016/2017.

MVP has received updated Rx rebate information from our pharmacy benefit manager for 2016. The data provided is an average rebate per script for brand and specialty drugs. These amounts were applied to MVP's projection period brand and specialty script utilization to obtain a PMPM estimate of the rebates in the projection period and equals \$8.23 PMPM and \$8.20 PMPM for 3Q and 4Q 2016, respectively.

Finally, adjustments are made to the projected net claims cost to account for the New York State HCRA surcharge, average industry factor, and the impact of membership changes over the experience period.

The New York HCRA Surcharge included in the claim projection is based only on claims paid for services performed by New York hospitals. The New York HCRA load equals 0.25% and is based on historical HCRA fees incurred by Vermont members.

The industry normalization factor shown on Exhibit 3a was computed using MVP's census over the experience period along with the industry factors included in Appendix A of the file, "Appendices A-C – 3Q 2016.xlsx" which is included with this SERFF submission. MVP is not proposing changes to these factors for 3Q 2016. Because MVP is deriving its proposed rate increase from the 2Q 2016 manual rates which reflects an industry factor equal to 1.00, claim costs must be adjusted to be on a 1.00 basis as well. Over the experience period, the average industry factor was 1.003. To neutralize the impact of this factor on the required rate change, MVP is multiplying the 3Q 2016 claim projection times the reciprocal of this factor.

MVP is also making an adjustment to the claim projection for the impact of membership not representing a full 12-month contract over the experience period. Because deductibles are present in most these products, paid claims are

suppressed in the early months of a member's contract and are higher than average in later contract months. Therefore, if the experience period membership is not evenly distributed by contract month, an adjustment to the claim costs should be made to reflect the expected claim costs for a 12-month contract period.

To determine the adjustment factor for the experience period claims cost, MVP used deductible suppression factors which were developed by analyzing commercial claims for members with 12 months of medical and Rx benefit coverage. MVP assumed that allowed claims were uniformly distributed by month and determined the expected paid claim cost for a given month relative to the average paid amount for 12 months. Factors were developed for a number of different deductible levels, and MVP split its experience period membership by these deductible levels to compute the appropriate adjustment factors. This adjustment factor equals 0.993 and can be found in Exhibit 3a. A quantitative derivation of this factor can be found in the file, "Impact of Membership Growth_Dcline on Experience Pd Claims".

To arrive at the data suggested quarterly rate change for 3Q 2016, the normalized net claim projection is compared to the 2Q 2016 manual rate that would be collected for the experience period enrollment to indicate the suggested quarterly manual rate change.

Although the data is suggesting a reduction of 16.1% to the manual rate, MVP is proposing to reduce the manual rates by half of this amount or 8.1%. MVP has experienced a reduction in experience period membership of 24% between the 1Q 2016 experience period (CY 2014) and the 3Q 2016 experience period. Such a drastic change in membership can have a significant impact on claims cost PMPM thus making it challenging to forecast the average market risk. We are concerned that if we reduce our rates by the full amount of 16.1%, claims will increase back to historical levels throughout 2016 which would result in requesting a significant rate increase for 1Q 2017.

MVP has also developed 4Q 2016 manual rates for this rate filing. Please see Exhibit 3b which is identical to Exhibit 3a except for the fact that one more quarter of trend has been applied to the experience period claims. Comparing the 4Q 2016 projected claims to the 3Q 2016 claim projection determines the quarterly manual rate change.

Manual Rate Relativity Adjustments to Coplans VEHD-02 and VPHD-03

Base coplans VEHD-02 and VPHD-03 are increasing over the book of business average rate increase. This is because these plans were initially filed as an aggregate/aggregate (deductible/out-of-pocket maximum) plan, but due to HHS' single member out-of-pocket maximum regulation which went into effect in 2015, plan VEHD-02 is now an aggregate/embedded plan while plan VPHD-03 is now an embedded/embedded plan. For more detail on the changes to plan VEHD-02, please see the above section, "Benefit Adjustment for Members Enrolled in Plan VEHD-02L on a 2014 Contract". Note the 2Q 2016 manual rates for this plan still reflect an aggregate/aggregate benefit.

Plan VPHD-03 is identical to plan VEHD-03 except plan VPHD-03 provides out of network coverage as well. The increase to plan VPHD-03 was determined by applying the 2Q 2016 manual rate spread between plans VEHD-19 and plan VEHD-03. Plan VEHD-19 is the embedded/embedded version of plan VEHD-03 so the difference between plan VEHD-19 and VEHD-03's 2Q 2016 manual rates represents the value of the embedded/embedded plan design relative to an aggregate/aggregate plan design for this deductible/out-of-pocket level. Note the 2Q 2016 manual rates for plans VEHD-03 and VPHD-03 assume these plans had an aggregate/aggregate plan design.

Exhibit 3c -- Revenue Neutrality of Proposed Manual Rate Relativity Changes

To ensure the required rate change is revenue neutral after applying the manual rate relativity changes described above, the proposed manual rate relativities must produce the same quarterly rate change as the current manual rate relativities on file when weighted by the experience period membership. The following steps were taken to ensure the proposed rate relativities were revenue neutral with the current rate relativities:

- 1) First, the experience period membership was weighted by the current rate relativities.

- 2) Next, plan VEHD-02's rate relativity was increased by 3.0%, and the experience period weighted average rate relativity was re-calculated.
- 3) All rate relativities, including the adjusted rate relativity for plan VEHD-02, were divided by the weighted average rate relativity computed in Step 2 to normalize the rate relativities back to a 1.00.
- 4) The change in the manual rate relativity from 2Q 2016 to 3Q 2016 was multiplied by the proposed quarterly rate action to determine the plan specific quarterly rate change.

Note plan VPHD-03 did not have any enrollment over the experience period so the manual relativity adjustment of this plan did not impact the calculations described above.

Medical Trend Factors

The development of annual medical paid claim trend factors for 3Q 2016 is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2e which is identical to Exhibit 2a except there is one more quarter of trend reflected in the calculation.

Rx Trend Factors

Annual Rx trend factors split by generic, brand and specialty drugs are illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy benefit manager (PBM) and reflect their best estimate of expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends for 3Q 2016 can be found in Exhibit 2b.

MVP has revised its 2016 trend forecast since the 1Q 2016 rate filing to reflect updated information from our PBM; the 2015 Rx trend forecast has not changed. MVP has also been supplied with 2017 trends from our PBM. The trend forecast provided by MVP's PBM accounts for drugs coming off patent, changes in average wholesale price, new drugs being released to the market, and price competitiveness amongst generic and brand drug manufacturers. Because the Rx market is constantly changing and the items listed above are not reflected in historical trends, MVP does not feel that historical Rx trends have relevance for projecting future increases in Rx costs. The recent and continued explosion of high cost specialty drugs is causing significant increases in expected Rx costs.

Rx Trends Used in 3Q 2016 MVP VT Large Group Grandfathered Filing

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	4.3%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	13.5%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	16.0%	5.0%	12.0%	6.0%	12.0%	4.0%

Rx Trends Used in 1Q 2016 MVP VT Large Group Grandfathered Filing

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	2.1%	3.4%	3.3%	2.1%	N/A	N/A
Brand	11.1%	-11.4%	13.5%	-4.5%	N/A	N/A
Specialty	13.6%	5.0%	14.0%	6.0%	N/A	N/A

Please see the attached file, "Rolling 12 Medical and Rx Data - LG HIC.xlsx" which contains a rolling 12 month summary of total Rx claim costs as well as Rx data broken out by Generic, Brand, and Specialty.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2f which is identical to Exhibit 2b except there is one more quarter of trend reflected in the calculation.

Retention Expenses

Retention expenses are outlined in the attached Addendum. The table below represents MVP's Large Group administrative expenses as filed in the Supplemental Health Care Exhibit over the past four years:

Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit

	VT Large Group - AR42 & AR44			Admin Expense
	Member Months	Premium PMPM	Admin PMPM	Ratio
2011	182,773	\$326.54	\$36.06	11.0%
2012	136,049	\$335.21	\$33.62	10.0%
2013	118,563	\$363.04	\$39.18	10.8%
2014	97,084	\$404.11	\$38.31	9.5%

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4

Changes have been made to the following retention items since the 1Q 2016 filing:

- ACA Insurer Tax: Recent information from the Federal Government indicates there will be a moratorium on this tax for 2017. As a result, members will only be taxed on this benefit for 2016 dates of service.
- Covered Lives Assessment: The 2016 covered lives assessment has been finalized by New York State. The addendum has been updated to reflect these amounts.
- VT Vaccine Assessment: Based on updated information, MVP has reduced this fee by 0.1% to 0.5% of premium.

The following taxes/assessments are included in the attached Addendum:

Temporary Individual Reinsurance Pool

Carriers are being assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. For 2016, the fee is \$2.25 PMPM, and the fee will be \$0.00 in 2017.

ACA Insurer Tax

Beginning in 2014, carriers will be taxed based on earned premium. MVP estimates its liability in 2016 will equal 2.0% of premium and will be 0.0% in 2017.

VT Paid Claim Tax

The State of Vermont charges a 0.999% tax on paid claims.

Comparative Effectiveness Research Fee

A prescribed Federal fee equal to \$0.17 PMPM to fund the Federal Research Fund.

VT Vaccine Pilot

This is a Vermont state assessment based on plan premiums which is used to fund immunizations provided by the state.

Loss Ratio Information

The traditional target loss ratio (claims cost / premium) for the rates proposed in this rate filing is 84.4%. After making adjustments for taxes/assessments and expenses associated with quality improvements, the Federal target loss ratio for the rates proposed in this filing is 88.1%. Please see the table below for more detail:

Target Loss Ratio for LG AR42 in 3Q 2016	
	Large Group AR42
A) Claims Expense	\$333.86
B) Taxes/Assessments	\$13.20
C) Quality Improvement	\$3.17
D) Premium	\$395.73
E) Traditional Loss Ratio = A) / D)	84.4%
F) Federal Loss Ratio = [A) + C)] / [D) - B)]	88.1%

Over the experience period, the actual loss ratio for the Large Group AR42 block of business was 79.6% (excluding Agriservices).

Supplemental Exhibits

Included with this filing is a historical claim and membership summary for the past 34 months grouped into rolling 12 month periods. Incurred claims from January 2013 – October 2015 completed through December 2015 are reflected in the data. Note the data represented in these files excludes the 51-100 block as well as an account that transitioned to an MVP ASO product in 2015.

Retired Products

The following plans are being retired effective 7/1/16: VEHD-03, VEHD-47, VEHD-48. All of these plans have identical plans on file after taking the Federal OOPM changes into account. Plans VEHD-47 and VEHD-48 do not have any members enrolled in them. Plan VEHD-03 has 163 large group members enrolled as of January 2016. MVP expects

102 of these members to transition to small group upon renewal as they are employed by groups with 51-100 employees.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care

02/22/2016

Date

Large Group Historical Medical & Rx Claims Summary - EPO/PPO

Rolling 12 End Date	Medical + Rx Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Rx Claim Expense PMPM	Medical Allowed -		Member Months	Claims > \$100k as % of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Rolling 12 Rx Claim Expense Trend	Rolling 12 Paid Trend				
				COB PMPM	Rx Allowed PMPM					Removing High Cost Claims	Rolling 12 Medical Allowed - COB Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201312	\$21.87	\$279.90	\$43.04	\$356.96	\$53.45	34,626	7.3%	N/A	N/A	N/A	N/A	N/A	N/A	78.7%
201401	\$20.58	\$276.24	\$43.16	\$348.96	\$53.43	33,294	6.9%	N/A	N/A	N/A	N/A	N/A	N/A	79.4%
201402	\$21.48	\$279.58	\$44.03	\$349.20	\$54.25	32,054	7.1%	N/A	N/A	N/A	N/A	N/A	N/A	80.2%
201403	\$22.31	\$279.02	\$44.80	\$346.59	\$54.76	30,857	7.4%	N/A	N/A	N/A	N/A	N/A	N/A	80.7%
201404	\$21.50	\$274.39	\$45.82	\$338.73	\$55.57	29,644	7.2%	N/A	N/A	N/A	N/A	N/A	N/A	81.2%
201405	\$22.14	\$278.85	\$46.60	\$342.23	\$56.11	28,169	7.3%	N/A	N/A	N/A	N/A	N/A	N/A	81.7%
201406	\$19.91	\$282.58	\$48.30	\$345.10	\$57.76	26,711	6.4%	N/A	N/A	N/A	N/A	N/A	N/A	82.1%
201407	\$20.47	\$285.54	\$48.58	\$347.19	\$57.87	25,114	6.5%	N/A	N/A	N/A	N/A	N/A	N/A	82.5%
201408	\$21.05	\$291.64	\$48.57	\$351.62	\$57.52	23,664	6.6%	N/A	N/A	N/A	N/A	N/A	N/A	83.2%
201409	\$18.91	\$281.20	\$49.28	\$338.53	\$58.30	22,140	6.1%	N/A	N/A	N/A	N/A	N/A	N/A	83.3%
201410	\$13.78	\$262.50	\$48.57	\$315.18	\$57.59	20,294	4.6%	N/A	N/A	N/A	N/A	N/A	N/A	83.4%
201411	\$15.37	\$265.45	\$50.11	\$316.56	\$59.15	18,413	5.1%	N/A	N/A	N/A	N/A	N/A	N/A	84.0%
201412	\$16.71	\$261.67	\$51.46	\$309.81	\$60.29	16,490	5.6%	-6.5%	19.6%	-1.5%	-13.2%	12.8%	-52.4%	84.6%
201501	\$13.00	\$270.31	\$51.04	\$318.55	\$59.72	15,976	4.2%	-2.1%	18.2%	3.2%	-8.7%	11.8%	-52.0%	85.0%
201502	\$9.97	\$276.92	\$49.75	\$326.18	\$58.31	15,484	3.1%	-1.0%	13.0%	4.8%	-6.6%	7.5%	-51.7%	85.0%
201503	\$5.52	\$287.01	\$49.68	\$336.47	\$58.21	15,021	1.7%	2.9%	10.9%	9.8%	-2.9%	6.3%	-51.3%	85.3%
201504	\$5.34	\$295.98	\$52.95	\$345.05	\$61.65	14,557	1.6%	7.9%	15.6%	15.0%	1.9%	11.0%	-50.9%	85.8%
201505	\$5.06	\$292.25	\$55.05	\$339.34	\$63.88	14,116	1.5%	4.8%	18.1%	12.8%	-0.8%	13.9%	-49.9%	86.1%
201506	\$6.24	\$287.75	\$57.29	\$333.48	\$66.30	13,641	1.8%	1.8%	18.6%	8.9%	-3.4%	14.8%	-48.9%	86.3%
201507	\$9.25	\$287.92	\$60.04	\$331.73	\$68.97	13,370	2.7%	0.8%	23.6%	8.0%	-4.5%	19.2%	-46.8%	86.8%
201508	\$12.50	\$275.66	\$66.04	\$317.75	\$75.28	13,113	3.8%	-5.5%	36.0%	3.1%	-9.6%	30.9%	-44.6%	86.9%
201509	\$16.26	\$287.17	\$70.09	\$330.26	\$79.18	12,912	4.8%	2.1%	42.2%	9.4%	-2.4%	35.8%	-41.7%	87.3%
201510	\$16.32	\$280.80	\$75.82	\$323.98	\$85.15	12,900	4.8%	7.0%	56.1%	14.5%	2.8%	47.8%	-36.4%	87.2%

