

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Filing at a Glance

Company: Cigna Health and Life Insurance Company
Product Name: Medical
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 02/07/2019
SERFF Tr Num: CCGP-131695464
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num: 67369
Implementation: On Approval
Date Requested:
Author(s): Maria Mahmood, Jennifer Linstone
Reviewer(s): Thomas Crompton (primary), David Dillon, Judith Henkin, Jacqueline Lee, Christina McLaughlin, Amerin Aborjaily
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

General Information

Project Name: CHLIC Rate Filing 2019	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:
Filing Status Changed: 04/08/2019	
State Status Changed:	Deemer Date:
Created By: Maria Mahmood	Submitted By: Maria Mahmood
Corresponding Filing Tracking Number:	
PPACA: Not PPACA-Related	
PPACA Notes: null	
Include Exchange Intentions:	No

Filing Description:

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

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

The previous filing was approved on 3/28/2018 under Serff Tracking number CCGP-131268605.

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

Please contact Paul Schaeffer at (860) 226-8017 or at paul.schaeffer@cigna.com with any questions or concerns regarding this filing.

Company and Contact

Filing Contact Information

Maria Mahmood, Compliance Specialist	maria.mahmood@cigna.com
900 Cottage Grove Road	860-226-5080 [Phone]
C5PRC	860-226-3183 [FAX]
Hartford, CT 06152-1233	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Filing Company Information

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

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

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

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

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

Product Name: Medical

Project Name/Number: CHLIC Rate Filing 2019/

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	04/08/2019	04/08/2019
Pending Response	Thomas Crompton	04/03/2019	04/03/2019
Pending Response	Thomas Crompton	03/28/2019	03/28/2019
Pending Response	Jacqueline Lee	03/27/2019	03/27/2019
Pending Response	Jacqueline Lee	03/26/2019	03/26/2019
Pending Response	Jacqueline Lee	03/15/2019	03/15/2019
Pending Response	Jacqueline Lee	03/12/2019	03/12/2019
Pending Response	Jacqueline Lee	03/05/2019	03/05/2019
Pending Response	Jacqueline Lee	02/15/2019	02/15/2019

Response Letters

Responded By	Created On	Date Submitted
Maria Mahmood	04/08/2019	04/08/2019
Maria Mahmood	04/03/2019	04/03/2019
Maria Mahmood	04/01/2019	04/01/2019
Maria Mahmood	03/29/2019	03/29/2019
Maria Mahmood	03/29/2019	03/29/2019
Jennifer Linstone	03/19/2019	03/19/2019
Jennifer Linstone	03/19/2019	03/19/2019
Maria Mahmood	03/12/2019	03/12/2019
Maria Mahmood	02/22/2019	02/25/2019

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Extension	Note To Reviewer	Maria Mahmood	02/22/2019	02/22/2019
Original RRS and RRD Tabs	Reviewer Note	Thomas Crompton	04/03/2019	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	04/08/2019
Submitted Date	04/08/2019
Respond By Date	04/08/2019

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



LEWIS & ELLIS

Actuaries and Consultants

700 Central Expressway South

Suite 550

Allen, TX 75013

972-850-0850

lewisellis.com

April 8, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Has the 2018 profit figure on the Vermont large group block been finalized yet? If so and if it has changed from the estimation that was previously provided, please provide the updated profit figure and any supporting documentation.

Please respond by EOB today April 8, 2019.

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

Sincerely,

A handwritten signature in blue ink that reads 'Xiaoxiao Lisa Jiang'.

Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. - ACTUARIES AND CONSULTANTS

700 South Central Expy, Ste 550, Allen, TX 75013

1-972-850-0850 ljiang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	04/03/2019
Submitted Date	04/03/2019
Respond By Date	04/03/2019

Dear Maria Mahmood,

Introduction:

Please provide the redacted (non confidential) version of the "Underwriting Adjustment Guidance".

Conclusion:

Sincerely,
Thomas Crompton

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/28/2019
Submitted Date	03/28/2019
Respond By Date	04/01/2019

Dear Maria Mahmood,

Introduction:

The company response dated, March 19th, 2019 to L&E's letter dated March 12th, 2019 does not fully address the question as submitted. Question 3 from L&E's objection letter is shown below.

"3. Are there written guidelines for when and how underwriting or management discretion is applied to a rate? If so, please provide any written guidelines related to the exercise of underwriting discretion that will be used by underwriters or management when developing rates for this book of business."

Please respond in full, to the stated question.

Thomas Crompton
Associate Director Health Finance Systems

Conclusion:

Sincerely,
Thomas Crompton

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/27/2019
Submitted Date	03/27/2019
Respond By Date	

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



LEWIS & ELLIS

Actuaries and Consultants

700 Central Expressway South

Suite 550

Allen, TX 75013

972-850-0850

lewisellis.com

March 27, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Thanks for the response. Upon review of the response and related information submitted, we have the following follow-up question:

1. Please provide detailed qualitative and quantitative support for the projected medical utilization and mix trends, as well as the historical utilization and mix trends over the past four years. Please note that the utilization trend seems to be on the high end of what we've seen in the large group market.

Please respond as soon as possible, but no later than March 29, 2019.

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

Sincerely,

A handwritten signature in blue ink that reads 'Xiaoxiao Jiang'.

Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS

700 South Central Expy, Ste 550, Allen, TX 75013

1-972-850-0850 lijang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/26/2019
Submitted Date	03/26/2019
Respond By Date	03/29/2019

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



March 26, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Thanks for the response. Upon review of the response and related information submitted, we have the following follow-up questions:

1. We noticed that the Vermont Rx area factor in this year's filing has not changed from that in the prior approved filing. As such, what is driving the -12.3% pricing impact due to pharmacy area factor change?
2. Similarly, the Vermont medical area factors in the current filing are 2.7% lower than those in the prior approved filing for NWK and OAP, and it is 3.9% lower for PPO. How is the -1.6% pricing impact, due to medical area factor change, derived/related to the above comparison?
3. In the past years, we had been provided with some rough estimation about the profit/gain for the prior year's large group business. Can we get the estimated profit for 2018, using the same methodology that was utilized for prior years' filings?

Please respond as soon as possible, but no later than March 29, 2019.

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

Sincerely,

A handwritten signature in blue ink that reads 'Xiaoxiao Jiang'.

Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS
700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 lijang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/15/2019
Submitted Date	03/15/2019
Respond By Date	03/19/2019

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



March 15, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Thanks for the response. Upon review of the response and related information submitted, we have the following follow-up questions:

1. You stated in the response that the medical trend “reflect additional data after our first SERFF was submitted”. As a result of additional data after your first SERFF submission, is there any impact to the 2019 proposed rates, or the proposed 0.2% proposed rate increase? If so, please specify and provide detailed support for it.
2. We have done a comparison of the Rx trend and Rx area factor between the prior approved filing and the current filing.
 - 1) We have calculated that the pricing impact of updating the Rx trend is -2.6%. Please confirm; otherwise, please provide detailed derivation.
 - 2) Please provide detailed derivation of the pricing impact due to updating the Rx area factor.
 - 3) If the above two doesn't add up to the total pricing impact of -14.8% due to Rx change, please explain and provide detailed derivation.
3. Similarly, we have done a comparison of the medical trend and medical area factors between the prior approved filing and the current filing.
 - 1) We have calculated that the pricing impact of updating the medical trend is -1.9%. Please confirm. If not, please provide detailed derivation.
 - 2) Please provide detailed derivation of the pricing impact due to updating the medical area factors.
 - 3) If the above two doesn't add up to the total pricing impact of -3.6% due to medical change, please explain and provide detailed derivation.