Large Group Historical Medical & Rx Claims Summary - HDHP

Rolling 12 End Date	Medical + Rx Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Rx Claim Expense PMPM	Medical Allowed -		Member Months	Claims > \$100k as % of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Rolling 12 Rx Claim Expense Trend	Rolling 12 Paid Trend				
				COB PMPM	Rx Allowed PMPM					Removing High Cost Claims	Rolling 12 Medical Allowed - COB Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201312	\$21.56	\$248.07	\$28.54	\$340.86	\$47.34	36,509	8.5%	N/A	N/A	N/A	N/A	N/A	N/A	71.3%
201401	\$18.53	\$257.48	\$29.69	\$349.40	\$48.15	35,496	6.9%	N/A	N/A	N/A	N/A	N/A	N/A	72.2%
201402	\$16.97	\$254.89	\$31.14	\$346.86	\$49.09	34,497	6.3%	N/A	N/A	N/A	N/A	N/A	N/A	72.2%
201403	\$19.41	\$265.82	\$32.12	\$358.61	\$49.76	33,555	7.0%	N/A	N/A	N/A	N/A	N/A	N/A	73.0%
201404	\$22.77	\$272.40	\$33.34	\$366.82	\$50.62	32,590	8.0%	N/A	N/A	N/A	N/A	N/A	N/A	73.2%
201405	\$34.01	\$293.07	\$34.95	\$386.05	\$52.06	31,876	11.6%	N/A	N/A	N/A	N/A	N/A	N/A	74.9%
201406	\$35.93	\$299.48	\$35.23	\$393.93	\$52.29	31,166	12.0%	N/A	N/A	N/A	N/A	N/A	N/A	75.0%
201407	\$36.99	\$303.65	\$35.25	\$399.02	\$52.28	30,500	12.3%	N/A	N/A	N/A	N/A	N/A	N/A	75.1%
201408	\$38.30	\$310.21	\$36.24	\$406.11	\$53.29	29,781	12.4%	N/A	N/A	N/A	N/A	N/A	N/A	75.4%
201409	\$41.57	\$322.16	\$37.24	\$419.99	\$54.13	29,045	13.1%	N/A	N/A	N/A	N/A	N/A	N/A	75.8%
201410	\$42.99	\$321.44	\$37.54	\$419.29	\$54.12	28,808	13.6%	N/A	N/A	N/A	N/A	N/A	N/A	75.8%
201411	\$44.53	\$329.45	\$37.73	\$428.31	\$54.24	28,551	13.8%	N/A	N/A	N/A	N/A	N/A	N/A	76.1%
201412	\$44.15	\$328.72	\$38.12	\$429.57	\$54.53	28,285	13.7%	32.5%	33.6%	26.5%	26.0%	15.2%	-22.5%	75.8%
201501	\$40.48	\$326.70	\$37.89	\$422.69	\$53.04	27,473	12.5%	26.9%	27.6%	20.6%	21.0%	10.2%	-22.6%	76.6%
201502	\$43.68	\$336.83	\$36.93	\$432.64	\$51.41	26,721	13.2%	32.1%	18.6%	22.7%	24.7%	4.7%	-22.5%	77.2%
201503	\$38.32	\$329.41	\$36.50	\$423.35	\$50.36	25,988	11.7%	23.9%	13.7%	17.6%	18.1%	1.2%	-22.6%	77.2%
201504	\$34.25	\$317.75	\$35.91	\$410.40	\$49.30	25,270	10.7%	16.6%	7.7%	12.9%	11.9%	-2.6%	-22.5%	76.9%
201505	\$21.48	\$291.27	\$34.39	\$383.08	\$47.37	24,559	7.1%	-0.6%	-383.08	-1.6%	-0.8%	-9.0%	-23.0%	75.7%
201506	\$21.79	\$281.98	\$33.52	\$371.45	\$46.19	23,849	7.4%	-5.8%	-4.9%	-1.7%	-5.7%	-11.7%	-23.5%	75.5%
201507	\$20.88	\$269.83	\$35.79	\$357.93	\$48.28	23,132	7.3%	-11.1%	1.5%	-7.7%	-10.3%	-7.7%	-24.2%	75.2%
201508	\$16.30	\$260.94	\$36.13	\$349.05	\$48.35	22,433	5.8%	-15.9%	-0.3%	-8.9%	-14.0%	-9.3%	-24.7%	74.8%
201509	\$13.84	\$246.97	\$34.00	\$334.88	\$45.98	21,758	5.2%	-23.3%	-8.7%	-16.0%	-20.3%	-15.1%	-25.1%	73.8%
201510	\$14.18	\$230.90	\$33.11	\$318.92	\$44.97	21,116	5.7%	-28.2%	-11.8%	-20.9%	-23.9%	-16.9%	-26.7%	72.5%

Large Group Historical Medical & Rx Claims Summary - AR42 Total															
Rolling 12 End Date	Medical + Rx Claim Expense	Medical Claim Expense	Rx Claim Expense	Medical Allowed -		Member Months	Claims > \$100k as %	Rolling 12 Medical Claim	Rolling 12 Rx Claim	Rolling 12 Paid Trend		Rolling 12 Medical Allowed	Rolling 12 Rx	Rolling 12	Paid To Allowed
	> \$100k PMPM	PMPM	PMPM	COB PMPM	Rx Allowed PMPM		of Claims < \$100k	Expense Trend	Expense Trend	Removing High Cost Claims	- COB Trend	Allowed Trend	Membership Change	Ratio	
201312	\$21.71	\$263.56	\$35.60	\$348.69	\$50.32	71,135	7.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%
201401	\$19.52	\$266.56	\$36.21	\$349.19	\$50.71	68,790	6.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.7%
201402	\$19.14	\$266.78	\$37.35	\$347.98	\$51.57	66,551	6.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76.1%
201403	\$20.80	\$272.15	\$38.19	\$352.85	\$52.15	64,412	7.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76.6%
201404	\$22.17	\$273.35	\$39.28	\$353.44	\$52.98	62,234	7.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76.9%
201405	\$28.44	\$286.40	\$40.41	\$365.50	\$53.96	60,045	9.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.9%
201406	\$28.54	\$291.68	\$41.26	\$371.39	\$54.82	57,877	9.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.1%
201407	\$29.53	\$295.47	\$41.27	\$375.62	\$54.80	55,614	9.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.2%
201408	\$30.66	\$301.99	\$41.70	\$381.98	\$55.16	53,445	9.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.6%
201409	\$31.77	\$304.44	\$42.45	\$384.75	\$55.93	51,185	10.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.7%
201410	\$30.92	\$297.08	\$42.10	\$376.26	\$55.56	49,102	10.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.5%
201411	\$33.10	\$304.35	\$42.58	\$384.50	\$56.16	46,964	10.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.7%
201412	\$34.04	\$304.03	\$43.03	\$385.46	\$56.65	44,775	10.9%	15.4%	20.9%	12.8%	10.5%	12.6%	-37.1%	78.5%	
201501	\$30.38	\$305.97	\$42.72	\$384.40	\$55.50	43,449	9.5%	14.8%	18.0%	12.4%	10.1%	9.5%	-36.8%	79.3%	
201502	\$31.31	\$314.85	\$41.64	\$393.58	\$53.94	42,205	9.6%	18.0%	11.5%	14.1%	13.1%	4.6%	-36.6%	79.7%	
201503	\$26.31	\$313.88	\$41.33	\$391.53	\$53.24	41,009	8.0%	15.3%	8.2%	13.6%	11.0%	2.1%	-36.3%	79.9%	
201504	\$23.68	\$309.79	\$42.14	\$386.51	\$53.82	39,827	7.2%	13.3%	7.3%	13.0%	9.4%	1.6%	-36.0%	79.9%	
201505	\$15.49	\$291.63	\$41.93	\$367.12	\$53.40	38,675	4.9%	1.8%	3.8%	6.6%	0.4%	-1.0%	-35.6%	79.3%	
201506	\$16.13	\$284.08	\$42.17	\$357.63	\$53.51	37,490	5.2%	-2.6%	2.2%	1.9%	-3.7%	-2.4%	-35.2%	79.4%	
201507	\$16.62	\$276.46	\$44.67	\$348.33	\$55.86	36,502	5.5%	-6.4%	8.2%	-0.9%	-7.3%	1.9%	-34.4%	79.5%	
201508	\$14.90	\$266.37	\$47.16	\$337.51	\$58.28	35,546	5.0%	-11.8%	13.1%	-4.6%	-11.6%	5.7%	-33.5%	79.2%	
201509	\$14.74	\$261.94	\$47.44	\$333.16	\$58.35	34,670	5.0%	-14.0%	11.8%	-6.5%	-13.4%	4.3%	-32.3%	79.0%	
201510	\$14.99	\$249.82	\$49.31	\$320.84	\$60.21	34,016	5.3%	-15.9%	17.1%	-7.8%	-14.7%	8.4%	-30.7%	78.5%	

Summary of Historical Rx Claims Broken Out by Rx Category - HDHP

LOB	Size	Product Type	Rolling 12 End		Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
			Date YYYYMM	Rx Category				
AR42	Large	HDHP	201312	1 Generic	\$540,968	36,528	\$14.81	N/A
AR42	Large	HDHP	201401	1 Generic	\$521,126	35,512	\$14.67	N/A
AR42	Large	HDHP	201402	1 Generic	\$505,685	34,510	\$14.65	N/A
AR42	Large	HDHP	201403	1 Generic	\$492,178	33,566	\$14.66	N/A
AR42	Large	HDHP	201404	1 Generic	\$475,897	32,599	\$14.60	N/A
AR42	Large	HDHP	201405	1 Generic	\$467,233	31,883	\$14.65	N/A
AR42	Large	HDHP	201406	1 Generic	\$459,160	31,171	\$14.73	N/A
AR42	Large	HDHP	201407	1 Generic	\$453,229	30,504	\$14.86	N/A
AR42	Large	HDHP	201408	1 Generic	\$444,222	29,783	\$14.92	N/A
AR42	Large	HDHP	201409	1 Generic	\$432,345	29,045	\$14.89	N/A
AR42	Large	HDHP	201410	1 Generic	\$423,063	28,808	\$14.69	N/A
AR42	Large	HDHP	201411	1 Generic	\$418,960	28,551	\$14.67	N/A
AR42	Large	HDHP	201412	1 Generic	\$421,684	28,285	\$14.91	0.7%
AR42	Large	HDHP	201501	1 Generic	\$405,763	27,473	\$14.77	0.6%
AR42	Large	HDHP	201502	1 Generic	\$391,574	26,721	\$14.65	0.0%
AR42	Large	HDHP	201503	1 Generic	\$378,467	25,988	\$14.56	-0.7%
AR42	Large	HDHP	201504	1 Generic	\$363,581	25,270	\$14.39	-1.4%
AR42	Large	HDHP	201505	1 Generic	\$347,255	24,559	\$14.14	-3.5%
AR42	Large	HDHP	201506	1 Generic	\$333,980	23,849	\$14.00	-4.9%
AR42	Large	HDHP	201507	1 Generic	\$320,374	23,132	\$13.85	-6.8%
AR42	Large	HDHP	201508	1 Generic	\$310,095	22,439	\$13.82	-7.3%
AR42	Large	HDHP	201509	1 Generic	\$304,308	21,758	\$13.99	-6.0%
AR42	Large	HDHP	201510	1 Generic	\$295,343	21,116	\$13.99	-4.8%
AR42	Large	HDHP	201312	2 Brand	\$688,187	36,528	\$18.84	N/A
AR42	Large	HDHP	201401	2 Brand	\$662,784	35,512	\$18.66	N/A
AR42	Large	HDHP	201402	2 Brand	\$644,112	34,510	\$18.66	N/A
AR42	Large	HDHP	201403	2 Brand	\$630,922	33,566	\$18.80	N/A
AR42	Large	HDHP	201404	2 Brand	\$606,403	32,599	\$18.60	N/A
AR42	Large	HDHP	201405	2 Brand	\$597,267	31,883	\$18.73	N/A
AR42	Large	HDHP	201406	2 Brand	\$583,102	31,171	\$18.71	N/A
AR42	Large	HDHP	201407	2 Brand	\$572,525	30,504	\$18.77	N/A
AR42	Large	HDHP	201408	2 Brand	\$560,666	29,783	\$18.83	N/A
AR42	Large	HDHP	201409	2 Brand	\$564,679	29,045	\$19.44	N/A
AR42	Large	HDHP	201410	2 Brand	\$555,762	28,808	\$19.29	N/A
AR42	Large	HDHP	201411	2 Brand	\$549,911	28,551	\$19.26	N/A
AR42	Large	HDHP	201412	2 Brand	\$550,328	28,285	\$19.46	3.3%
AR42	Large	HDHP	201501	2 Brand	\$531,130	27,473	\$19.33	3.6%
AR42	Large	HDHP	201502	2 Brand	\$512,829	26,721	\$19.19	2.8%
AR42	Large	HDHP	201503	2 Brand	\$487,188	25,988	\$18.75	-0.3%
AR42	Large	HDHP	201504	2 Brand	\$475,703	25,270	\$18.82	1.2%
AR42	Large	HDHP	201505	2 Brand	\$450,721	24,559	\$18.35	-2.0%
AR42	Large	HDHP	201506	2 Brand	\$427,868	23,849	\$17.94	-4.1%
AR42	Large	HDHP	201507	2 Brand	\$406,668	23,132	\$17.58	-6.3%
AR42	Large	HDHP	201508	2 Brand	\$386,581	22,439	\$17.23	-8.5%
AR42	Large	HDHP	201509	2 Brand	\$350,984	21,758	\$16.13	-17.0%
AR42	Large	HDHP	201510	2 Brand	\$328,843	21,116	\$15.57	-19.3%