Please respond as soon as possible, but no later than March 19, 2019.

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

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS
700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 ljiang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/12/2019
Submitted Date	03/12/2019
Respond By Date	03/19/2019

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



March 12, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Paul Schaeffer:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/7/2019. The following additional information is required for this filing and is being submitted on behalf of the Office of the Health Care Advocate.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Please identify instances, if any, of deviations of more than 10% from the approved 2018 manual rate for large groups in this book of business. For each instance of +/-10% deviation from the approved manual rate, what is the magnitude of the deviation that is attributable to factors other than group experience and credibility as detailed in the rate filing (i.e. to underwriting discretion and/or management decision)?
2. Please provide the premium-weighted mean rate, the arithmetic mean rate, the median rate, the rate range, the type of distribution of the rates (e.g. normal, Gaussian, bimodal, etc.), and the number of groups for this book of business for each year of the three most recent calendar years for which there is data.

3. Are there written guidelines for when and how underwriting or management discretion is applied to a rate? If so, please provide any written guidelines related to the exercise of underwriting discretion that will be used by underwriters or management when developing rates for this book of business.

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 to every objection in our letter, but no later than March 19, 2019. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

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

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS
700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 ljiang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/05/2019
Submitted Date	03/05/2019
Respond By Date	03/12/2019

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
Jacqueline Lee



March 5, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Thanks for the response. Upon review of the response and related information submitted, we have the following follow-up questions:

1. The 2018 trend in the updated Supplemental Exhibits still doesn't match with those in Table 27 and Table 28 of the initial filing. Please confirm that the correct trend assumptions are being used in the pricing and if so, provide corrected support matching the 2018 trend.
2. With regards to updating rating variables on a 1/1/2019 basis, please provide a detailed derivation of the pricing impact due to the following:
 - a. Updating the medical area factors;
 - b. Updating the Rx area factors;If there is further pricing impact due to neutralizing the methodology impact, or if the baseline has changed, please specify.
3. Given that the potential approval date for this filing is well past the proposed effective date of 1/1/2019, please explain how the rates are being accurately priced and quoted for accounts with coverage that includes months in the 2020 calendar year.
4. What is the PPACA fee assumption for 2020? Has this been incorporated in the pricing for any coverage that extends to months in 2020 calendar year?
5. What is the projected 2018 profit for the block of Large Group only? Please make sure that the figure will be reasonably backed up by the 2018 annual statement.

Please respond as soon as possible, but no later than March 12, 2019.

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

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS
700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 lijang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	02/15/2019
Submitted Date	02/15/2019
Respond By Date	02/22/2019

Dear Maria Mahmood,

Introduction:

Please see the attached objection. Your attention is appreciated.

Conclusion:

Sincerely,
Jacqueline Lee



February 15, 2019

Paul Schaeffer, FSA, MAAA
Actuarial Senior Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2019
SERFF Tracking # CCGP-131695464

Dear Mr. Schaeffer:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 02/07/2019. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. As shown under "Rate Review Detail" of SERFF submission, the weighted average prior rate is \$579.62 PMPM. Please illustrate how this amount reconciled to the approved rate from the prior filing.
2. The VT trend assumptions shown in Table 27 and Table 28 are different from those shown in the Supplemental Exhibits. Which set of medical trend assumptions is correct? Please confirm that the correct trend assumptions are being used in pricing, if not, please provide updated supporting documentation and rate manual with the corrected medical trend assumptions.
3. Please provide a breakdown of the -3.60% overall rate impact by major category of change, which includes but are not limited to:
 - a. Updating rating variables on a 1/1/2019 basis (e.g., area factors and trends for medical and Rx respectively);
 - b. Approved trend from the prior filing;
 - c. Change in proposed MLR.

In addition, please provide additional support for each of the components identified in the above breakdown with detailed sources of the referenced figures and/or derivation, as well as any other information that may be helpful with our review. For example, if there is any impact from neutralizing the methodology impact between national and Vermont rating, or if the baseline has changed, please specify.

4. Provide the derivation of the projected federal MLR for 2019, starting with the target loss ratio.
5. Please explain any significant changes in the retention assumptions from the prior filing and explain how the retention assumptions in this filing compare to experience.

Please respond as soon as possible, but no later than February 22, 2019.

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

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS
700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 ljiang@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/08/2019
Submitted Date	04/08/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see response letter and attached SHCE exhibit.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4-8-19
Comments:	
Attachment(s):	2018 SHCE CHLIC Part 1 2 3 VT.PDF Objection Letter Responses 04.08.19_final.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/03/2019
Submitted Date	04/03/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Enclosed is the redacted version of the "Underwriting Adjustment Guidance".

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4-3-19
Comments:	
Attachment(s):	VT UW Policy - Redacted without Confidentiality Stamp.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 04/01/2019
 Submitted Date 04/01/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see response letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4-1-19
Comments:	
Attachment(s):	Objection Letter Responses 4.01.19_set_1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 03/29/2019
 Submitted Date 03/29/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thank you!

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 3/27/19
Comments:	
Attachment(s):	Objection Letter Responses 3.29.19_set_2.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
 Maria Mahmood

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 03/29/2019
 Submitted Date 03/29/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thank you!

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 3/26/19
Comments:	
Attachment(s):	Objection Letter Responses 3.29.19_set_1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/19/2019
Submitted Date	03/19/2019

Dear Thomas Crompton,

Introduction:

The following is in response to your objection dated 3/15/19.

Response 1

Comments:

Please see attached response letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection letter dated 3/15/19
Comments:	
Attachment(s):	Area Factors.pdf Objection Letter Responses 3.19.19_final_set 2.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any further questions or concerns.

Thanks, Jenn

Sincerely,

Jennifer Linstone

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/19/2019
Submitted Date	03/19/2019

Dear Thomas Crompton,

Introduction:

The following is in response to your objection dated 3/12/19.

Response 1

Comments:

Please see attached response letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter Dated 3/12/19.
Comments:	
Attachment(s):	Objection Letter Responses 3.19.19_final_Set 1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any further questions or concerns.

Thank you, Jenn

Sincerely,

Jennifer Linstone

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/12/2019
Submitted Date 03/12/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see response letter and updated rate manual.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response Letter dated 3-12-19
Comments:	
Attachment(s):	Objection Letter Responses 3.12.19_final.pdf

No Form Schedule items changed.