Summary of Historical Rx Claims Broken Out by Rx Category - HDHP

LOB	Size	Product Type	Rolling 12 End Date YYYYMM	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
AR42	Large	HDHP	201312	3 Specialty	\$500,204	36,528	\$13.69	N/A
AR42	Large	HDHP	201401	3 Specialty	\$525,917	35,512	\$14.81	N/A
AR42	Large	HDHP	201402	3 Specialty	\$544,274	34,510	\$15.77	N/A
AR42	Large	HDHP	201403	3 Specialty	\$547,055	33,566	\$16.30	N/A
AR42	Large	HDHP	201404	3 Specialty	\$567,958	32,599	\$17.42	N/A
AR42	Large	HDHP	201405	3 Specialty	\$595,379	31,883	\$18.67	N/A
AR42	Large	HDHP	201406	3 Specialty	\$587,583	31,171	\$18.85	N/A
AR42	Large	HDHP	201407	3 Specialty	\$569,032	30,504	\$18.65	N/A
AR42	Large	HDHP	201408	3 Specialty	\$582,264	29,783	\$19.55	N/A
AR42	Large	HDHP	201409	3 Specialty	\$575,251	29,045	\$19.81	N/A
AR42	Large	HDHP	201410	3 Specialty	\$580,274	28,808	\$20.14	N/A
AR42	Large	HDHP	201411	3 Specialty	\$579,699	28,551	\$20.30	N/A
AR42	Large	HDHP	201412	3 Specialty	\$570,273	28,285	\$20.16	47.2%
AR42	Large	HDHP	201501	3 Specialty	\$520,356	27,473	\$18.94	27.9%
AR42	Large	HDHP	201502	3 Specialty	\$469,306	26,721	\$17.56	11.4%
AR42	Large	HDHP	201503	3 Specialty	\$443,183	25,988	\$17.05	4.6%
AR42	Large	HDHP	201504	3 Specialty	\$406,634	25,270	\$16.09	-7.6%
AR42	Large	HDHP	201505	3 Specialty	\$365,423	24,559	\$14.88	-20.3%
AR42	Large	HDHP	201506	3 Specialty	\$339,834	23,849	\$14.25	-24.4%
AR42	Large	HDHP	201507	3 Specialty	\$389,693	23,132	\$16.85	-9.7%
AR42	Large	HDHP	201508	3 Specialty	\$388,228	22,439	\$17.30	-11.5%
AR42	Large	HDHP	201509	3 Specialty	\$345,234	21,758	\$15.87	-19.9%
AR42	Large	HDHP	201510	3 Specialty	\$325,440	21,116	\$15.41	-23.5%

Summary of Historical Rx Claims Broken Out by Rx Category - Non-HDHP

LOB	Size	Product Type	Rolling 12		Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
			End Date YYYYMM	Rx Category				
AR42	Large	EPO/PPO	201312	1 Generic	\$688,288	34,311	\$20.06	N/A
AR42	Large	EPO/PPO	201401	1 Generic	\$649,526	33,143	\$19.60	N/A
AR42	Large	EPO/PPO	201402	1 Generic	\$625,868	32,054	\$19.53	N/A
AR42	Large	EPO/PPO	201403	1 Generic	\$594,750	30,857	\$19.27	N/A
AR42	Large	EPO/PPO	201404	1 Generic	\$559,215	29,644	\$18.86	N/A
AR42	Large	EPO/PPO	201405	1 Generic	\$525,018	28,169	\$18.64	N/A
AR42	Large	EPO/PPO	201406	1 Generic	\$494,124	26,711	\$18.50	N/A
AR42	Large	EPO/PPO	201407	1 Generic	\$456,975	25,114	\$18.20	N/A
AR42	Large	EPO/PPO	201408	1 Generic	\$420,975	23,664	\$17.79	N/A
AR42	Large	EPO/PPO	201409	1 Generic	\$392,002	22,140	\$17.71	N/A
AR42	Large	EPO/PPO	201410	1 Generic	\$346,506	20,294	\$17.07	N/A
AR42	Large	EPO/PPO	201411	1 Generic	\$308,756	18,413	\$16.77	N/A
AR42	Large	EPO/PPO	201412	1 Generic	\$270,843	16,496	\$16.42	-18.2%
AR42	Large	EPO/PPO	201501	1 Generic	\$264,792	15,980	\$16.57	-15.4%
AR42	Large	EPO/PPO	201502	1 Generic	\$256,442	15,486	\$16.56	-15.2%
AR42	Large	EPO/PPO	201503	1 Generic	\$262,028	15,021	\$17.44	-9.5%
AR42	Large	EPO/PPO	201504	1 Generic	\$261,489	14,557	\$17.96	-4.8%
AR42	Large	EPO/PPO	201505	1 Generic	\$256,223	14,116	\$18.15	-2.6%
AR42	Large	EPO/PPO	201506	1 Generic	\$251,993	13,641	\$18.47	-0.1%
AR42	Large	EPO/PPO	201507	1 Generic	\$252,615	13,370	\$18.89	3.8%
AR42	Large	EPO/PPO	201508	1 Generic	\$255,270	13,113	\$19.47	9.4%
AR42	Large	EPO/PPO	201509	1 Generic	\$258,354	12,912	\$20.01	13.0%
AR42	Large	EPO/PPO	201510	1 Generic	\$261,660	12,900	\$20.28	18.8%
AR42	Large	EPO/PPO	201312	2 Brand	\$714,554	34,311	\$20.83	N/A
AR42	Large	EPO/PPO	201401	2 Brand	\$674,021	33,143	\$20.34	N/A
AR42	Large	EPO/PPO	201402	2 Brand	\$633,932	32,054	\$19.78	N/A
AR42	Large	EPO/PPO	201403	2 Brand	\$591,418	30,857	\$19.17	N/A
AR42	Large	EPO/PPO	201404	2 Brand	\$559,714	29,644	\$18.88	N/A
AR42	Large	EPO/PPO	201405	2 Brand	\$512,908	28,169	\$18.21	N/A
AR42	Large	EPO/PPO	201406	2 Brand	\$482,756	26,711	\$18.07	N/A
AR42	Large	EPO/PPO	201407	2 Brand	\$442,925	25,114	\$17.64	N/A
AR42	Large	EPO/PPO	201408	2 Brand	\$402,680	23,664	\$17.02	N/A
AR42	Large	EPO/PPO	201409	2 Brand	\$371,097	22,140	\$16.76	N/A
AR42	Large	EPO/PPO	201410	2 Brand	\$333,187	20,294	\$16.42	N/A
AR42	Large	EPO/PPO	201411	2 Brand	\$291,184	18,413	\$15.81	N/A
AR42	Large	EPO/PPO	201412	2 Brand	\$240,865	16,496	\$14.60	-29.9%
AR42	Large	EPO/PPO	201501	2 Brand	\$239,341	15,980	\$14.98	-26.4%
AR42	Large	EPO/PPO	201502	2 Brand	\$234,447	15,486	\$15.14	-23.5%
AR42	Large	EPO/PPO	201503	2 Brand	\$233,432	15,021	\$15.54	-18.9%
AR42	Large	EPO/PPO	201504	2 Brand	\$226,972	14,557	\$15.59	-17.4%
AR42	Large	EPO/PPO	201505	2 Brand	\$227,538	14,116	\$16.12	-11.5%
AR42	Large	EPO/PPO	201506	2 Brand	\$227,142	13,641	\$16.65	-7.9%
AR42	Large	EPO/PPO	201507	2 Brand	\$225,684	13,370	\$16.88	-4.3%
AR42	Large	EPO/PPO	201508	2 Brand	\$226,395	13,113	\$17.26	1.5%
AR42	Large	EPO/PPO	201509	2 Brand	\$232,181	12,912	\$17.98	7.3%
AR42	Large	EPO/PPO	201510	2 Brand	\$237,572	12,900	\$18.42	12.2%

Summary of Historical Rx Claims Broken Out by Rx Category - Non-HDHP

LOB	Size	Product Type	Rolling 12	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12
			End Date YYYYMM					Allowed Trend
AR42	Large	EPO/PPO	201312	3 Specialty	\$448,049	34,311	\$13.06	N/A
AR42	Large	EPO/PPO	201401	3 Specialty	\$455,473	33,143	\$13.74	N/A
AR42	Large	EPO/PPO	201402	3 Specialty	\$479,000	32,054	\$14.94	N/A
AR42	Large	EPO/PPO	201403	3 Specialty	\$503,523	30,857	\$16.32	N/A
AR42	Large	EPO/PPO	201404	3 Specialty	\$528,275	29,644	\$17.82	N/A
AR42	Large	EPO/PPO	201405	3 Specialty	\$542,546	28,169	\$19.26	N/A
AR42	Large	EPO/PPO	201406	3 Specialty	\$566,068	26,711	\$21.19	N/A
AR42	Large	EPO/PPO	201407	3 Specialty	\$553,362	25,114	\$22.03	N/A
AR42	Large	EPO/PPO	201408	3 Specialty	\$537,578	23,664	\$22.72	N/A
AR42	Large	EPO/PPO	201409	3 Specialty	\$527,558	22,140	\$23.83	N/A
AR42	Large	EPO/PPO	201410	3 Specialty	\$489,103	20,294	\$24.10	N/A
AR42	Large	EPO/PPO	201411	3 Specialty	\$489,103	18,413	\$26.56	N/A
AR42	Large	EPO/PPO	201412	3 Specialty	\$482,503	16,496	\$29.25	124.0%
AR42	Large	EPO/PPO	201501	3 Specialty	\$450,016	15,980	\$28.16	104.9%
AR42	Large	EPO/PPO	201502	3 Specialty	\$411,976	15,486	\$26.60	78.0%
AR42	Large	EPO/PPO	201503	3 Specialty	\$378,907	15,021	\$25.23	54.6%
AR42	Large	EPO/PPO	201504	3 Specialty	\$409,015	14,557	\$28.10	57.7%
AR42	Large	EPO/PPO	201505	3 Specialty	\$417,967	14,116	\$29.61	53.7%
AR42	Large	EPO/PPO	201506	3 Specialty	\$425,214	13,641	\$31.17	47.1%
AR42	Large	EPO/PPO	201507	3 Specialty	\$443,796	13,370	\$33.19	50.6%
AR42	Large	EPO/PPO	201508	3 Specialty	\$505,439	13,113	\$38.54	69.7%
AR42	Large	EPO/PPO	201509	3 Specialty	\$531,806	12,912	\$41.19	72.8%
AR42	Large	EPO/PPO	201510	3 Specialty	\$599,169	12,900	\$46.45	92.7%

Summary of Historical Rx Claims Broken Out by Rx Category - AR42 Total

LOB	Size	Product Type	Rolling 12		Allowed	Member Months	Allowed PMPM	Rolling 12
			End Date YYYYMM	Rx Category				Allowed Trend
AR42	Large	Total	201312	1 Generic	\$1,229,256	70,839	\$17.35	N/A
AR42	Large	Total	201401	1 Generic	\$1,170,651	68,655	\$17.05	N/A
AR42	Large	Total	201402	1 Generic	\$1,131,553	66,564	\$17.00	N/A
AR42	Large	Total	201403	1 Generic	\$1,086,928	64,423	\$16.87	N/A
AR42	Large	Total	201404	1 Generic	\$1,035,112	62,243	\$16.63	N/A
AR42	Large	Total	201405	1 Generic	\$992,252	60,052	\$16.52	N/A
AR43	Large	Total	201406	1 Generic	\$953,285	57,882	\$16.47	N/A
AR44	Large	Total	201407	1 Generic	\$910,204	55,618	\$16.37	N/A
AR45	Large	Total	201408	1 Generic	\$865,198	53,447	\$16.19	N/A
AR42	Large	Total	201409	1 Generic	\$824,347	51,185	\$16.11	N/A
AR42	Large	Total	201410	1 Generic	\$769,569	49,102	\$15.67	N/A
AR42	Large	Total	201411	1 Generic	\$727,717	46,964	\$15.50	N/A
AR42	Large	Total	201412	1 Generic	\$692,527	44,781	\$15.46	-10.9%
AR42	Large	Total	201501	1 Generic	\$670,555	43,453	\$15.43	-9.5%
AR42	Large	Total	201502	1 Generic	\$648,016	42,207	\$15.35	-9.7%
AR42	Large	Total	201503	1 Generic	\$640,495	41,009	\$15.62	-7.4%
AR42	Large	Total	201504	1 Generic	\$625,069	39,827	\$15.69	-5.6%
AR42	Large	Total	201505	1 Generic	\$603,478	38,675	\$15.60	-5.6%
AR42	Large	Total	201506	1 Generic	\$585,973	37,490	\$15.63	-5.1%
AR42	Large	Total	201507	1 Generic	\$572,989	36,502	\$15.70	-4.1%
AR42	Large	Total	201508	1 Generic	\$565,365	35,552	\$15.90	-1.8%
AR42	Large	Total	201509	1 Generic	\$562,662	34,670	\$16.23	0.8%
AR42	Large	Total	201510	1 Generic	\$557,003	34,016	\$16.37	4.5%
AR42	Large	Total	201312	2 Brand	\$1,402,741	70,839	\$19.80	N/A
AR42	Large	Total	201401	2 Brand	\$1,336,806	68,655	\$19.47	N/A
AR42	Large	Total	201402	2 Brand	\$1,278,044	66,564	\$19.20	N/A
AR42	Large	Total	201403	2 Brand	\$1,222,341	64,423	\$18.97	N/A
AR42	Large	Total	201404	2 Brand	\$1,166,117	62,243	\$18.73	N/A
AR42	Large	Total	201405	2 Brand	\$1,110,176	60,052	\$18.49	N/A
AR42	Large	Total	201406	2 Brand	\$1,065,858	57,882	\$18.41	N/A
AR42	Large	Total	201407	2 Brand	\$1,015,450	55,618	\$18.26	N/A
AR42	Large	Total	201408	2 Brand	\$963,346	53,447	\$18.02	N/A
AR42	Large	Total	201409	2 Brand	\$935,776	51,185	\$18.28	N/A
AR42	Large	Total	201410	2 Brand	\$888,948	49,102	\$18.10	N/A
AR42	Large	Total	201411	2 Brand	\$841,095	46,964	\$17.91	N/A
AR42	Large	Total	201412	2 Brand	\$791,193	44,781	\$17.67	-10.8%
AR42	Large	Total	201501	2 Brand	\$770,470	43,453	\$17.73	-8.9%
AR42	Large	Total	201502	2 Brand	\$747,276	42,207	\$17.71	-7.8%
AR42	Large	Total	201503	2 Brand	\$720,620	41,009	\$17.57	-7.4%
AR42	Large	Total	201504	2 Brand	\$702,674	39,827	\$17.64	-5.8%
AR42	Large	Total	201505	2 Brand	\$678,259	38,675	\$17.54	-5.1%
AR42	Large	Total	201506	2 Brand	\$655,010	37,490	\$17.47	-5.1%
AR42	Large	Total	201507	2 Brand	\$632,353	36,502	\$17.32	-5.1%
AR42	Large	Total	201508	2 Brand	\$612,976	35,552	\$17.24	-4.3%
AR42	Large	Total	201509	2 Brand	\$583,165	34,670	\$16.82	-8.0%
AR42	Large	Total	201510	2 Brand	\$566,415	34,016	\$16.65	-8.0%

Summary of Historical Rx Claims Broken Out by Rx Category - AR42 Total

LOB	Size	Product Type	Rolling 12	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12
			End Date YYYYMM					Allowed Trend
AR42	Large	Total	201312	3 Specialty	\$948,254	70,839	\$13.39	N/A
AR42	Large	Total	201401	3 Specialty	\$981,390	68,655	\$14.29	N/A
AR42	Large	Total	201402	3 Specialty	\$1,023,274	66,564	\$15.37	N/A
AR42	Large	Total	201403	3 Specialty	\$1,050,578	64,423	\$16.31	N/A
AR42	Large	Total	201404	3 Specialty	\$1,096,233	62,243	\$17.61	N/A
AR42	Large	Total	201405	3 Specialty	\$1,137,924	60,052	\$18.95	N/A
AR42	Large	Total	201406	3 Specialty	\$1,153,651	57,882	\$19.93	N/A
AR42	Large	Total	201407	3 Specialty	\$1,122,394	55,618	\$20.18	N/A
AR42	Large	Total	201408	3 Specialty	\$1,119,842	53,447	\$20.95	N/A
AR42	Large	Total	201409	3 Specialty	\$1,102,809	51,185	\$21.55	N/A
AR42	Large	Total	201410	3 Specialty	\$1,069,377	49,102	\$21.78	N/A
AR42	Large	Total	201411	3 Specialty	\$1,068,802	46,964	\$22.76	N/A
AR42	Large	Total	201412	3 Specialty	\$1,052,776	44,781	\$23.51	75.6%
AR42	Large	Total	201501	3 Specialty	\$970,372	43,453	\$22.33	56.2%
AR42	Large	Total	201502	3 Specialty	\$881,282	42,207	\$20.88	35.8%
AR42	Large	Total	201503	3 Specialty	\$822,090	41,009	\$20.05	22.9%
AR42	Large	Total	201504	3 Specialty	\$815,649	39,827	\$20.48	16.3%
AR42	Large	Total	201505	3 Specialty	\$783,390	38,675	\$20.26	6.9%
AR42	Large	Total	201506	3 Specialty	\$765,047	37,490	\$20.41	2.4%
AR42	Large	Total	201507	3 Specialty	\$833,489	36,502	\$22.83	13.1%
AR42	Large	Total	201508	3 Specialty	\$893,668	35,552	\$25.14	20.0%
AR42	Large	Total	201509	3 Specialty	\$877,040	34,670	\$25.30	17.4%
AR43	Large	Total	201510	3 Specialty	\$924,610	34,016	\$27.18	24.8%

Certification of Compliance

I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.

Print Name: Karla Austen **Title:** Chief Financial Officer & Executive Vice President

Signature: 

Date: 02/18/16

Dallas

Cabe W. Chadick, F.S.A.
 S. Scott Gibson, F.S.A.
 Glenn A. Tobleman, F.S.A., F.C.A.S.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Brian D. Rankin, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Wesley R. Campbell, F.C.A.S., F.S.A.
 Xiaoxiao (Lisa) Jiang, F.S.A.
 Brian C. Stentz, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Johnathan L. O'Dell, A.S.A.
 Clint Prater, A.S.A.
 Larry Choi, A.S.A.
 Kevin Ruggeberg, A.S.A.
 Holly Blanchard, FLMI, MCM, AIE, AIRC

**Kansas City**

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 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher J. Merkel, F.S.A.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Kimberly S. Shores, F.S.A.
 Michael A. Brown, F.S.A.
 Naomi J. Kloeppersmith, F.S.A.
 Stephanie T. Crownhart, F.S.A.
 Mark W. Birdsall, F.S.A.

London/Kansas City

Timothy A. DeMars, F.S.A., F.I.A.
 Scott E. Morrow, F.S.A., F.I.A.

Denver

Mark P. Stukowski, F.S.A.
 William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

March 7, 2016

Matt Lombardo
 MVP Health Insurance Company
 625 State Street
 Schenectady, NY 12305

Re: MVP Health Insurance Company
 VT LG HIC Filing 3Q/4Q 2016
 SERFF Tracking #: MYPH-130454426
 1st Objection

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 2/22/2016. The following additional information is required for this filing. We request that your response retain the original question.

1. The rate decrease suggested by the data provided (as shown in “VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF”) is based on the “Projected Net Revenue Collected at Q2 2016 Rate Level.” Does this amount reflect Q2 rates with the Q2 age/gender factors?
 - a. If so, it seems that the change in the manual rate incorporates changes in population age and that a normalization to the age/gender factors is not necessary. Please address this concern, if applicable.
2. The exhibit titled “Derivation of Annual Revenue Change based on Quarterly Rate Changes” on page 2 of the actuarial memorandum appears to contain repeated quarters, and does not break out marginal changes for 3Q and 4Q 2016. Please complete the following table, showing the quarterly and annual rate changes.

	4Q15 / 3Q15	1Q16 / 4Q15	2Q16 / 1Q16	3Q16 / 2Q16	4Q16 / 3Q16	3Q16 / 3Q15 (Annual)	4Q16 / 4Q15 (Annual)
Manual Rate Change				-8.1%	1.2%	0.6%	0.0%
Age/Gender Factor Changes				2.9%	0.0%	-4.6%	-4.6%
Change in Target Loss Ratio						-4.7%	-5.3%
Other Changes						0.0%	0.0%
Revenue Change (Product of Above)						-8.6%	-9.6%

3. The proposed benefit change to plan VEHD-02L would not impact single policyholders. What is the distribution of this plan's enrollment by tier, and how does this compare to the data used to develop the 3.0% benefit adjustment for this plan?
4. The actuarial memorandum supports the requested rate decrease of 8.1% (as opposed to the 16.1% supported by the experience period data) by referencing the reduction in covered population between the experience periods for this filing and the prior filing. Please provide further explanation of how this change, which is reflected in base period experience, warrants what is effectively a 9.5% margin for adverse deviation in the proposed rates.
5. In converting from allowed trends to paid trends in Exhibit 2a, the trend on coinsurance payments is assumed to be equal to allowed trend, and the copay trend is assumed to be zero. These do not take the out-of-pocket maximum, or claims that cross the deductible due to trend, into account. Was any consideration given to incorporating out-of-pocket maximums in the paid trend calculation?
6. Regarding Rx trends:
 - a. In reference to the 3Q/4Q 2015 Large Group filing, (SERFF # MVPH-129877690), MVP stated that once adequate data had been accumulated, its new PBM would be providing trend forecasts that reflect MVP's utilization characteristics (rather than nationwide averages.) The PBM should now have just over a year of data. Why is this data not being used in developing trend forecasts?
 - b. Provide an exhibit comparing the current PBM's past trend projections to actual observed trends for at least three years.
 - c. The actuarial memorandum states that "the 2015 Rx trend forecast has not changed" since the 1Q 2016 rate filing. However, the assumed 2015 Rx unit cost trends are substantially higher than those assumed in the 1Q 2016 filing. Please explain.
 - d. We understand that discrete changes regularly occur in the Rx market, making historical trend an unreliable predictor for future trends. However, why are historical unit cost trends not used for 2015, which are now a known quantity?

7. The manual rate cap and credibility factors used for experience-rated groups effectively guarantee that the blended pure premium for a group of 100 subscribers or more will never deviate more than 12% from the experience rate after credibility blending.
 - a. How frequently does this cap modify the manual rate?
 - b. What are the average and maximum impact this cap has had on the manual rate for large groups in the past?
 - c. Have groups been observed to switch between having the cap applied and not from year to year?

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than March 18, 2016.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Kevin Ruggeberg, A.S.A.
Associate Actuary
Lewis & Ellis, Inc.
KRuggeberg@lewisellis.com
(972) 850-0850



625 State Street, PO Box 2207
 Schenectady, NY 12301-2207
 mvphhealthcare.com

March 16, 2016

Mr. Kevin Ruggeberg, A.S.A.
 Lewis & Ellis, Inc.
 P.O. Box 851857
 Richardson, TX 75085

Re: 3Q/4Q 2016 Large Group HIC rate filing
 SERFF Tracking #: MVPH-130454426

Dear Mr. Ruggeberg:

This letter is in response to your correspondence received 03/07/16 regarding the above mentioned rate filing. The responses to your questions are provided below.

1. The rate decrease suggested by the data provided (as shown in "VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF") is based on the "Projected Net Revenue Collected at Q2 2016 Rate Level." Does this amount reflect Q2 rates with the Q2 age/gender factors?"

a. If so, it seems that the change in the manual rate incorporates changes in population age and that a normalization to the age/gender factors is not necessary. Please address this concern, if applicable.

Response: The projected net revenue collected at the Q2 2016 rate level represents the experience period member-weighted average Q2 2016 Net Required Revenue PMPM prior to age/gender factors being applied.

2. The exhibit titled "Derivation of Annual Revenue Change based on Quarterly Rate Changes" on page 2 of the actuarial memorandum appears to contain repeated quarters, and does not break out marginal changes for 3Q and 4Q 2016. Please complete the following table, showing the quarterly and annual rate changes.

Response: The exhibit in the actuarial memorandum contained two incorrect column labels, and we apologize for this oversight. Please see the table below for the requested information.

	4Q15 / 3Q15	1Q16 / 4Q15	2Q16 / 1Q16	3Q16 / 2Q16	4Q16 / 3Q16	3Q16 / 3Q15 (Annual)	4Q16 / 4Q15 (Annual)
Manual Rate Change	1.8%	6.3%	1.2%	-8.1%	1.2%	0.6%	0.0%
Age/Gender Factor Changes	N/A	-7.3%	0.0%	2.9%	0.0%	-4.6%	-4.6%
Change in Target Loss Ratio	0.0%	-0.9%	0.0%	-3.8%	-0.7%	-4.7%	-5.3%
Other Changes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue Change (Product of Above)	1.8%	-2.3%	1.2%	-9.0%	0.5%	-8.6%	-9.6%



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Schenectady, NY 12301-2207
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3. The proposed benefit change to plan VEHD-02L would not impact single policyholders. What is the distribution of this plan's enrollment by tier, and how does this compare to the data used to develop the 3.0% benefit adjustment for this plan?

Response: As of January 2016, there are 484 members enrolled in plan VEHD-02L that are eligible for renewal (excludes 51-100 groups). Of these 484 members, 198 of them are enrolled in single contracts (41% of members are single contract holders). Single contract holders represent 28% of the membership used to generate this factor.

MVP uses its enterprise wide membership to establish benefit relativities and does not use coplan specific data. Coplan specific data is not credible enough to analyze these factors, and the distribution of membership within a given coplan may not be representative of the market-wide average membership. MVP establishes its benefit relativities in compliance with the single risk pool requirements of the ACA and does not assume morbidity differences due to benefit richness.

4. The actuarial memorandum supports the requested rate decrease of 8.1% (as opposed to the 16.1% supported by the experience period data) by referencing the reduction in covered population between the experience periods for this filing and the prior filing. Please provide further explanation of how this change, which is reflected in base period experience, warrants what is effectively a 9.5% margin for adverse deviation in the proposed rates.

Response: MVP is concerned that the membership losses experienced between the 1Q and 3Q 2016 rate filings led to changes in claim experience which may not be representative of future claim risk for the block. Between the two experience periods, the FFS Medical + Rx claim expense decreased by 14.4% (see Rolling 12 Medical and Rx – LG HIC.xlsx file for this filing and the 1Q 2016 filing, SERFF ID: MvPH-130178700) while the age/gender factor of the block only decreased by 2.9% over the same time period; we would expect the changes in these two figures to be more closely correlated. As a result, MVP anticipates the experience for this block to revert back to historical levels throughout 2016. MVP is concerned that if we pass on the full decrease this quarter and claims revert back to more historical levels, we will request a significant rate increase in 1Q 2017. Our preference is to have less volatility in requested rate changes each filing, but it has been challenging due to significant membership losses.

5. In converting from allowed trends to paid trends in Exhibit 2a, the trend on coinsurance payments is assumed to be equal to allowed trend, and the copay trend is assumed to be zero. These do not take the out-of-pocket maximum, or claims that cross the deductible due to trend, into account. Was any consideration given to incorporating out-of-pocket maximums in the paid trend calculation?

Response: The data that is used to create the paid trend leveraging factor is the same data that is used elsewhere in the filing. If a claim were to span both the deductible and the associated coinsurance after the deductible, MVP would reflect the member's cost sharing in the pertinent bucket. MVP has not considered what impact the gradual rise of out-of-pocket maximums has on the paid trend.

6. Regarding Rx trends:

- a. In reference to the 3Q/4Q 2015 Large Group filing, (SERFF # MvPH-129877690), MVP stated that once adequate data had been accumulated, its new PBM would be providing trend forecasts that reflect MVP's utilization characteristics (rather than nationwide averages.) The PBM should now have just over a year of data. Why is this data not being used in developing trend forecasts?*

Response: MVP's discussions with the PBM regarding line of business specific trends are currently ongoing. As



625 State Street, PO Box 2207
 Schenectady, NY 12301-2207
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stated in the 3Q/4Q 2016 Small Group HIC Grandfathered rate filing (SERFF # MVPH-130435575), MVP intends to have these trends available for the 2017 Exchange filing as well as the 1Q 2017 Large Group filings.

- b. Provide an exhibit comparing the current PBM's past trend projections to actual observed trends for at least three years.

Response: Please see the following table, which represents the PBM's most recent trend projections (in low-med-high format) by Rx category since MVP's contract with the current PBM began (for the 2015 filings).

PBM Projected Trends by Rx Category			
Time Period	Generic	Brand	Specialty
2014/2013	8.7%-9.7%-10.2%	1.5%-2.3%-3.2%	27.6%-29.3%-33.8%
2015/2014	7.8%-9.3%-11.0%	0.6%-3.3%-6.6%	21.8%-28.0%-33.9%
2016/2015	5.2%-7.1%-9.1%	8.5%-10.9%-13.8%	18.7%-25.2%-26.4%

The next table shows year-over-year trends for MVP's large group Vermont HIC 100+ block of business, split by Rx category. Please note that this data is through December 2015, so the 2015/2014 trends will not tie out to the Rolling 12 exhibits provided with the rate filing. Note that because MVP only has projected trends from its PBM back to 2014, there are two years of actual to observed Rx trends provided.

MVP Large Group VT 100+ Actual Trends			
Time Period	Generic	Brand	Specialty
2014/2013	-10.9%	-10.8%	75.6%
2015/2014	0.4%	-12.8%	12.5%

- c. The actuarial memorandum states that "the 2015 Rx trend forecast has not changed" since the 1Q 2016 rate filing. However, the assumed 2015 Rx unit cost trends are substantially higher than those assumed in the 1Q 2016 filing. Please explain.

Response: The trend forecast provided by the PBM has not changed since the prior rate filing. However, MVP built in a 2.1% reduction to the 2015 unit cost trends provided by the PBM in the 1Q 2016 rate filing to reflect one-time cost savings associated with switching to a new PBM beginning in 2015. This reduction should have been reflected in the 2015 trend for this filing, and if it were included, the paid Rx trend on Exhibit 2b of the rate filing would have decreased from 14.0% to 13.7%.

- d. We understand that discrete changes regularly occur in the Rx market, making historical trend an unreliable predictor for future trends. However, why are historical unit cost trends not used for 2015, which are now a known quantity?

Response: MVP's experience period ends in October 2015 so the full year unit cost changes were not a known quantity at the time our rate filing was submitted. Because AWP changes, brand patent expirations, and new specialty drugs are launched throughout the course of the year, MVP's historical data would not capture the impact



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphhealthcare.com

of these events occurring in November and December 2015 while the PBM's trend forecast accounts for all of these events.