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State: VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

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

Product Name: Medical

Project Name/Number: CHLIC Rate Filing 2019/

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rate manual	HP-POL et al	Revised	Previous State Filing Number: CCGP-131268605 Percent Rate Change Request:	VT_CHLIC Template 2019_Objection response 3.12.19_final.pdf,	03/12/2019 By: Maria Mahmood
<i>Previous Version</i>						
1	<i>Rate manual</i>	<i>HP-POL et al</i>	<i>Revised</i>	<i>Previous State Filing Number: CCGP-131268605 Percent Rate Change Request:</i>	<i>VT_CHLIC Template 2019 (5) format change_Final.pdf,</i>	<i>02/07/2019 By: Maria Mahmood</i>

Conclusion:

Sincerely,
Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/22/2019
Submitted Date	02/25/2019

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see response letter and revised exhibit. Also, a post submission update was made.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Supplemental Exhibits
Comments:	
Attachment(s):	VT 2019 Supplemental Exhibits_Resubmitted.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Supplemental Exhibits</i>
Comments:	
Attachment(s):	<i>VT 2019 Supplemental Exhibits_Final.pdf</i>

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Rate Filing 2019/

Supporting Document Schedule Item Changes

Satisfied - Item:	Supplemental Exhibits
Comments:	
Attachment(s):	VT 2019 Supplemental Exhibits_Resubmitted.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Supplemental Exhibits</i>
Comments:	
Attachment(s):	<i>VT 2019 Supplemental Exhibits_Final.pdf</i>
Satisfied - Item:	Response Letter Dated 2-15-19
Comments:	
Attachment(s):	Objection Letter Responses 2.22.19.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Note To Reviewer

Created By:

Maria Mahmood on 02/22/2019 10:14 AM

Last Edited By:

Maria Mahmood

Submitted On:

02/22/2019 10:15 AM

Subject:

Extension

Comments:

Would it be possible to get an extension on this response until Monday February 25th? We apologize for the delay and inconvenience but feel that the extra time is needed in order to appropriately address the objections raised.

If you could let us know if this is acceptable that would be appreciated.

Thank for your assistance.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Reviewer Note

Created By:

Thomas Crompton on 04/03/2019 01:33 PM

Subject:

Original RRS and RRD Tabs

Comments:

Attached


Original Rate/Rule Schedule Tab and Original Rate Review Detail Page (submitted on 02/07/19)

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):
Cigna Health and Life Insurance Company	Decrease	-3.600 %	-3.600 %	(\$136,520.00)	5	\$3,694,749.00	2.000 %	-6.700 %

[View Rate Review Detail](#)


Company Name: Cigna Health and Life Insurance Company

HHS Issuer ID:  * 67369

PRODUCTS:  *

Product Name *	HIOS Product ID	HIOS Submission ID	Number of Covered Lives *
PPO, Open Access Plus, Network			534

Trend Factors:  6.4%

FORMS: * 

New Policy Forms: n/a

Affected Forms for Closed Blocks: n/a

Other Affected Forms: HP-POL et al

REQUESTED RATE CHANGE INFORMATION: 

Change Period: * Annual

Member Months: * 6610

Benefit Change: * None

Percent Rate Change Requested: Min: -6.7% Max: 2% Weighted Avg.: -3.6%

PRIOR RATE: 

Total Earned Premium: * 3831269

Total Incurred Claims: * 3185218

Annualized PMPM \$: Min: * \$ 223.19 Max: * \$ 821.75 Weighted Avg.: * \$ 579.62

REQUESTED RATE: 

Projected Earned Premium: * 3694749

Projected Incurred Claims: * 3222717

Annualized PMPM \$: Min: * \$ 208.13 Max: * \$ 838.22 Weighted Avg.: * \$ 558.96

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Rate Filing 2019/

Post Submission Update Request Processed On 04/03/2019

Status: Allowed
 Created By: Maria Mahmood
 Processed By: Thomas Crompton
 Comments:

Rate Information:

Field Name	Requested Change	Prior Value
Rate Change Type	Increase	Decrease
Overall Pct. of Last Revision	3.600%	2.700%

Company Rate Information:

Company Name:Cigna Health and Life Insurance Company

Field Name	Requested Change	Prior Value
Company Rate Change	Increase	Decrease
Overall % Indicated Change	0.200%	-3.600%
Overall % Rate Impact	0.200%	-3.600%
Written Premium Change for this Program	\$8154	\$-136520
Maximum %Change (where required)	6.000%	2.000%
Minimum %Change (where required)	-3.100%	-6.700%

Product: NEW
 Product Name PPO, Open Access Plus, Network
 Number of Covered Lives 534

REQUESTED RATE CHANGE INFORMATION:

Min:	-3.100	-6.700
Max:	6.000	2
Weighted Avg.:	0.200	-3.6

PRIOR RATE:

Total Earned Premium::	3,686,595.000	3,831,269.000
Min:	214.760	223.190
Max:	790.720	821.750
Weighted Avg.:	557.730	579.620

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 3.600%
Effective Date of Last Rate Revision: 03/28/2018
Filing Method of Last Filing: Prior Approval
SERFF Tracking Number of Last Filing: CCGP-131268605

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Increase	0.200%	0.200%	\$8,154	5	\$3,694,749	6.000%	-3.100%

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Rate Filing 2019/

Rate Review Detail

COMPANY:

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

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
PPO, Open Access Plus, Network			534

Trend Factors: 6.4%

FORMS:

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

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 6,610
 Benefit Change: None
 Percent Change Requested: Min: -3.1 Max: 6.0 Avg: 0.2

PRIOR RATE:

Total Earned Premium: 3,686,595.00
 Total Incurred Claims: 3,185,218.00
 Annual \$: Min: 214.76 Max: 790.72 Avg: 557.73

REQUESTED RATE:

Projected Earned Premium: 3,694,749.00
 Projected Incurred Claims: 3,222,717.00
 Annual \$: Min: 208.13 Max: 838.22 Avg: 558.96

SERFF Tracking #:

CCGP-131695464

State Tracking #:

Company Tracking #:

67369

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Rate Filing 2019/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate manual	HP-POL et al	Revised	Previous State Filing Number: CCGP-131268605 Percent Rate Change Request:	VT_CHLIC Template 2019_Objection response 3.12.19_final.pdf,

Cigna Health and Life Insurance Company

Rate Filing

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Medical Manual Rating Formulas

1 Transform Census

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

2 Calculate Base Medical Claim Costs

Run the members from the census in Step 1 through the calculations in Step 2 to determine in-network (IN) base medical claim costs. For plans with out-of-network (OON) benefits, calculate the base medical claim costs using the methodology outlined in Step 2 but with OON assumptions and benefits. For indemnity plans, calculate all claim costs using only OON assumptions.

Calculate expected claim costs on a per member per month (PMPM) basis.

2.1 National Base Claims

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

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

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

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

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

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

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

Pharmacy base claims are calculated in Step 7.13.2 and are used to develop medical manual rates (during Step 2.5) only if the plan features combined medical and pharmacy claims.

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

2.2 National Trend

2.2.1 Calculate Trend Factor

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

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

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

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.
 - b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

2.2.2 Apply Trend Factor (National)

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

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

2.3 Copays – Calculate Effective Copay Percentage

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

- Determine:

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

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

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

The impact of copays for Mental Health/Substance Use Disorders (MH/SUD) is calculated in Step 4.3.

2.4 Effective Deductible and Out-of-Pocket Maximum

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

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

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

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

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

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

2.5 Cost-Share

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

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

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

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

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

2.5.1 Benefits Dependent on Number of Visits

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

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

2.5.2 Base Claim Costs

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

If pharmacy and medical claims are combined, use the 'Estimated Annual Cost' (converted to monthly) from the pharmacy Step 7.13.2 to scale the pharmacy service category.