7. The manual rate cap and credibility factors used for experience-rated groups effectively guarantee that the blended pure premium for a group of 100 subscribers or more will never deviate more than 12% from the experience rate after credibility blending.

- a. How frequently does this cap modify the manual rate?*
- b. What are the average and maximum impact this cap has had on the manual rate for large groups in the past?*
- c. Have groups been observed to switch between having the cap applied and not from year to year?*

Response: MVP introduced rate caps in January 2016. Only 2 groups quoted for January had this rate cap applied, and neither group purchased coverage through MVP.

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC Filing 3Q/4Q 2016

Project Name/Number: /

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)
03/17/2016		Supporting Document	Response to Objection Letter #1	03/17/2016	VT LG HIC 3Q 2016 - Objection #1.pdf
02/18/2016		Supporting Document	Actuarial Memorandum	05/24/2016	2016 Experience Rating Formula Filing Exhibits A&B - Vermont.pdf Impact of Membership Growth_Decline on Experience Pd Claims.xlsx Impact of Membership Growth_Decline on Experience Pd Claims.pdf MVP Health Care - Experience Formula effective 1.1.16_VT.pdf Appendices A- C - 3Q 2016.pdf VT Experience Rated Addendum - 3Q 2016.pdf (Superseded) Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx 3Q 2016 ACT MEMO HIC Large Group.pdf VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.pdf (Superseded) VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.xlsx (Superseded)

SERFF Tracking #:

MVPH-130454426

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Filing 3Q/4Q 2016

Project Name/Number:

/

Attachment VT LG HIC Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.xlsx is not a PDF document and cannot be reproduced here.

MVP Health Care (“MVP”) Experience Rated Addendum – 3Q/4Q 2016 Effective Dates

This document is an Addendum to MVP’s 3Q/4Q 2016 Manual Rate Filing and Experience Rating Formula for products sold to employer groups with 100 or more employees in the State of Vermont. This addendum and its appendices outline the rating factors discussed in the Experience Rating Formula. These factors are being filed as an addendum to the Manual Rate and Formula filings so they can be updated as deemed necessary by MVP without having to re-file the rating methodology.

Whenever possible, the rating factors contained herein will be based on actual MVP experience or they will be normalized to MVP’s population.

BASE MANUAL RATES

Please see Exhibits 4a (base manual rates), 4b (medical riders), and 4c (Rx riders) of the accompanying manual rate filing for the net PMPMs of plans and riders being offered by MVP for 3Q/4Q 2016 effective dates.

SIC FACTORS

The industry factors in Appendix A will be applied to the manual rates based on the employer’s industry.

DEMOGRAPHIC FACTORS

To more closely resemble the health risk of the employer’s insured population, the manual pure premium will be adjusted to reflect differences in the demographic characteristics of a specific employer group compared to MVP’s community pool for the chosen product. This demographic factor will be applied to both the base rate and riders.

With respect to the employer specific experience rate, there may be a situation where MVP will be the sole health plan offering and be required to adjust the experience to reflect anticipated health characteristics of the entire group versus just MVP’s members who were enrolled in the previous year under a slice product offering. In this situation, MVP will develop a demographic factor relative of the entire group and compare that to the demographics of their existing employer membership.

The demographic factors are in Appendix B. A per member demographic factor is calculated as the weighted average subscriber age/sex factor / weighted average subscriber average contract size.

HRA/HSA DEDUCTIBLE FUNDING FACTORS

The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated increase in utilization of services due to the resulting ‘first dollar’ coverage provided. The manual rate adjustment factors are in Appendix C.

POOLING CHARGES

Each group is charged a pooling fee and fee-for-service medical and Rx claims above the applicable attachment point are removed from their claim data. The charge is based on the following table:

Pooling Level	2016 Pooling Charge
\$80,000	11.98%
\$85,000	11.11%
\$90,000	10.37%
\$100,000	9.16%
\$125,000	7.14%
\$150,000	5.75%
\$175,000	4.70%
\$200,000	3.94%
\$250,000	2.91%
\$300,000	2.16%
\$350,000	1.68%
\$400,000	1.26%
\$450,000	0.84%
\$500,000	0.52%

Group size will be considered when selecting the appropriate pooling charge. The max pool level is the maximum amount MVP will allow for a given group size:

Avg. Subscribers	Max Pool Level
Up to 299	\$100,000
300-499	\$150,000
500-999	\$200,000
1,000-1,499	\$250,000
1,500-2,499	\$350,000
2,500 and up	\$450,000

TREND FACTORS

The following trends are used to project historical experience of the group to the proposed rating period. Exhibit 1 and Exhibit 2 are developed by applying the appropriate pro-rated calendar year trend factors from the midpoint of the experience period to the midpoint of the rating period. Paid trends are calculated by multiplying the applicable allowed trend times the leveraging factor.

Year	Allowed Medical Trend	Pharmacy Trend
2014	8.6%	14.5%
2015	4.2%	11.8%
2016	2.8%	12.3%
2017 & Beyond	2.8%	11.1%

Annual Leveraging Factor	0.4%
--------------------------	------

NETWORK ADJUSTMENT FACTOR

This adjustment reflects changes with respect to the differences in network providers, contractual provider reimbursement rates, the degree of medical management for MVP versus other carriers, gatekeeper versus no gatekeeper, and referral versus open access. For those accounts enrolled in MVP, this factor will primarily represent differences in provider contractual arrangements. If the experience is coming from another carrier, the adjustment may reflect all of the items above. MVP will make every effort to develop actuarial adjustments that properly determine the appropriate factor to reflect the expected experience of the group.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

BENEFIT ADJUSTMENT FACTOR

The purpose of the benefit adjustment is to reflect any difference between the benefits inherent in the group's historical claims experience period and the group's expected benefit plan for the prospective benefit period. This includes medical benefits and pharmacy benefits.

Based on filed manual rates, the underwriter will determine the value of the benefit adjustment factor by analyzing the actuarial equivalent difference in benefits. As it relates to a new group having experience from another carrier, the underwriter will use their best efforts to match up prior benefits to a currently filed benefit to determine the actuarial equivalent difference in benefits. In some cases, this may require interpolating between two manual rates, extrapolating from the filed manual rates, using other sources such as the Milliman USA guidelines, or other internal pricing models.

Other adjustments in this category may include benefit mandates. That is, mandated benefits that will be included in the future benefits, but not reflected in the group's experience.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

PHARMACY REBATE FACTOR

Pharmacy rebates are received periodically. The pharmacy rebate factor of 0.91 is used to account for this reduction in pharmacy costs. This reduction will only apply if the paid pharmacy claims do not already reflect pharmacy rebates. In the case where the employer group is not a MVP group, the underwriter will determine if the claims data provided includes or excludes rebates from the other carrier.

PERIOD WEIGHT

Period Weight is determined by the underwriter. The underwriters follow a general protocol for deriving the weights to apply for the Period Weight portion of the experience rating formula. Most groups are rated using 12 months of historical data and therefore, the period weights are not applicable. For the smaller of the large groups, the underwriter will consider extending the historical look back to 24 months if the data is available in order to provide a more stable block of data from which to do the rating. In these cases, the underwriter will generally give an 80% weight to the most recent 12 months of data and a 20% weight to the prior period of data. These weights may vary and could be 50% / 50% if the underwriter feels more weight should be given to the older data. This may be the case if the current 12 months are exceptionally higher or lower than the prior period.

CREDIBILITY WEIGHT

Based on MVP's product guidelines for offering a prospective experience rate, an employer must have (or project) a minimum of 100 eligible employees for the proposed rating period. However, consistent with industry rating practices, smaller sized experience rated groups should not be considered as producing 100% credible claims information. To protect the employer from significant rate fluctuation from year to year, MVP will be applying a credibility weight to the group's claim experience.

In determining a group's quoted rate, a weight will be given to the group's claims experience based on the number of member months in the experience period. The complement of the weight will be applied to the manual rate. The blended rate is one that will be quoted to the employer group. Below are the base credibility weightings:

Member Month Range	Credibility Factor
0 to 599	0%
600 to 2,400	20%
2,401 to 3,700	30%
3,701 to 4,900	40%
4,901 to 6,100	50%
6,101 to 7,300	60%
7,301 to 8,500	70%
8,501 to 9,700	80%
9,701 to 12,200	90%
12,201 and over	100%

These experience credibility weightings can be adjusted downward based on the underwriter's judgment in the following circumstances:

The employer group has provided less than 12 months of incurred claims data or data is not provided for all services or employees – Generally, a minimum of one full calendar year of incurred claims data for all populations and covered services included in the quote is desired to underwrite a case. In the event less than 12 months of data is available, the underwriter can adjust the credibility table downward, not to be less than 0%.

The employer group has had membership change by 50% or more since the experience period – With a significant membership change, the historical claims experience may no longer represent the group's current population. If the membership has changed by more than 50% from the experience period to the rating period, the underwriter may override the table above to reduce credibility downward, not to be less than 0%.

The most recent experience data provided is too old – Generally, from the mid-point of the experience period to the mid-point of the rating period should not be older than 24 months. If the more recent period of data is older than 24 months, the underwriter may adjust the credibility table downward, not to be less than 0%.

MVP may also make an upward adjustment to the table if the group has a favorable group risk assessment. The credibility percentage will never exceed 100%.

MANUAL RATE CAP

For groups with over 100 subscribers, when the group's manual rate exceeds 115% of the experience rate or is 85% or less of the experience rate, the manual rate is capped at 115% and 85% of the experience rate, respectively, prior to the blending of the experience and manual rates using the credibility table above.

UNDERWRITING JUDGMENT/GROUP RISK ASSESSMENT

Underwriting judgment will be used by the underwriter in determining inputs to the rating formula or to modify the result depending on the circumstances of the case, the data available, or the quality of the available data.

Adjustments may be made due to items such as poor claim and enrollment experience data being presented for new groups, the group's claim trend being historically different than the averages, variability in claims experience, participation levels/group size changes, plan sponsor contribution levels, number of plan offerings, plan sponsor and covered population stability, and plan sponsor persistency. Adjustments may be both positive and negative, but will not be larger than 10% in either direction.

NETWORK ACCESS FEES AND OTHER FEES

MVP has a contracted network access fee with a rental network in the event a group has members that live outside of MVP's service area. The net access fee is \$0 PEPM for just those subscribers who live outside of the service area.

COVERED LIVES ASSESSMENT

This is a New York State assessment passed on to groups in premium rates. The 2016 rates have been finalized by New York State.

Region	2016 Actual	
	Individual	Family
New York City	\$16.90	\$55.78
Long Island	\$5.62	\$18.54
Northern Metro	\$3.25	\$10.72
Northeastern	\$3.57	\$11.79
Utica/Watertown	\$0.85	\$2.82
Central	\$5.04	\$16.63
Rochester	\$9.60	\$31.68
Western	\$3.45	\$11.38

MVP will calculate the CLA with the group information that is available. For example, on a new business case, the number of single contracts by location may not be available. In that case, the CLA may have to be estimated based on the group's overall number single and family contracts and assume the same ratio exists in each region.

HCRA ASSESSMENT

This is another New York State assessment based on Hospital claims. A charge of 0.25% will be applied to the experience of new business quotes; this is consistent with the amount reflected in the manual portion of the rate.

RETENTION EXPENSES

Non-claim cost expenses must be added to the premium rates and can be per member per month (PMPM) charges, percent of paid claim charges, or percent of premium charges. The following tables reflect the retention loads:

Percent of Premium Retention:

General Administration = 8.0%

Bad Debt = 0.25%

Broker Loads = group specific

Percent of Premium Taxes/Fees:

Premium Tax = 2.0%

Contribution to Surplus = 2.0%

VT Vaccine Assessment = 0.5%

Insurer Tax = 2.0% for 2016 coverage dates; 0.0% for 2017 coverage dates

Percent of Paid Claim Surcharges:

VT Paid Claims Surcharge = 0.999%

PMPM Retention

PMPM = \$0

PMPM Taxes/Assessments:

Federal ACA Reinsurance/Treasury Assessment: 2016 coverage dates = \$2.25; 2017 coverage dates = \$0.00

Comparative Effectiveness Research Tax = \$0.18

EMPLOYER SPECIFIC PREMIUM RATES

The experience rating formula filing details the calculation of employer specific premium rates by using employer specific information. In the event the employer group cannot supply sufficient information to calculate employer specific conversion factors, the following community load ratios will be used:

- Single=1.0
- Double=2.0
- Family 2 tier=2.5
- Family 3 tier=2.6
- Family 4 tier= 2.8
- Parent Child 4 tier= 1.9

RETROSPECTIVE RATING

The risk charges for a group choosing to be rated retrospectively are outlined below:

(NO DEFICIT CARRY FORWARD/80% SURPLUS REFUND FOR GROUPS 251+, 50% REFUND FOR GROUPS LESS THAN 251)

- Groups with 1,000+ enrolled subscribers = 1.01
- Groups with 251-999 enrolled subscribers = 1.01
- Groups with 51-250 enrolled subscribers = 1.01

MINIMUM PREMIUM FUNDING ARRANGMENTS

The following table shows the Claims Fluctuation Margin (CFM) available for groups of different sizes. The appropriate level of CFM will depend on the group’s size and risk assessment. Groups that are smaller with a higher risk assessment will have a higher CFM. Because of the risk involved with minimum premium funding, at the smaller group size, the underwriter will use judgment to determine if minimum premium funding is allowed.

Group Size	CFM
100-249	120%, 125%, or 130%
249-499	115%, 120%, or 125%
500-999	110%, 115%, or 120%
1,000+	105%, 110%, or 115%

NEW BUSINESS DISCOUNT

Due to the variances in information available for use in rating prospects, MVP is introducing the following additional adjustments to be used in developing new business proposals. The discount will apply to currently insured accounts that will offer MVP on a total replacement basis and have non-Medicare retiree enrollment of less than 5% of the total group enrollment.

Rate reduction of 5.0% will be applied if group meets the following criteria:

- *Demographic Factor <=1.10
- *Participation >70% of total employees being offered coverage
- *Employer Contribution > =50% of single rate of richest plan to all plans/tiers
- *Employer Deductible Funding not greater than 70% of the In-Network Deductible
- *One carrier prior 2 years
- *For accounts with <100 enrolled contracts quoted without claims data, documented incumbent Carrier Initial Renewal <12% (not from a rate cap)

Rate reduction of 8.0% will be applied if group meets the above list in addition to the following:

- *Employer Deductible Funding not greater than 50% of the In-Network Deductible
- *Enrollment decline of less than 15% in past 12 months
- *One carrier for prior 3 years

Discount Recovery:

Year 1 Discount	Year 2 Discount	Year 3 Discount
5.0%	3.5%	2.0%
8.0%	6.0%	4.0%

Employer groups will be required to provide documentation showing the criteria are met or sign an affidavit supporting the statement.

ACTUARIAL CERTIFICATION

I believe the rating factors described herein are consistent with industry norms, follows sound actuarial and underwriting principals, and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.



Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care



MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

- Exhibit 1 -- Summary of Medical Coplans Offered
- Exhibit 2a -- 3Q 2016 Pricing Trend Assumptions
- Exhibits 2b-2d -- 3Q 2016 Rx Paid Trend Development
- Exhibit 2e -- 4Q 2016 Pricing Trend Assumptions
- Exhibits 2f-2h -- 4Q 2016 Rx Paid Trend Development
- Exhibit 3a -- 3Q 2016 Claim Projection and Proposed Rate Change
- Exhibit 3b -- 4Q 2016 Claim Projection and Proposed Rate Change
- Exhibit 3c -- Example of Revenue Neutrality
- Exhibit 4a -- Medical Manual Rates
- Exhibit 4b -- Medical Rider Rates
- Exhibit 4c -- Rx Rider Rates

Exhibit 1 -- Summary of Medical Coplans Offered

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Coplan	Product Type	In-Network Benefits										Out-of-Network Benefits			Pharmacy
		PCP	SCP	IP (Med/Surg)	ER	OP Surg	DME	Amb	Ded	Coins.	OOP Max	Coins	Ded	OOP Max	
VE021L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE054L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$6,000	N/A	N/A	N/A	Riders Available
VE060L	HyEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE085L	EPO	\$20	\$20	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE087L	EPO	\$25	\$40	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE088L	EPO	\$25	\$40	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE089L	EPO	\$30	\$50	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE090L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE091L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE092L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE093L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE095L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE096L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE100L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE101L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE102L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	N/A	N/A	N/A	Riders Available
VE103L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE105L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE106L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE107L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE108L	EPO	\$75	\$75	\$1,000	\$200	\$200	50%	\$200	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE109L	HyEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE110L	HyEPO	\$30	\$30	20%	\$200	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE111L	HyEPO	\$30	\$30	\$0	\$200	\$0	50%	\$0	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE114L	HyEPO	\$30	\$60	\$150	\$400	\$75	50%	\$400	\$1,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE115L	HyEPO	\$30	\$60	\$200	\$400	\$100	50%	\$400	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE116L	HyEPO	\$30	\$50	\$0	\$200	\$0	50%	\$0	\$5,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VP015L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP017L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$6,000	40%	\$4,000	\$12,000	Riders Available
VP019L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP020L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	40%	\$2,000	\$6,000	Riders Available
VP060L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP061L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP062L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP063L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP065L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP066L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP067L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VP071L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP072L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP073L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VT08LA	EPO	\$15	\$40	\$300	\$75	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LB	EPO	\$20	\$40	\$0	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LC	EPO	\$25	\$40	\$300	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VEHD-01L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	0%	\$2,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-02L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	0%	\$3,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-06L	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	N/A	N/A	N/A	10%/10%/30%
VEHD-07L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	N/A	N/A	N/A	20%/20%/40%
VEHD-08L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	20%/20%/40%
VEHD-09L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-15L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	50%
VEHD-17L	HDEPOagg	\$30	\$50	\$500	\$150	\$200	50%	\$150	\$2,500	0%	\$5,000	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-19L	HDEPO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-20L	HDEPO	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-31L	HDEPOagg	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	\$4,000	20%	\$5,950	N/A	N/A	N/A	20%/20%/40%
VEHD-41L	HDEPO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600	0%	\$2,600	N/A	N/A	N/A	\$0 after Deductible
VEHD-42L	HDEPO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-43L	HDEPO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	0%	\$4,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-44L	HDEPO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,450	0%	\$6,450	N/A	N/A	N/A	\$0 after Deductible
VEHD-45L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600	0%	\$2,600	N/A	N/A	N/A	\$0 after Deductible
VEHD-46L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VPHD-03L	HDPPOagg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	0%	\$5,000	20%	#####	\$20,000	\$0 after Deductible
VPHD-05L	HDPPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,000	10%	\$4,000	30%	\$4,000	\$8,000	10%/10%/30%
VPHD-07L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	40%	\$3,000	\$6,000	20%/20%/40%
VPHD-09L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	20%/20%/40%
VPHD-15L	HDPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	50%

Exhibit 2a -- Pricing Trend Assumptions -- 3Q Projection

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	July 1, 2016 - June 30, 2017

Months of Trend	2015	2016	2017	Total
	2	12	6	20

Medical Trend Summary

2015 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total		4.2%	0.0%	4.2%

2016 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.9%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	2.8%

2017 Annual Trend

	% of Allowed			
	Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.9%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	2.8%

Leveraging Impact - Large Group Non-HDHP Fee-For-Service Medical Claims

Member Months	12,900				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$323.98	\$8.90	\$14.39	\$19.89	\$280.80
20 Months of Trend:	1.050	1.050	1.000	1.015	1.055
Projection Period:	\$340.16	\$9.35	\$14.39	\$20.19	\$296.23
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.3%				
Leveraging (Annual)	0.3%				

Leveraging Impact - Large Group HDHP Fee-For-Service Medical Claims

Member Months	21,116				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$318.92	\$13.81	\$0.00	\$74.21	\$230.90
20 Months of Trend:	1.050	1.050	1.000	1.021	1.059
Projection Period:	\$334.85	\$14.50	\$0.00	\$75.76	\$244.59
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.5%				
Leveraging (Annual)	0.5%				

Leveraging Impact - Large Group Fee-For-Service Medical Claims

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$320.84	\$11.95	\$5.46	\$53.61	\$249.82
20 Months of Trend:	1.050	1.050	1.000	1.020	1.057
Projection Period:	\$336.86	\$12.55	\$5.46	\$54.69	\$264.17
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.4%				
Leveraging (Annual)	0.4%				

ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	4.3%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	13.5%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	16.0%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2b -- Rx Trend Development - 3Q
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MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months with Rx Benefit: 34,016

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	8,910	1,028	75	10,012
Experience Period Allowed PMPM	\$16.37	\$16.65	\$27.18	\$60.21
Experience Period Deductible PMPM	\$3.46	\$2.13	\$0.32	\$5.90
Experience Period Copay PMPM	\$2.05	\$1.19	\$0.07	\$3.31
Experience Period Coinsurance PMPM	\$0.54	\$0.75	\$0.40	\$1.69
Experience Period Cost Sharing PMPM	\$6.05	\$4.07	\$0.78	\$10.90
Experience Period Paid PMPM	\$10.32	\$12.58	\$26.40	\$49.31
Annual Util Trend	1.024	0.944	1.053	1.016
Annual Unit Cost Trend	1.031	1.135	1.124	1.101
Annual Deductible Trend	1.013	1.013	1.012	1.013
Annual Paid Trend	1.076	1.093	1.186	1.140
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	9,262	934	82	10,277
Projected Allowed PMPM as of Q3 2016	\$17.92	\$18.69	\$35.99	\$72.60
Projected Deductible PMPM	\$3.53	\$2.18	\$0.32	\$6.03
Projected Copay PMPM	\$2.13	\$1.08	\$0.08	\$3.29
Projected Coinsurance PMPM	\$0.59	\$0.84	\$0.52	\$1.96
Projected Cost Sharing PMPM as of Q3 2016	\$6.25	\$4.10	\$0.92	\$11.28
Projected Paid PMPM as of Q3 2016	\$11.66	\$14.59	\$35.07	\$61.32

Annual Allowed Trend Calculation for Large Group Addendum
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	2015	2016	2017
Generic PMPM	\$16.58	\$17.45	\$18.40
Brand PMPM	\$16.67	\$18.09	\$19.31
Specialty PMPM	\$28.09	\$33.35	\$38.84
Total Allowed PMPM	\$61.34	\$68.88	\$76.55
Annualized Allowed Trend	11.8%	12.3%	11.1%

Exhibit 2c -- Rx Trend Development - Non-HDHP 3Q

MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months with Rx Benefit: 12,900

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	9,836	1,011	87	10,934
Experience Period Allowed PMPM	\$20.28	\$18.42	\$46.45	\$85.15
Experience Period Deductible PMPM	\$0.06	\$0.01	\$0.00	\$0.07
Experience Period Copay PMPM	\$4.50	\$2.56	\$0.18	\$7.23
Experience Period Coinsurance PMPM	\$0.45	\$0.67	\$0.89	\$2.02
Experience Period Cost Sharing PMPM	\$5.01	\$3.24	\$1.07	\$9.32
Experience Period Paid PMPM	\$15.27	\$15.18	\$45.37	\$75.82
Annual Util Trend	1.024	0.944	1.053	1.017
Annual Unit Cost Trend	1.031	1.135	1.124	1.111
Annual Deductible Trend	1.056	1.072	1.183	1.057
Annual Paid Trend	1.065	1.092	1.184	1.142
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	10,225	919	94	11,238
Projected Allowed PMPM as of Q3 2016	\$22.20	\$20.67	\$61.50	\$104.36
Projected Deductible PMPM	\$0.07	\$0.01	\$0.00	\$0.07
Projected Copay PMPM	\$4.68	\$2.32	\$0.20	\$7.19
Projected Coinsurance PMPM	\$0.49	\$0.76	\$1.18	\$2.43
Projected Cost Sharing PMPM as of Q3 2016	\$5.24	\$3.08	\$1.38	\$9.70
Projected Paid PMPM as of Q3 2016	\$16.96	\$17.58	\$60.12	\$94.66

Exhibit 2d -- Rx Trend Development - HDHP 3Q

MVP Health Care -- Q3 & Q4 2016 LG HIC Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months: 21,116

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	8,344	1,038	68	9,450
Experience Period Allowed PMPM	\$13.99	\$15.57	\$15.41	\$44.97
Experience Period Deductible PMPM	\$5.53	\$3.43	\$0.51	\$9.47
Experience Period Copay PMPM	\$0.55	\$0.35	\$0.01	\$0.91
Experience Period Coinsurance PMPM	\$0.60	\$0.80	\$0.09	\$1.49
Experience Period Cost Sharing PMPM	\$6.68	\$4.58	\$0.60	\$11.87
Experience Period Paid PMPM	\$7.30	\$10.99	\$14.81	\$33.11
Annual Util Trend	1.024	0.944	1.053	1.015
Annual Unit Cost Trend	1.031	1.135	1.124	1.089
Annual Deductible Trend	1.012	1.012	1.012	1.012
Annual Paid Trend	1.090	1.093	1.189	1.136
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	8,673	943	74	9,690
Projected Allowed PMPM as of Q3 2016	\$15.31	\$17.48	\$20.41	\$53.19
Projected Deductible PMPM	\$5.65	\$3.50	\$0.52	\$9.67
Projected Copay PMPM	\$0.58	\$0.32	\$0.01	\$0.90
Projected Coinsurance PMPM	\$0.66	\$0.90	\$0.12	\$1.67
Projected Cost Sharing PMPM as of Q3 2016	\$6.88	\$4.72	\$0.65	\$12.24
Projected Paid PMPM as of Q3 2016	\$8.43	\$12.76	\$19.76	\$40.95

Exhibit 2e -- Pricing Trend Assumptions -- 4Q Projection

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	October 1, 2016 - September 30, 2017

Months of Trend	2015	2016	2017	Total
	2	12	9	23

Medical Trend Summary

2015 Annual Trend				
	% of Allowed	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total		4.2%	0.0%	4.2%

2016 Annual Trend				
	% of Allowed	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.9%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	2.8%

2017 Annual Trend				
	% of Allowed	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.9%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	2.8%

Leveraging Impact - Large Group Non-HDHP Fee-For-Service Medical Claims					
Member Months	12,900				
IBNR Factor	1.020				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$323.98	\$8.90	\$14.39	\$19.89	\$280.80
23 Months of Trend:	1.057	1.057	1.000	1.017	1.063
Projection Period:	\$342.54	\$9.41	\$14.39	\$20.24	\$298.50
Allowed Trend (Annual)	2.9%				
Paid Trend (Annual)	3.2%				
Leveraging (Annual)	0.3%				

Leveraging Impact - Large Group HDHP Fee-For-Service Medical Claims					
Member Months	21,116				
IBNR Factor	1.020				
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$318.92	\$13.81	\$0.00	\$74.21	\$230.90
23 Months of Trend:	1.057	1.057	1.000	1.024	1.068
Projection Period:	\$337.20	\$14.60	\$0.00	\$76.00	\$246.59
Allowed Trend (Annual)	2.9%				
Paid Trend (Annual)	3.5%				
Leveraging (Annual)	0.5%				

Leveraging Impact - Large Group Fee-For-Service Medical Claims					
	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$320.84	\$11.95	\$5.46	\$53.61	\$249.82
23 Months of Trend:	1.057	1.057	1.000	1.023	1.066
Projection Period:	\$339.22	\$12.64	\$5.46	\$54.85	\$266.28
Allowed Trend (Annual)	2.9%				
Paid Trend (Annual)	3.4%				
Leveraging (Annual)	0.4%				

ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	4.3%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	13.5%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	16.0%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2f -- Rx Trend Development - 4Q
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MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months with Rx Benefit: 34,016

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	8,910	1,028	75	10,012
Experience Period Allowed PMPM	\$16.37	\$16.65	\$27.18	\$60.21
Experience Period Deductible PMPM	\$3.46	\$2.13	\$0.32	\$5.90
Experience Period Copay PMPM	\$2.05	\$1.19	\$0.07	\$3.31
Experience Period Coinsurance PMPM	\$0.54	\$0.75	\$0.40	\$1.69
Experience Period Cost Sharing PMPM	\$6.05	\$4.07	\$0.78	\$10.90
Experience Period Paid PMPM	\$10.32	\$12.58	\$26.40	\$49.31
Annual Util Trend	1.024	0.944	1.051	1.016
Annual Unit Cost Trend	1.031	1.135	1.123	1.099
Annual Deductible Trend	1.013	1.013	1.012	1.013
Annual Paid Trend	1.076	1.092	1.183	1.138
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	9,317	920	83	10,319
Projected Allowed PMPM as of Q4 2016	\$18.16	\$18.99	\$37.39	\$74.54
Projected Deductible PMPM	\$3.54	\$2.18	\$0.32	\$6.05
Projected Copay PMPM	\$2.14	\$1.06	\$0.08	\$3.28
Projected Coinsurance PMPM	\$0.60	\$0.86	\$0.54	\$2.00
Projected Cost Sharing PMPM as of Q4 2016	\$6.29	\$4.10	\$0.95	\$11.33
Projected Paid PMPM as of Q4 2016	\$11.87	\$14.89	\$36.44	\$63.21

Exhibit 2g -- Rx Trend Development - Non-HDHP 4Q

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months with Rx Benefit: 12,900

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	9,836	1,011	87	10,934
Experience Period Allowed PMPM	\$20.28	\$18.42	\$46.45	\$85.15
Experience Period Deductible PMPM	\$0.06	\$0.01	\$0.00	\$0.07
Experience Period Copay PMPM	\$4.50	\$2.56	\$0.18	\$7.23
Experience Period Coinsurance PMPM	\$0.45	\$0.67	\$0.89	\$2.02
Experience Period Cost Sharing PMPM	\$5.01	\$3.24	\$1.07	\$9.32
Experience Period Paid PMPM	\$15.27	\$15.18	\$45.37	\$75.82
Annual Util Trend	1.024	0.944	1.051	1.017
Annual Unit Cost Trend	1.031	1.135	1.123	1.110
Annual Deductible Trend	1.055	1.071	1.181	1.057
Annual Paid Trend	1.065	1.091	1.181	1.141
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	10,286	905	95	11,286
Projected Allowed PMPM as of Q4 2016	\$22.49	\$21.01	\$63.89	\$107.39
Projected Deductible PMPM	\$0.07	\$0.01	\$0.00	\$0.08
Projected Copay PMPM	\$4.70	\$2.29	\$0.20	\$7.19
Projected Coinsurance PMPM	\$0.50	\$0.77	\$1.23	\$2.50
Projected Cost Sharing PMPM as of Q4 2016	\$5.27	\$3.06	\$1.43	\$9.76
Projected Paid PMPM as of Q4 2016	\$17.22	\$17.94	\$62.46	\$97.63

Exhibit 2h -- Rx Trend Development - HDHP 4Q

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Member Months: 21,116

<u>Rx Claim Information</u>	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	8,344	1,038	68	9,450
Experience Period Allowed PMPM	\$13.99	\$15.57	\$15.41	\$44.97
Experience Period Deductible PMPM	\$5.53	\$3.43	\$0.51	\$9.47
Experience Period Copay PMPM	\$0.55	\$0.35	\$0.01	\$0.91
Experience Period Coinsurance PMPM	\$0.60	\$0.80	\$0.09	\$1.49
Experience Period Cost Sharing PMPM	\$6.68	\$4.58	\$0.60	\$11.87
Experience Period Paid PMPM	\$7.30	\$10.99	\$14.81	\$33.11
Annual Util Trend	1.024	0.944	1.051	1.015
Annual Unit Cost Trend	1.031	1.135	1.123	1.085
Annual Deductible Trend	1.012	1.012	1.012	1.012
Annual Paid Trend	1.089	1.093	1.186	1.135
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	8,725	929	75	9,728
Projected Allowed PMPM as of Q4 2016	\$15.51	\$17.76	\$21.20	\$54.47
Projected Deductible PMPM	\$5.66	\$3.51	\$0.52	\$9.70
Projected Copay PMPM	\$0.58	\$0.31	\$0.01	\$0.90
Projected Coinsurance PMPM	\$0.66	\$0.91	\$0.12	\$1.70
Projected Cost Sharing PMPM as of Q4 2016	\$6.91	\$4.74	\$0.65	\$12.30
Projected Paid PMPM as of Q4 2016	\$8.60	\$13.03	\$20.55	\$42.18

Exhibit 3a -- Claim Projection & Proposed Rate Change
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31, 2015

Paid Through: December 31, 2015

Experience Period Member Months	34,016
1) Experience Period Medical Claims PMPM	\$244.99
1a) Claims in Excess of \$100k over Experience Period	\$12.32
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims <i>= [1) - 1a)] * 1b) * 2)</i>	\$259.00
3a) Benefit Adjustment to Experience Period Incurred Medical Claims <i>Represents value of embedded OOPM for members in Plan VEHD-02L on 2014 contract</i>	\$0.69
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.034
5) Months of Trend to Q3 2016	20
6a) Capitations and Non-FFS Claim Expenses	\$5.04
7) Trended Incurred Medical Claims PMPM as of Q3 2016 <i>= [[3) + 3a)] * 4) ^ [5) / 12] + 6a)]</i>	\$279.64
8) Experience Period Rx Claims PMPM	\$49.3057
8a) Rx Claims in Excess of \$100k over Experience Period	\$2.43
8b) Pooling Charge	1.0916
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.140
10) Months of Trend to Q3 2016	20
11) Trended Gross Rx Claims PMPM as of Q3 2016 <i>= [8) - 8a)] * 8b) * [9)] ^ [10) / 12]</i>	\$63.64
11a) Impact of Bill H559	\$0.37
11b) Rx Rebates	(\$8.23)
12) Trended Net Rx Claims PMPM as of Q3 2016 <i>= 11) + 11a) + 11b)</i>	\$55.78
13) Industry Normalization Factor	0.997
13a) NY State HCRA Surcharge	0.25%
13b) Impact of Membership Growth/Decline on Experience Pd Claims	0.993
14) Total Claim Cost as of Q3 2016 <i>= [7) + 12)] * 13) * [1+ 13a)] * 13b)</i>	\$332.82
15) Projected Net Revenue Collected at Q2 2016 Rate Level <i>Based on distribution of experience period members</i>	\$396.65
16) Data Suggested Quarterly Rate Change <i>= 14) / 15) - 1</i>	-16.1%
17) MVP Proposed Quarterly Rate Change	-8.1%

Exhibit 3b -- Claim Projection & Proposed Rate Change
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015

Experience Period Member Months	34,016
1) Experience Period Medical Claims PMPM	\$244.99
1a) Claims in Excess of \$100k over Experience Period	\$12.32
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims <i>= [1) - 1a)] * 1b) * 2)</i>	\$259.00
3a) Benefit Adjustment to Experience Period Incurred Medical Clai <i>Represents value of embedded OOPM for members in Plan VEHD-02L on 2014 contract</i>	\$0.69
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.034
5) Months of Trend to Q3 2016	23
6a) Capitations and Non-FFS Claim Expenses	\$5.04
7) Trended Incurred Medical Claims PMPM as of Q4 2016 <i>= [[3) + 3a)] * 4) ^ [5) / 12] + 6a)]</i>	\$281.83
8) Experience Period Rx Claims PMPM	\$49.31
8a) Rx Claims in Excess of \$100k over Experience Period	\$2.43
8b) Pooling Charge	1.0916
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.138
10) Months of Trend to Q4 2016	23
11) Trended Gross Rx Claims PMPM as of Q4 2016 <i>= [8) - 8a)] * 8b) * [9)] ^ [10) / 12]</i>	\$65.60
11a) Impact of Bill H559	\$0.37
11b) Rx Rebates	(\$8.20)
12) Trended Net Rx Claims PMPM as of Q4 2016 <i>= 11) + 11a) + 11b)</i>	\$57.77
13) Industry Normalization Factor	0.997
13a) NY State HCRA Surcharge	0.25%
13b) Impact of Membership Growth/Decline on Experience Pd Clai	0.993
14) Total Claim Cost as of Q4 2016 <i>= [7) + 12)] * 13) * [1+ 13a)] * 13b)</i>	\$336.96
15) Projected Claim Cost <i>Based on distribution of experience period members</i>	\$332.82
16) Proposed Quarterly Rate Change <i>= 14) / 15) - 1</i>	1.2%

Exhibit 3c -- Revenue Neutrality of Proposed Rate Relativity Changes

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Rx Coplan	Experience Period Member Months	(A) 2Q 2016 Manual Rate Slope	(B) Benefit Adjustment Factor	(C) = (B) * (A) Revised Manual Rate Slope Prior to Normalizing	(D) Normalized Revised Manual Rate Slope	(E) = (D) / (A) *
							3Q Qtrly Rate Change Proposed Quarterly Rate Change
VE021L	V500L	286	1.113	1.000	1.113	1.106	-8.6%
VE038L	V500L	86	1.046	1.000	1.046	1.040	-8.6%
VE085L	V500L	212	1.343	1.000	1.343	1.335	-8.6%
VE085LA	V500L	767	1.347	1.000	1.347	1.339	-8.6%
VE087L	V500L	1,310	1.318	1.000	1.318	1.310	-8.6%
VE087LA	V500L	1,287	1.321	1.000	1.321	1.313	-8.6%
VE089L	V500L	170	1.281	1.000	1.281	1.273	-8.6%
VE089LA	V500L	743	1.285	1.000	1.285	1.277	-8.6%
VE092L	V500L	2,777	1.204	1.000	1.204	1.197	-8.6%
VE096L	V500L	244	1.065	1.000	1.065	1.059	-8.6%
VE096LA	V500L	238	1.076	1.000	1.076	1.070	-8.6%
VE100L	V501L	804	1.082	1.000	1.082	1.075	-8.6%
VE101L	V500L	831	1.046	1.000	1.046	1.040	-8.6%
VE107L	V502L	364	1.005	1.000	1.005	0.999	-8.6%
VE107L15	V502L	734	1.015	1.000	1.015	1.009	-8.6%
VE110L	V500L	313	1.059	1.000	1.059	1.052	-8.6%
VE110LA	V500L	1,499	1.069	1.000	1.069	1.062	-8.6%
VE111LA	V601	145	1.118	1.000	1.118	1.111	-8.6%
VEHD-02L	Integrated HD	7,258	0.934	1.030	0.962	0.957	-5.9%
VEHD-03L	Integrated HD	928	0.737	1.000	0.737	0.733	-8.6%
VEHD-07L	Integrated HD	3,981	0.963	1.000	0.963	0.957	-8.6%
VEHD-08L	Integrated HD	1,275	0.883	1.000	0.883	0.878	-8.6%
VEHD-09L	Integrated HD	4,695	0.826	1.000	0.826	0.822	-8.6%
VEHD-15L	Integrated HD	2,368	0.833	1.000	0.833	0.828	-8.6%
VEHD-18L	Integrated HD	42	0.967	1.000	0.967	0.961	-8.6%
VEHD-19L	Integrated HD	569	0.791	1.000	0.791	0.787	-8.6%
VP060L	V500L	90	1.300	1.000	1.300	1.292	-8.6%
	Total	34,016	1.000	1.006	1.006	1.000	-8.1%

Note: Plans with "A" at the end represent 2015 plan designs where combined Med + Rx OOP Max could not exceed 2015 Federal OOP Max.
Non-HDHPs without "A" at the end of benefit name are from 2014 where medical OOP Max was equal to 2014 Federal OOP Max.
For example, VEHD-85L is identical to plan VEHD-85LA except the single OOP Max for plan VEHD-85L = \$6,350 while the single OOP Max for plan VEHD-85LA = \$5,300

Exhibit 4a -- Medical Manual Rates (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Manual Rate Change	Annual Revenue Change
VE021L	HyEPO	\$355.98	-8.6%	0.0%	-9.1%
VE054L	HyEPO	\$327.36	-8.6%	0.0%	-9.1%
VE060L	HYEPO	\$374.55	-8.6%	0.0%	-9.1%
VE085L	EPO	\$441.06	-8.6%	0.0%	-9.1%
VE087L	EPO	\$431.58	-8.6%	0.0%	-9.1%
VE088L	EPO	\$426.28	-8.6%	0.0%	-9.1%
VE089L	EPO	\$418.32	-8.6%	0.0%	-9.1%
VE090L	HyEPO	\$378.53	-8.6%	0.0%	-9.1%
VE091L	HyEPO	\$340.06	-8.6%	0.0%	-9.1%
VE092L	HyEPO	\$389.14	-8.6%	0.0%	-9.1%
VE093L	HyEPO	\$355.98	-8.6%	0.0%	-9.1%
VE095L	HyEPO	\$373.22	-8.6%	0.0%	-9.1%
VE096L	HyEPO	\$342.70	-8.6%	0.0%	-9.1%
VE100L	HyEPO	\$350.66	-8.6%	0.0%	-9.1%
VE101L	HyEPO	\$334.19	-8.6%	0.0%	-9.1%
VE102L	HyEPO	\$397.10	-8.6%	0.0%	-9.1%
VE103L	HyEPO	\$367.90	-8.6%	0.0%	-9.1%
VE105L	HyEPO	\$379.85	-8.6%	0.0%	-9.1%
VE106L	HyEPO	\$346.69	-8.6%	0.0%	-9.1%
VE107L	HyEPO	\$330.77	-8.6%	0.0%	-9.1%
VE108L	EPO	\$393.12	-8.6%	0.0%	-9.1%
VE109L	HYEPO	\$374.55	-8.6%	0.0%	-9.1%
VE110L	HYEPO	\$340.06	-8.6%	0.0%	-9.1%
VE111L	HYEPO	\$355.98	-8.6%	0.0%	-9.1%
VE114L	HyEPO	\$377.20	-8.6%	0.0%	-9.1%
VE115L	HyEPO	\$338.73	-8.6%	0.0%	-9.1%
VE116L	HyEPO	\$331.90	-8.6%	0.0%	-9.1%
VP015L	HyPPO	\$423.91	-8.6%	0.0%	-9.1%
VP017L	HyPPO	\$353.63	-8.6%	0.0%	-9.1%
VP019L	HyPPO	\$435.06	-8.6%	0.0%	-9.1%
VP020L	HyPPO	\$404.70	-8.6%	0.0%	-9.1%
VP060L	HyPPO	\$423.91	-8.6%	0.0%	-9.1%
VP061L	HyPPO	\$393.67	-8.6%	0.0%	-9.1%
VP062L	HyPPO	\$356.33	-8.6%	0.0%	-9.1%
VP063L	HyPPO	\$435.06	-8.6%	0.0%	-9.1%
VP065L	HyPPO	\$388.15	-8.6%	0.0%	-9.1%
VP066L	HyPPO	\$349.56	-8.6%	0.0%	-9.1%
VP067L	HyPPO	\$337.53	-8.6%	0.0%	-9.1%
VP071L	HyPPO	\$382.63	-8.6%	0.0%	-9.1%
VP072L	HyPPO	\$345.50	-8.6%	0.0%	-9.1%
VP073L	HyPPO	\$334.08	-8.6%	0.0%	-9.1%
VT08LA	EPO	\$438.99	-8.6%	0.0%	-9.1%
VT08LB	EPO	\$438.99	-8.6%	0.0%	-9.1%
VT08LC	EPO	\$438.99	-8.6%	0.0%	-9.1%
VEHD-01L	HDEPOagg	\$390.98	-8.6%	0.0%	-9.1%
VEHD-02L	HDEPOagg	\$348.69	-5.9%	3.0%	-6.4%
VEHD-06L	HDEPOagg	\$315.08	-8.6%	0.0%	-9.1%
VEHD-07L	HDEPOagg	\$349.03	-8.6%	0.0%	-9.1%
VEHD-08L	HDEPOagg	\$320.06	-8.6%	0.0%	-9.1%
VEHD-09L	HDEPOagg	\$299.46	-8.6%	0.0%	-9.1%
VEHD-15L	HDEPOagg	\$301.86	-8.6%	0.0%	-9.1%
VEHD-17L	HDEPOagg	\$314.86	-8.6%	0.0%	-9.1%
VEHD-19L	HDEPO	\$286.73	-8.6%	0.0%	-9.1%
VEHD-20L	HDEPO	\$308.39	-8.6%	0.0%	-9.1%
VEHD-31L	HDEPOagg	\$264.62	-8.6%	0.0%	-9.1%
VEHD-41L	HDEPO	\$350.39	-8.6%	0.0%	-9.1%
VEHD-42L	HDEPO	\$337.27	-8.6%	0.0%	-9.1%
VEHD-43L	HDEPO	\$307.41	-8.6%	0.0%	-9.1%
VEHD-44L	HDEPO	\$261.56	-8.6%	0.0%	-9.1%
VEHD-45L	HDEPOagg	\$339.20	-8.6%	0.0%	-9.1%
VEHD-46L	HDEPOagg	\$323.44	-8.6%	0.0%	-9.1%
VPHD-03L	HDPPOagg	\$288.03	-1.9%	7.4%	-2.4%
VPHD-05L	HDPPOagg	\$343.81	-8.6%	0.0%	-9.1%
VPHD-07L	HDPPOagg	\$358.47	-8.6%	0.0%	-9.1%
VPHD-09L	HDPPOagg	\$302.17	-8.6%	0.0%	-9.1%
VPHD-15L	HDPPOagg	\$304.59	-8.6%	0.0%	-9.1%