2.5.3 Copays before the Deductible

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

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

2.5.4 Deductible

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

If pharmacy and medical claims are combined and cost share has been waived for certain classes of prescription drugs (e.g., waiving cost share for preventive medications), use the pharmacy CPD (outlined in *Table 51*, *Table 52* and *Table 53*) to calculate the percentage of pharmacy claims subject to the deductible and only the portion of pharmacy claims that are subject to the deductible are included in the pharmacy service category.

2.5.5 Effective Coinsurance

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

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

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

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

If pharmacy and medical claims are combined, use [1 – Regular Member Cost Share] from Step 7.13.10 as the effective coinsurance for the pharmacy service category.

2.5.6 Out-of-Pocket Maximum

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

2.5.7 Annual Maximum

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

2.5.8 Member Cost-Sharing Percentage

Calculate the member cost-sharing percentage for each MSC.

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

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

If pharmacy and medical claims are combined, the pharmacy trended base claims are the 'Estimated Annual Cost' (converted to monthly) from Step 7.13.2. The pharmacy member cost-sharing percentage is used as the effective member cost-share for pharmacy benefits in Step 7.13.11.

2.5.9 Collective Accumulation Adjustment

If the plan features collective accumulation (in the deductible and/or OOP maximum), add a collective accumulation adjustment to each member cost-sharing percentage from Step 2.5.8.

Definition of terms:

- Accumulator: generic term for the deductible or OOP maximum (both if plural)
- Average family size: the ratio of family members to family subscribers
- Deductible multiplier: the ratio of the family deductible to the individual deductible
- OOP maximum multiplier: the ratio of the family OOP maximum to the individual OOP maximum

To calculate the collective accumulation adjustment: using the deductible and OOP maximum from the plan design as rated, determine the accumulators that a family and an individual within a family would experience under the two following scenarios:

- The deductible and OOP maximum are non-collective
- The deductible and OOP maximum follow the plan design as rated (i.e. plan-as-rated)

For each scenario, determine the *effective* deductible and OOP maximum that an individual within a family would experience. To do this, multiply the deductible and OOP maximum for an individual within a family by the factors found in *Table 12 – Effective Deductible - Collective Adjustment* and *Table 13 – Effective OOP Maximum - Collective Adjustment* (the factors depend on the individual deductible or OOP, respective multiplier, and average family size). If necessary, interpolate between the nearest multipliers to calculate the adjustment.

For a plan where the deductible is collective and the OOP maximum is non-collective, if the OOP maximum for an individual is sufficiently close to the family deductible, use *Table 14 – Effective Coinsurance - Collective Adjustment* to determine the effective coinsurance used in this calculation. The table is based on the plan coinsurance and the average family size.

For each scenario, apply the plan coinsurance (or effective coinsurance, if applicable), effective individual deductible, and effective individual OOP maximum to the “Total Annual Claims” column of the Step 2.5.2 CPD to calculate member cost-share. Calculate the preliminary collective adjustment based on the calculated cost-share for the non-collective and plan-as-rated scenarios as follows:

$$\text{Preliminary Collective Adjustment} = [\text{Plan-As-Rated Cost Share}] - [\text{Non-Collective Cost Share}]$$

In order to normalize the difference between the simulated non-collective cost share (calculated as above and termed “Non-Collective Cost Share”) and actual non-collective cost share (calculated in Step 2.5.8), multiply the preliminary collective adjustment by the ratio of the two aforementioned cost-share calculations.

Normalized Collective Adjustment

$$= [\text{Preliminary Collective Adjustment}] \times \frac{[\text{Member Cost-Sharing Percentage (Step 2.5.8)}]}{[\text{Non-Collective Cost Share}]}$$

Lastly, the collective adjustment only impacts family plans. In order to calculate the final collective adjustment, dampen the normalized collective adjustment by the single to total member ratio. Calculate:

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

Then

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

2.5.10 Final Member Cost-Sharing Percentage

If applicable, add the collective accumulation adjustment from Step 2.5.9 to the Step 2.5.8 member cost-sharing percentage to get the final member cost-sharing percentage. If the plan does not have collective accumulation, the final member cost-sharing percentage is equal to the percentage calculated in Step 2.5.8.

If preventive care is covered with cost-sharing, the final member cost-sharing percentage for the preventive care MSC is calculated as a blend of the PCP and SCP final member cost-sharing percentages. See *Table 10 – Preventive Care Cost-Share Weighting* for the appropriate weights.

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

2.5.11 Apply Cost-Sharing Offset

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

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

2.6 Utilization Dampening

2.6.1 Calculate Utilization Dampening

Determine the utilization dampening to apply to each MSC. Values for this calculation are found in *Table 11 – Medical Utilization Dampening*. The preventive care MSC is not subject to utilization dampening.

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

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

2.6.2 Apply Utilization Dampening Factor

Apply the Utilization Dampening from Step 2.6.1 to the Cost-Sharing Adjusted Claims from Step 2.5.11.

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

2.7 Area-Specific Trend Relativity

2.7.1 Calculate Area-Specific Trend Relativity

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

Area-specific trend is found in *Table 27 – Medical Trend and Capitation* (with additional summary detail provided in *Table 28 – Medical Trend Summary*).

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

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

2.7.2 Apply Area-Specific Trend Relativity

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

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

2.8 Base Medical Community Rate

2.8.1 Calculate Medical Community Rate Load

Multiply together all applicable community rate loads from *Table 15 – Community Rate Loads* and the area factor for the plan rating area found in *Table 25 – Medical Area Factors* (with additional summary detail in *Table 26 – Medical Area Factor Summary*) to get the medical community rate load.

2.8.2 Apply Medical Community Rate Load

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

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

3 Base Medical Community Rate by Class

3.1 Blending Medical Rates

3.1.1 Calculate Blended Community Rate

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

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

The POS load calculation proceeds as follows:

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

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

2. Find the appropriate coefficients (A, B, and C) in *Table 30 – POS Load Coefficients* (with additional summary detail in *Table 31 – POS Load Coefficients Summary*) and calculate the base POS load.

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

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

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

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

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

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

3.1.2 Calculate IN and OON Utilization

The expected OON utilization is used in the adjustment for Cigna Care Network tiered benefits. This requires the POS load calculated in Step 3.1.1 and the IN and OON base medical community rates calculated in Step 2.8.2. If the product is capitated, only use the non-capitated portion of the IN base medical community rate. If the calculation yields an IN Utilization greater than 100% or less than 0%, the IN Utilization is set to one and no POS load is applied.

$$\text{IN Utilization} = \frac{[1 + \text{POS Load}] \times [\text{IN Rate}] - [\text{OON Rate}]}{[\text{IN Rate}] - [\text{OON Rate}]}$$

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

3.2 Lifetime Maximum Adjustment

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

3.3 Industry Load

Calculate the applied industry load.

- Select the appropriate industry load from *Table 18 – Industry Load* based on the Standard Industrial Classification code of the group being priced.
- If applicable, determine the capitation percentage from *Table 27 – Medical Trend and Capitation* (with additional summary detail in *Table 29 – NWK Percent Capitated Summary*).

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

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

3.4 Demographic Factor

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

To calculate the demographic aging adjustment, multiply the demographic aging trend found in *Table 20 – Demographic Aging Trend* by the number of years between the date the census is evaluated and the midpoint of the policy period, then add one. Multiply the demographic factor by the demographic aging adjustment to calculate the applied demographic factor.

3.5 Calculate Base Medical Community Rate by Class

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

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

4 Calculate Claim Costs for Other Benefits

4.1 Riders

4.1.1 Medical Riders

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

Determine base rider claim costs.

- See *Table 23 – Medical Riders* for the methodology and values required to calculate base medical rider claim costs.

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

- The trend factor is the area-specific trend factor from Step 2.7.
- The rider load is calculated the same way as the community rate load from Step 2.8.1 using only applicable loads.
- The applied industry load is calculated in Step 3.3.
- The applied demographic factor is calculated in Step 3.4. The infertility riders have their own demographic factors to use in the calculation. These factors may be found in *Table 21 – Infertility Rider Demographic Factors*.

4.1.2 Vision Rider

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

1. For each applicable category of coverage found in *Table 38 – Vision: Average Costs*, calculate the coverage allowance. If a category is not covered, the coverage allowance is \$0.

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

2. Multiply the coverage allowance by the frequency factor found in *Table 39 – Vision: Frequency Factors* and the utilization percentage found in *Table 40 – Vision: Service Utilization* to calculate the preliminary claims cost. Sum the preliminary claims costs across all categories of coverage to determine the overall preliminary claims cost.

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

3. Multiply the overall preliminary claims cost by the industry factor, case size adjustment, and trend factor to calculate the vision rider claim cost per employee per year (PEPY). The

industry factor, case size adjustment, and annual trend used for the trend factor are found in *Table 41 – Vision: Trend and Adjustments*.

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

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

4.2 Health Management Program Savings

Using the values in *Table 22 – Health Management Program Savings*, calculate the expected claim cost savings for applicable health management programs.

- To calculate expected savings for Your Health First, multiply the decrement in the table by the sum of the blended medical community rate from Step 3.1.1 and the rider claim cost (before demographic and industry factors are applied). Then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Healthy Pregnancies, Healthy Babies and Comprehensive Oncology, trend the PMPM dollar amounts in the table using the area-specific trend factor from Step 2.7, and then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Health Advisor and Personal Health Team, use the PEPM dollar amounts in the table.

4.3 Mental Health/Substance Use Disorders

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

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

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

4.4 Medicare Coordination of Benefits

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

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

5 Multiple Offering Loads

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

The selection load varies by the cost difference between the cheapest and most expensive plans from an account that has 2 or more plans. The cost of a plan is derived by (1 - network savings of the product relative to the Open Access Plus (OAP) product) + 2 * in network medical cost share. See *Table 24 – Multiple Offering Load – Medical Load* for the selection loads and *Table 34 - Multiple Offering Load – Medical Savings* for the range of network savings by state.

6 Aggregate Medical Claim Costs

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

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

Multiply the total medical claim cost by the multiple offering load from Step 5.

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

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

Pharmacy Manual Rating Formulas

Use this section to calculate expected pharmacy claim costs.

The following formulas detail the pharmacy claim cost calculation process. The specific steps are applied to each pharmacy cost category, except as specifically noted. There are no separate provisions made for OON pharmacy benefits. All benefits are assumed to be IN. Claim costs for each individual rating area are calculated separately and the results are aggregated.

7 Pharmacy Rating Step-by-Step

7.1 Extract the Average Wholesale Price (AWP) per Script

Extract the AWP per script by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). The AWP per script assumptions are found in the following table:

- *Table 42 – Retail AWP per Script Assumptions*

7.2 Extract the Annual Script Counts per customer

Extract the annual script counts per member (script count per member per year [PMPY]) by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). Pull in script counts for optional cost categories, such as lifestyle drugs, as needed. If an optional cost category has not been selected, set the script count to zero. The script assumptions are on a retail equivalent (i.e. 30-day) basis. The script count assumptions are found in the following tables:

- *Table 43 – Retail Script Count PMPY Assumptions*

7.3 Extract the Channel Distribution Factors for Scripts and Total AWP

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

- *Table 44 – Script Channel Distribution Assumptions*
- *Table 45 – AWP Channel Distribution Assumptions*

7.4 Shift Retail Equivalent Scripts to the Appropriate Channel

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

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

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

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

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

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

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

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

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

7.5 Calculate channel specific AWP per Script Amounts

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

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

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

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

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

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

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

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

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

7.6 Extract and Apply intra-channel shift assumptions

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

Extract the intra-channel shift factors (portion of non-preferred brand scripts) based on the elected program type(s) (i.e. step-therapy for high cholesterol, mandatory generics, etc.) and sum the individual shift assumptions to calculate an aggregate shift factor. Intra-channel shift assumptions can be found in the following table:

- *Table 46 – Intra-Channel Non-Preferred Brand Shift Assumptions*

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

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

Retail-30 non-preferred brand scripts to shift =
Step 7.4 Retail-30 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Retail-90 non-preferred brand scripts to shift =
Step 7.4 Retail-90 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Home Delivery non-preferred brand scripts to shift =
Step 7.4 Home Delivery Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Distribute the shifted non-preferred brand scripts to the preventative generic or non-preventative generic drug classes using the Intra-channel Distribution Assumptions. These assumptions can be found in the following table:

- *Table 47 – Intra-Channel Distribution Assumptions*

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

Retail-30 Final Preventative Generic Scripts PMPY =
Step 7.4 Retail-30 Preventative Generics Script Count PMPY +
Step 7.6 Retail-30 Non-preferred brand scripts to shift x
Step 7.6 Preventative Generic Distribution Assumptions

Retail-30 Final Non-Preventative Generic Scripts PMPY =
Step 7.4 Retail-30 Non-Preventative Generics Script Count PMPY +
Step 7.6 Retail-30 Non-preferred brand scripts to shift x
Step 7.6 Non-Preventative Generic Distribution Assumptions

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

Retail-30 Final Non- Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Preventative Generics Script Count PMPY -
Step 7.6 Retail-30 non-preferred brand scripts to shift

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

7.7 Extract and Apply the Discount

Discounts are applied to the AWP per script calculated in Step 7.5 . Discount assumptions range from 65%-84% for generic drugs, 11%-39% to brand drugs and 11%-27% for specialty drugs. The discounts vary by drug type, channel, pharmacy network, account size, funding type, and client pricing terms.

Once the discounts are determined, apply them to AWP per script calculated in Step 7.5:

Step 7.7 Discounted AWP per Script = Step 7.5 AWP per Script × (1 – Discount)

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

7.8 Calculate and Apply the Cost Trend Factors

The discounted AWP per script calculated in Step 7.7 was developed using assumptions from the base claim period. To establish expected costs for the policy period, the discounted AWP per script must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Drug-list-specific trends should be used to determine the unit cost trend factor for each drug class.

Unit cost trend assumptions are found in *Table 48 – Pharmacy: Cost Trend*.

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.

- b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
- c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

Once the final unit cost trend factor is determined, apply it to the discounted AWP per script calculated in Step 7.7:

$$\begin{aligned} \text{Step 7.8 Trended Discounted Cost per Script} \\ = \text{Step 7.7 Discounted AWP per Script} \times \text{Final Unit Cost Trend Factor} \end{aligned}$$

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

7.9 Calculate and Apply the Utilization Trend Factors

The script counts calculated in Step 7.6 were developed using assumptions from the base claim period. To establish expected costs for the policy period, the script counts must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Utilization trend assumptions are found in the following table:

- *Table 49 – Pharmacy: Utilization Trend*

Calculate the utilization trend factor by re-running Step 7.8 with the utilization trend factors. Once the final utilization trend factors are determined for generic, brand and specialty scripts, apply them to the script counts calculated in Step 7.6:

$$\text{Step 7.9 Trended Script Count PMPY} = \text{Step 7.6 Script Count PMPY} \times \text{Final Utilization Trend Factor}$$

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

7.10 Calculate Gross Cost per Script

Dispensing fees are added to the trended discounted AWP per script calculated in Step 7.8. Dispensing fee ranges from \$0 - \$2 per script.