Exhibit 4a -- Medical Manual Rates (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
VE021L	HyEPO	\$360.25	1.2%	-0.5%	-10.1%
VE054L	HyEPO	\$331.29	1.2%	-0.5%	-10.1%
VE060L	HyEPO	\$379.04	1.2%	-0.5%	-10.1%
VE085L	EPO	\$446.35	1.2%	-0.5%	-10.1%
VE087L	EPO	\$436.76	1.2%	-0.5%	-10.1%
VE088L	EPO	\$431.40	1.2%	-0.5%	-10.1%
VE089L	EPO	\$423.34	1.2%	-0.5%	-10.1%
VE090L	HyEPO	\$383.07	1.2%	-0.5%	-10.1%
VE091L	HyEPO	\$344.14	1.2%	-0.5%	-10.1%
VE092L	HyEPO	\$393.81	1.2%	-0.5%	-10.1%
VE093L	HyEPO	\$360.25	1.2%	-0.5%	-10.1%
VE095L	HyEPO	\$377.70	1.2%	-0.5%	-10.1%
VE096L	HyEPO	\$346.81	1.2%	-0.5%	-10.1%
VE100L	HyEPO	\$354.87	1.2%	-0.5%	-10.1%
VE101L	HyEPO	\$338.20	1.2%	-0.5%	-10.1%
VE102L	HyEPO	\$401.87	1.2%	-0.5%	-10.1%
VE103L	HyEPO	\$372.31	1.2%	-0.5%	-10.1%
VE105L	HyEPO	\$384.41	1.2%	-0.5%	-10.1%
VE106L	HyEPO	\$350.85	1.2%	-0.5%	-10.1%
VE107L	HyEPO	\$334.74	1.2%	-0.5%	-10.1%
VE108L	EPO	\$397.84	1.2%	-0.5%	-10.1%
VE109L	HyEPO	\$379.04	1.2%	-0.5%	-10.1%
VE110L	HyEPO	\$344.14	1.2%	-0.5%	-10.1%
VE111L	HyEPO	\$360.25	1.2%	-0.5%	-10.1%
VE114L	HyEPO	\$381.73	1.2%	-0.5%	-10.1%
VE115L	HyEPO	\$342.79	1.2%	-0.5%	-10.1%
VE116L	HyEPO	\$335.88	1.2%	-0.5%	-10.1%
VP015L	HyPPO	\$429.00	1.2%	-0.5%	-10.1%
VP017L	HyPPO	\$357.87	1.2%	-0.5%	-10.1%
VP019L	HyPPO	\$440.28	1.2%	-0.5%	-10.1%
VP020L	HyPPO	\$409.56	1.2%	-0.5%	-10.1%
VP060L	HyPPO	\$429.00	1.2%	-0.5%	-10.1%
VP061L	HyPPO	\$398.39	1.2%	-0.5%	-10.1%
VP062L	HyPPO	\$360.61	1.2%	-0.5%	-10.1%
VP063L	HyPPO	\$440.28	1.2%	-0.5%	-10.1%
VP065L	HyPPO	\$392.81	1.2%	-0.5%	-10.1%
VP066L	HyPPO	\$353.75	1.2%	-0.5%	-10.1%
VP067L	HyPPO	\$341.58	1.2%	-0.5%	-10.1%
VP071L	HyPPO	\$387.22	1.2%	-0.5%	-10.1%
VP072L	HyPPO	\$349.65	1.2%	-0.5%	-10.1%
VP073L	HyPPO	\$338.09	1.2%	-0.5%	-10.1%
VT08LA	EPO	\$444.26	1.2%	-0.5%	-10.1%
VT08LB	EPO	\$444.26	1.2%	-0.5%	-10.1%
VT08LC	EPO	\$444.26	1.2%	-0.5%	-10.1%
VEHD-01L	HDEPOagg	\$395.67	1.2%	-0.5%	-10.1%
VEHD-02L	HDEPOagg	\$352.87	1.2%	2.4%	-7.4%
VEHD-06L	HDEPOagg	\$318.86	1.2%	-0.5%	-10.1%
VEHD-07L	HDEPOagg	\$353.22	1.2%	-0.5%	-10.1%
VEHD-08L	HDEPOagg	\$323.90	1.2%	-0.5%	-10.1%
VEHD-09L	HDEPOagg	\$303.05	1.2%	-0.5%	-10.1%
VEHD-15L	HDEPOagg	\$305.48	1.2%	-0.5%	-10.1%
VEHD-17L	HDEPOagg	\$318.64	1.2%	-0.5%	-10.1%
VEHD-19L	HDEPO	\$290.17	1.2%	-0.5%	-10.1%
VEHD-20L	HDEPO	\$312.09	1.2%	-0.5%	-10.1%
VEHD-31L	HDEPOagg	\$267.80	1.2%	-0.5%	-10.1%
VEHD-41L	HDEPO	\$354.59	1.2%	-0.5%	-10.1%
VEHD-42L	HDEPO	\$341.32	1.2%	-0.5%	-10.1%
VEHD-43L	HDEPO	\$311.10	1.2%	-0.5%	-10.1%
VEHD-44L	HDEPO	\$264.70	1.2%	-0.5%	-10.1%
VEHD-45L	HDEPOagg	\$343.27	1.2%	-0.5%	-10.1%
VEHD-46L	HDEPOagg	\$327.32	1.2%	-0.5%	-10.1%
VPHD-03L	HDPPPOagg	\$291.49	1.2%	6.8%	-3.5%
VPHD-05L	HDPPPOagg	\$347.94	1.2%	-0.5%	-10.1%
VPHD-07L	HDPPPOagg	\$362.77	1.2%	-0.5%	-10.1%
VPHD-09L	HDPPPOagg	\$305.80	1.2%	-0.5%	-10.1%
VPHD-15L	HDPPPOagg	\$308.25	1.2%	-0.5%	-10.1%

Exhibit 4b -- Medical Riders (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.49	-8.6%	0.0%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.67	-8.6%	0.0%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C	EPO/PPO	\$4.40	-8.6%	0.1%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.18)	-8.6%	1.5%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.61	-8.6%	0.1%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plan	EPO/PPO	\$2.09	-8.6%	0.1%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plan	EPO/PPO	\$2.42	-8.6%	0.0%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plan	EPO/PPO	\$3.77	-8.6%	-0.2%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plan	EPO/PPO	\$4.33	-8.6%	-0.2%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plan	EPO/PPO	\$8.73	-8.6%	-0.1%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plan	EPO/PPO	\$9.22	-8.6%	0.1%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 2x OOP Max plan	EPO/PPO	\$12.45	-8.6%	0.0%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 3x OOP Max plan	EPO/PPO	\$12.81	-8.6%	0.0%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$6.45	-8.6%	0.1%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.85	-8.6%	1.1%
VE313	Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.89	-8.6%	0.1%
V314	Adult Preventative Dental	EPO/PPO	\$14.79	-8.6%	0.0%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$20.14	-8.6%	0.0%
V316	Disposable Medical Supplies	EPO/PPO	\$0.96	-8.6%	-0.1%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$4.07	-8.6%	-0.1%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	0.0%	0.0%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	0.0%	0.0%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	0.0%	0.0%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursment for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.73	-8.6%	-0.2%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.96	-8.6%	0.0%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.71	-8.6%	0.1%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.24	-8.6%	-0.1%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.91	-8.6%	0.0%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.64	-8.6%	0.3%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.25	-8.6%	0.1%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$1.01	-8.6%	0.4%
VEHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.43	-8.6%	-0.1%
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.83	-8.6%	0.2%
VPHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.96	-8.6%	0.0%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.71	-8.6%	0.1%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.24	-8.6%	-0.1%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.91	-8.6%	0.0%
VPHD 312e	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.64	-8.6%	0.3%
VPHD 312f	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.25	-8.6%	0.1%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$1.01	-8.6%	0.4%
VPHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.43	-8.6%	-0.1%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.61	-8.6%	0.1%

Exhibit 4b -- Medical Riders (Q3 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C	HDHP	\$4.69	-8.6%	0.1%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.16)	-8.6%	-2.9%
VHD316	Disposable Medical Supplies	HDHP	\$0.63	-8.6%	0.1%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	0.0%	0.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	0.0%	0.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	0.0%	0.0%
VHD356L	Deductible Carryover Rider	HDHP	\$8.18	-8.6%	0.0%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.64	-8.6%	0.3%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$4.31	-8.6%	-0.2%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-03)	HDHP	\$14.11	-8.6%	0.0%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-05)	HDHP	\$10.03	-8.6%	0.0%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06)	HDHP	\$4.78	-8.6%	0.0%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.60	-8.6%	0.1%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.43	-8.6%	-0.1%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09 & VPHD-09)	HDHP	\$5.18	-8.6%	0.0%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.45	-8.6%	0.1%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.31	-8.6%	-0.2%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$13.76	-8.6%	0.0%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$3.99	-8.6%	0.1%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.81	-8.6%	0.1%
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$6.53	-8.6%	-0.1%
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$7.15	-8.6%	0.0%
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$10.16	-8.6%	0.0%
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$15.54	-8.6%	0.0%
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$7.03	-8.6%	0.1%
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$7.65	-8.6%	0.0%

Exhibit 4b -- Medical Riders (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.53	1.2%	-0.6%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.72	1.1%	-0.6%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C	EPO/PPO	\$4.46	1.3%	-0.4%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.18)	-1.5%	0.0%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.64	1.0%	-0.8%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plans	EPO/PPO	\$2.12	1.3%	-0.5%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plans	EPO/PPO	\$2.45	1.2%	-0.4%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plar	EPO/PPO	\$3.82	1.2%	-0.8%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plar	EPO/PPO	\$4.38	1.2%	-0.9%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plar	EPO/PPO	\$8.84	1.2%	-0.6%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plar	EPO/PPO	\$9.33	1.2%	-0.4%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 2x OOP Max plar	EPO/PPO	\$12.60	1.2%	-0.6%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 3x OOP Max plar	EPO/PPO	\$12.96	1.2%	-0.6%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$6.53	1.2%	-0.3%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.86	1.2%	1.2%
VE313	Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.91	1.0%	-0.5%
V314	Adult Preventative Dental	EPO/PPO	\$14.97	1.2%	-0.5%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$20.39	1.2%	-0.5%
V316	Disposable Medical Supplies	EPO/PPO	\$0.97	1.1%	-1.0%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$4.12	1.1%	-0.7%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	0.0%	0.0%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	0.0%	0.0%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	0.0%	0.0%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursment for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.75	1.4%	-0.6%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$3.00	1.4%	-0.3%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.75	1.4%	-0.4%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.27	1.4%	-0.4%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.93	1.1%	-0.5%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.66	1.0%	-0.6%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.27	1.5%	0.0%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$1.03	1.6%	0.0%
VEHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.43	0.1%	-2.3%
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.84	1.0%	0.0%
VPHD 312a	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$3.00	1.4%	-0.3%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.75	1.4%	-0.4%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.27	1.4%	-0.4%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.93	1.1%	-0.5%
VPHD 312e	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.66	1.0%	-0.6%
VPHD 312f	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.27	1.5%	0.0%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$1.03	1.6%	0.0%
VPHD 312h	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.43	0.1%	-2.3%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.67	1.2%	-0.4%

Exhibit 4b -- Medical Riders (Q4 2016)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C	HDHP	\$4.74	1.1%	-0.4%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.16)	3.0%	0.0%
VHD316	Disposable Medical Supplies	HDHP	\$0.64	1.5%	0.0%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	0.0%	0.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	0.0%	0.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	0.0%	0.0%
VHD356L	Deductible Carryover Rider	HDHP	\$8.27	1.1%	-0.6%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.65	0.9%	-0.6%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$4.36	1.1%	-0.9%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-03)	HDHP	\$14.28	1.2%	-0.6%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-05)	HDHP	\$10.15	1.2%	-0.6%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06)	HDHP	\$4.84	1.3%	-0.4%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.63	1.0%	-0.8%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.47	1.3%	-0.6%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09 & VPHD-09)	HDHP	\$5.24	1.2%	-0.6%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.49	1.1%	-0.6%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.36	1.1%	-0.9%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$13.92	1.2%	-0.6%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$4.04	1.2%	-0.5%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.91	1.2%	-0.4%
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$6.61	1.2%	-0.8%
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$7.24	1.2%	-0.5%
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$10.28	1.2%	-0.6%
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$15.73	1.2%	-0.5%
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$7.12	1.2%	-0.4%
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$7.74	1.2%	-0.5%

Exhibit 4c -- Rx Riders (Q3 2016)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V500	\$10/\$30/\$50	EPO/PPO	\$47.17	-8.6%	0.0%
V501	\$10/30%/50%	EPO/PPO	\$41.36	-8.6%	0.0%
V502	50%	EPO/PPO	\$36.91	-8.6%	0.0%
V504	\$0/\$30/\$50	EPO/PPO	\$54.92	-8.6%	0.0%
V601	\$5/\$35/\$70	EPO/PPO	\$48.98	-8.7%	0.0%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$43.01	-8.6%	0.0%
V604	\$5/\$45/\$90	EPO/PPO	\$47.55	-8.6%	0.0%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$42.10	-8.7%	0.0%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$39.11	-8.6%	0.0%
V550L	Removes MAC Pricing	EPO/PPO	\$0.79	-8.1%	0.0%
V551L	Change mail copay from 2.5 to 2.0 First \$300 Covered in Full, then	EPO/PPO Bridgewell	\$0.33	-8.3%	0.0%
V611	\$750 Ded/30% Coins	EPO	\$27.36	-8.6%	0.0%

Exhibit 4c -- Rx Riders (Q4 2016)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V500	\$10/\$30/\$50	EPO/PPO	\$47.74	1.2%	-0.5%
V501	\$10/30%/50%	EPO/PPO	\$41.86	1.2%	-0.5%
V502	50%	EPO/PPO	\$37.35	1.2%	-0.5%
V504	\$0/\$30/\$50	EPO/PPO	\$55.58	1.2%	-0.6%
V601	\$5/\$35/\$70	EPO/PPO	\$49.57	1.2%	-0.5%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$43.53	1.2%	-0.5%
V604	\$5/\$45/\$90	EPO/PPO	\$48.12	1.2%	-0.5%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$42.61	1.2%	-0.5%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$39.58	1.2%	-0.5%
V550L	Removes MAC Pricing	EPO/PPO	\$0.80	1.3%	0.0%
V551L	Change mail copay from 2.5 to 2.0 First \$300 Covered in Full, then \$750 Ded/30%	EPO/PPO Bridgewell	\$0.33	0.0%	-2.9%
V611	Coins	EPO	\$27.69	1.2%	-0.5%