Sales tax is not included in the gross cost per script calculation because of insignificance, so once the dispensing fees are determined, add them to the trended discounted AWP per script calculated in Step 7.8:

$$\begin{aligned} \text{Step 7.10 Trended Gross Cost per Script} \\ = \text{Step 7.8 Discounted AWP per Script} + \text{Dispensing Fee per Script} \end{aligned}$$

7.11 Calculate Gross Trended PMPM

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

$$\text{Step 7.11 Gross Trended PMP} = \frac{\text{Step 7.10 Trended Gross Cost per Script} \times \text{Step 7.9 Trended Script Count PMPY}}{12}$$

7.12 Calculate Gross Area-Adjusted PMPM

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

- *Table 50 – Pharmacy: Area Factor*

Extract the area factor based on the site and funding type/product (HMO, non-HMO, experience rated NWK, experience rated non-NWK) being rated and apply it to the gross trended cost PMPM calculated in Step 7.11:

$$\text{Step 7.12 Gross Area-Adjusted PMPM} = \text{Step 7.11 Gross Trended PMPM} \times \text{Pharmacy Area Factor}$$

7.13 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

- *Table 51 – Pharmacy: CPD (% Preventive)*
- *Table 52 – Pharmacy: CPD (Cost per Script)*
- *Table 53 – Pharmacy: CPD (Scripts PMPY)*

Unless otherwise specified, weighted averages mentioned in Step 7.13 are calculated using the probabilities in the pharmacy CPD.

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

7.13.1 Adjust CPD to Appropriate Rate Level

Scale the cost per script and script counts PMPY for each row and tier of the pharmacy CPD to reflect the expected cost and utilization derived in Steps 7.1 through 7.11:

$$\text{Step 7.13.1 Scaled Cost per Script} = \text{Original CPD Cost per Script} \times \text{Cost per Script Scalar}$$

$$\text{Step 7.13.1 Scaled Script Count PMPY} = \text{Original CPD Script Count PMPY} \times \text{Script Count PMPY Scalar}$$

where

$$\text{Cost per Script Scalar} = \text{Step 7.10} \div \text{Original CPD Weighted Average Cost per Script}$$

$$\text{Script Count PMPY Scalar} = \text{Step 7.9} \div \text{Original CPD Weighted Average Script Count PMPY}$$

7.13.2 Calculate Annual Cost

Determine the annual cost for each row and tier using the scaled pharmacy CPD from Step 7.13.1. In addition, the tiers should be further split into preventive and non-preventive using *Table 51 – Pharmacy: CPD (% Preventive)*:

$$\begin{aligned} \text{Step 7.13.2 Preventive Gross Trended PMPY} \\ = \text{Step 7.13.1 Scaled Cost per Script} \times \text{Step 7.13.1 Scaled Script Count PMPY} \times \% \text{ Preventive} \end{aligned}$$

Step 7.13.2 Non-Preventive Gross Trended PMPY

$$= \text{Step 7.13.1 Scaled Cost per Script} \times \text{Step 7.13.1 Scaled Script Count PMPY} \times (1 - \% \text{ Preventive})$$

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

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

Step 7.13.2 Total Annual Cost

$$= \text{Sum}(\text{Step 7.13.2 Preventive Gross Trended PMPY}, \text{Step 7.13.2 Non-Preventive Gross Trended PMPY})$$

Finally, calculate the estimated annual cost across all rows and tiers as the weighted average of the Step 7.13.2 Total Annual Cost:

$$\text{Step 7.13.2 Estimated Annual Cost} = \text{Sum}(\text{Step 7.13.2 Total Annual Cost} \times \text{Probability})$$

7.13.3 Calculate Deductible and Deductible Waiver Impacts

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

$$\text{Step 7.13.3 Deductible Applied} = \text{Min}[\text{Applicable Annual Cost}, \text{Deductible}]$$

where

Step 7.13.3 Applicable Annual Cost

$$= \text{Step 7 Total Annual Cost} - \text{Sum}(\text{Waived Step 7.13.2 Gross Trended PMPY})$$

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

7.13.4 Calculate Percentage of Cost Remaining after Applying Deductible

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

$$\text{Step 7.13.4 Percentage of Cost Remaining} = 1 - \frac{\text{Step 7.13.3 Deductible Applied}}{\text{Step 7.13.3 Applicable Annual Cost}}$$

7.13.5 Calculate the effective value of copays and coinsurance

Define the effective copay as the member cost per script after copays, coinsurance, maximum copays, minimum copays and the cost per script are considered.

For tiers with copays:

Step 7.13.5 effective copay

$$= \text{Min}[\text{Copay}, \text{Step 7.13.1 Scaled Cost per Script}]$$

For tiers with coinsurance:

Step 7.13.5 effective copay

= Min{ Max[Member Coinsurance x Step 7.13.1 Scaled Cost per Script, minimum copay] , maximum copay}

7.13.6 Adjust Copays for Costs Covered by the Deductible

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

Step 7.13.6 Member Copay Value = Step 7.13.4 Percentage of Cost Remaining x Step 7.13.5 Effective Copay

7.13.7 Calculate Annual Member Cost Share

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

Step 7.13.7 Annual Member Cost Share
= Sum(Step 7.13.6 Member Copay Value × Step 7.13.1 Scaled Script Count PMPY)
+ Step 7.13.3 Deductible Applied

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

Adjust the annual member cost share calculated in Step 7.13.7 for each row to reflect the impact of an OOP maximum, if applicable:

Step 7.13.8 Member Cost Share after OOP Max = Min[OOP Max, Step 7.13.7 Annual Member Cost Share]

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

7.13.9 Adjust for Plan Maximum

Adjust the member cost share after OOP max calculated in Step 7.13.8 for each row to reflect the impact of a plan maximum, if applicable:

Step 7.13.9 Member Cost Share after OOP Max & Plan Max
= Max[Step 7.13.8 Member Cost Share after OOP Max, Step 7.13.2 Total Annual Cost – Plan Max]

7.13.10 Calculate Regular Member Cost Share

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

Step 7.13.10 Regular Member Cost Share
=
$$\frac{\text{Weighted Average(Step 7.13.9 Member Cost Share after OOP Max \& Plan Max)}}{\text{Step 7.13.2 Estimated Annual Cost}}$$

7.13.11 Calculate Effective Member Cost Share

For plans with a combined deductible and/or combined OOP maximum, the regular member cost share calculated in Step 7.13.10 is used in Step 2.5 to determine the effective member cost share for the pharmacy benefit.

For all other plans, the effective member cost share is set equal to the regular member cost share calculated in Step 7.13.10.

7.14 Calculate Net Pharmacy PMPM

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

For all standard cost categories apply the effective member cost share from Step 7.13.11:

$$\begin{aligned} \text{Step 7.14 Net Pharmacy PMPM} \\ = \text{Step 7.12 Gross Area-Adjusted PMPM} \times (1 - \text{Step 7.13.11 Effective Member Cost Share}) \end{aligned}$$

7.15 Calculate Aggregate Metrics

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

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

7.16 Apply the Clinical Program Factor

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

- *Table 54 – Pharmacy: Clinical Management Programs*

Apply the clinical program factor to the net pharmacy rate from Step 7.14:

$$\begin{aligned} \text{Step 7.16 Clinical-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.14 Net Pharmacy PMPM} \times (1 - \text{Clinical Program Factor}) \end{aligned}$$

7.17 Apply the Pharmacy Demographic Factor

Extract the pharmacy demographic factor from *Table 55 – Pharmacy: Demographic Factors* based on the age, gender, and status (employee, spouse, or child) of the individual being rated. Unisex factors exist if gender is not a permitted rating variable. Multiply the pharmacy demographic factor by the demographic aging adjustment calculated in Step 3.4 to calculate the adjusted pharmacy demographic factor.

Apply the adjusted pharmacy demographic factor to the clinical-adjusted net pharmacy Step 7.16:

$$\begin{aligned} \text{Step 7.17 Clinical/Demo-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.16 Clinical-Adjusted PMPM} \times \text{Adjusted Pharmacy Demographic Factor} \end{aligned}$$

7.18 Apply the Industry Factor

Extract the industry factor from *Table 56 – Industry Load* and apply it to the clinical- and demographic-adjusted net pharmacy PMPM calculated in Step 7.17:

$$\begin{aligned} \text{Step 7.18 Clinical/Demo/Industry-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.17 Clinical/Demo-Adjusted PMPM} \times \text{Industry Factor} \end{aligned}$$

7.19 Apply Utilization Dampening Factor

Extract the utilization dampening factor from *Table 57 – Pharmacy: Utilization Dampening Factors* based on the average adjusted member cost share calculated in Step 7.13.11. Apply it to the clinical-

demographic-, and industry-adjusted net pharmacy PMPM calculated in Step 7.18 to determine the total benefit pharmacy community rate by class (CRC):

Step 7.19 Total Benefit Pharmacy CRC
= Step 7.18 Clinical/Demo/Industry Net Pharmacy PMPM × Utilization Dampening Factor

7.20 Apply Miscellaneous Pharmacy Adjustments

The following multiplicative adjustments are applied to the total benefit pharmacy CRC calculated in Step 7.19 to arrive at the adjusted total benefit pharmacy CRC:

Step 7.20 Adjusted Total Benefit Pharmacy CRC
= Step 7.19 Total Benefit Pharmacy CRC
× (1 + Step 7.20.1 Mail Order Deductible Waiver Adjustment)
× (1 + Step 7.20.2 Mail Order Specialty Drug 30 Day Limit)
× (1 + Step 7.20.3 Mandatory Mail Load)

7.20.1 Mail Order Deductible Waiver Adjustment

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

7.20.2 Mail Order Specialty Drug 30 Day Limit

Limiting specialty drug fills to 30 day supplies reduces waste. Plans that elect this feature receive a 0.4% reduction while plans that choose not to elect this feature receive no adjustment.

7.20.3 Mandatory Mail for Maintenance Drugs Load

When clients require customers to obtain their maintenance medications via Cigna's mail order pharmacy costs increase due to overhead expense costs associated with filling a script at mail. Plans that have mandatory mail receive a 1% load. Plans that incentivize mail order utilization receive a 0.5% load.

7.20.4 Rx Exclusive Specialty Home Delivery (ESHD) Adjustment

When clients choose to fill specialty drugs exclusively through the Cigna Home Delivery service, a decrement to claims is applied. The decrement varies from 0% - 0.5% depending on the number of grace fills the customer is allowed to fill at a separate pharmacy prior to being required to use the Cigna Home Delivery service.

The Exclusive Specialty Home Delivery (ESHD) Adjustment can be found in the following table:

Table 59 – Pharmacy: Exclusive Specialty Home Delivery (ESHD) Adjustment

7.20.5 Rx Clinical Management Adjustment

Clients that elect a bundled clinical management offering receive a claim adjustment varying by the package they elect in lieu of applying the pricing adjustments outlined in Step 7.6 (step therapy), and Step 7.16 (clinical modules).

The Rx Clinical Management Adjustment factor is calculated in step 7.20.5

$$\begin{aligned} & \text{Step 7.20.5 Rx Clinical Management Adjustment Factor} \\ & = (\text{Rx NonSpecialty Management Program Factor} + \text{Rx Specialty Management Program Factor}) \\ & * (1 - \text{Rx Grandfathering Prior Authorization Factor} - \text{Rx Grandfathering Step Therapy Factor}) \end{aligned}$$

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

Table 60 – Pharmacy: Clinical Management Adjustment Assumption

7.21 Determine Final Pharmacy CRC and Pharmacy CR

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

- Multiple Offering Load

The multiple offering load applied to the pharmacy rate is the sum of the pharmacy multiple offering load and the additional pharmacy adjustment from *Table 58 – Pharmacy: Multiple Offering Load*, if applicable, based on the site being rated and whether there is more than one product offering being considered.

- Deductible Accumulation Adjustment
- Open Access Load
- Consumerism Adjustment

The product of these adjustments becomes the pharmacy community rate load, which is applied to the adjusted total benefit pharmacy CRC calculated in Step 7.20:

$$\begin{aligned} \text{Step 7.21 Final Pharmacy CRC} \\ & = \text{Step 7.20 Adjusted Total Benefit Pharmacy CRC} \times \text{Pharmacy Community Rate Load} \end{aligned}$$

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

$$\text{Step 7.21 Final Pharmacy CR} = \frac{\text{Step 7.21 Final Pharmacy CRC}}{\text{Step 7.17 Demographic Factor} \times \text{Step 7.18 Industry Factor}}$$

7.22 Aggregate Individual Claim Costs

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

$$\text{Step 7.22 Aggregate Pharmacy CRC} = \frac{\text{Sum of Step 7.21 Final Pharmacy CRC for all individuals}}{\text{Sum of the number of individuals}}$$

$$\text{Step 7.22 Aggregate Pharmacy CR} = \frac{\text{Sum of Step 7.21 Final Pharmacy CR for all individuals}}{\text{Sum of the number of individuals}}$$

Final Rate

8 Calculate Final Rate

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

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

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

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

Appendix A: Rating Formula for Medical Products

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

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

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

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

Appendix B: Tiered Benefits

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

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

$$\text{Savings \%} = [1 - \text{OON Percent}] \times \left[\frac{\text{Benefit Save} \times \text{Percent Non-Tier 1 Dollars} \times (1 - \text{Addtl Tier 1 Penetration})}{\text{Mkt Savings Opportunity} \times \text{Addtl Tier 1 Penetration} \times \text{Percent Non-Tier 1 Dollars}} \right]$$

Notes:

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

Definitions:

- **Benefit Save** - Benefit savings ran through the regular methodology as if the whole group was making the cost-sharing change from Tier 1 to non-Tier 1 benefits.
- **Percent Non-Tier 1 Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do define Tier 1 vs. Non-Tier 1 but the doctors did not earn the Tier 1 designation.
- **Addtl Tier 1 Penetration** – The portion of Non-Tier 1 dollars that will be shifted to Tier 1-designated providers through steerage.
- **Mkt Savings Opportunity** – Expected percent savings in the market seen by shifting all SCP/PCP utilization from non-Tier 1 providers to Tier 1 providers.
- **OON Percent** - Developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 benefit level. Calculated as OON Utilization in Step 3.1.2

Appendix C: General Medical Tables

Table 1 – Medical Base Claims

Network	Major Service Categories (dollars PMPM)						
	Inpatient (IP)	Outpatient (OP)	Primary Care Physician (PCP)	Emergency Room (ER)	Specialty Care Physician (SCP)	Other	Preventive Care
Experience-Rated In-Network	136.66	141.07	26.45	39.68	57.31	17.63	20.26
Experience-Rated Out-of-Network	198.16	204.55	38.35	57.53	83.1	25.56	29.38

Table 2 – MSC Weighting by SCC

Sub-Cost Categories	Major Service Categories					
	Inpatient (Hospital)	Outpatient (Hospital)	ER	PCP	SCP	Other
Facility	83.5%	55.0%	100.0%	0.0%	0.0%	100.0%
Professional	16.5%	17.0%	0.0%	90.0%	81.0%	0.0%
Lab	0.0%	6.8%	0.0%	8.0%	3.6%	0.0%
Radiology	0.0%	10.2%	0.0%	2.0%	5.4%	0.0%
Advanced Radiology (ARI)	0.0%	11.0%	0.0%	0.0%	10.0%	0.0%

Table 3 – Preventive Care Child Age Adjustment

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

Table 4 – National Medical Trend

	2018/2017	2019+/2018
IN Trend	6.25%	6.25%
OON Trend	6.25%	6.25%

Table 5 – National Utilization Rates by MSC

	Major Service Categories						
	IP Per Day	IP Per Admit	OP	ER	PCP	SCP	Other
National Utilization	See Note	0.09	0.12	0.4	1.9	2.1	0

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

Table 6 – Number of Copays Per Admit Adjustment

Max Days	0	1	2	3	4	5	6	7	8	9
Average Days	0	1	1.85	2.4	2.75	3	3.21	3.39	3.54	3.67
Max Days	10	11	12	13	14	15	16	17	18	19
Average Days	3.79	3.9	3.99	4.08	4.17	4.25	4.32	4.39	4.45	4.51

Table 7 – Medical Effective Deductible Adjustment

		Plan Deductible																	
		0	50	100	150	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
Ratio of Family to Individual Deductible	1.00	1	0.54	0.55	0.55	0.55	0.57	0.58	0.59	0.61	0.63	0.66	0.69	0.71	0.73	0.75	0.76	0.77	0.79
	1.25	1	0.6	0.61	0.61	0.62	0.63	0.64	0.65	0.67	0.69	0.72	0.74	0.76	0.78	0.8	0.81	0.82	0.83
	1.50	1	0.67	0.67	0.67	0.68	0.69	0.7	0.71	0.73	0.75	0.78	0.8	0.82	0.83	0.85	0.86	0.87	0.87
	1.75	1	0.73	0.73	0.74	0.74	0.75	0.76	0.77	0.79	0.81	0.84	0.86	0.87	0.89	0.9	0.91	0.91	0.92
	2.00	1	0.79	0.79	0.8	0.8	0.81	0.82	0.83	0.85	0.87	0.9	0.91	0.93	0.94	0.95	0.95	0.96	0.96
	2.25	1	0.82	0.83	0.83	0.84	0.85	0.86	0.87	0.89	0.9	0.92	0.94	0.95	0.96	0.97	0.97	0.97	0.98
	2.50	1	0.86	0.86	0.86	0.87	0.88	0.89	0.9	0.91	0.93	0.95	0.96	0.97	0.97	0.98	0.98	0.98	0.99
	2.75	1	0.89	0.89	0.89	0.9	0.91	0.92	0.92	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99
	3.00	1	0.92	0.92	0.92	0.93	0.94	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99	0.99	1
	3.25	1	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.98	0.98	0.99	0.99	0.99	1	1	1	1
	3.50	1	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1	1	1
	3.75	1	0.96	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	0.99	1	1	1	1	1	1	1
	4.00	1	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1

Table 8 – Medical Effective OOP Maximum Adjustment

		Plan OOP Max																	
		0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
Ratio of Family to Individual OOP Max	1.00	1	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
	1.25	1	0.93	0.93	0.93	0.93	0.93	0.93	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.99	1
	1.50	1	0.93	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.97	0.98	0.99	0.99	1
	1.75	1	0.94	0.94	0.94	0.94	0.95	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	1	1
	2.00	1	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1	1
	2.25	1	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1
	2.50	1	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1	1	1
	2.75	1	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1	1	1	1	1	1
	3.00	1	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1
	3.25	1	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1
	3.50	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1
	3.75	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1
	4.00	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1	1

Table 9 – Medical Claims Probability Distribution

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.165475324	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0.03481993	\$10.80	\$0.01	\$0.01	\$4.29	\$0.09	\$5.23	\$1.18	\$0.01	\$17.04
0.032636979	\$59.89	\$0.03	\$0.03	\$10.48	\$1.89	\$36.33	\$11.10	\$0.03	\$23.29
0.035594958	\$102.20	\$0.09	\$0.09	\$12.72	\$12.08	\$57.07	\$20.07	\$0.08	\$28.92
0.033398549	\$143.07	\$0.23	\$0.23	\$17.16	\$21.29	\$75.11	\$28.92	\$0.12	\$37.72
0.02915585	\$180.33	\$0.35	\$0.35	\$23.17	\$22.19	\$93.52	\$40.53	\$0.23	\$50.71
0.025492215	\$216.00	\$0.43	\$0.43	\$30.31	\$27.04	\$106.20	\$51.21	\$0.39	\$65.05
0.023111311	\$253.73	\$0.69	\$0.69	\$37.30	\$31.05	\$119.84	\$63.56	\$0.60	\$77.22
0.021186889	\$291.34	\$0.91	\$0.91	\$44.69	\$33.66	\$135.85	\$74.52	\$0.79	\$89.39
0.019360215	\$326.38	\$1.10	\$1.10	\$51.77	\$37.42	\$146.67	\$87.27	\$1.05	\$103.68
0.017649877	\$362.06	\$1.34	\$1.34	\$60.53	\$42.45	\$155.63	\$99.38	\$1.38	\$117.06
0.016182776	\$395.73	\$1.53	\$1.53	\$67.81	\$46.33	\$164.60	\$112.38	\$1.55	\$132.45
0.014994313	\$432.21	\$1.72	\$1.72	\$74.12	\$51.05	\$175.13	\$126.59	\$1.88	\$144.85
0.014086664	\$464.02	\$1.80	\$1.80	\$82.71	\$55.46	\$182.19	\$138.19	\$1.88	\$161.63
0.012909048	\$497.37	\$1.89	\$1.89	\$88.64	\$62.17	\$187.23	\$153.23	\$2.31	\$176.31
0.012089016	\$532.91	\$2.18	\$2.18	\$96.82	\$69.37	\$196.14	\$163.71	\$2.51	\$190.66
0.011456835	\$566.71	\$2.03	\$2.03	\$105.50	\$76.78	\$201.19	\$176.77	\$2.42	\$205.41
0.010733929	\$599.82	\$2.52	\$2.52	\$113.18	\$82.91	\$206.04	\$189.58	\$3.07	\$221.16
0.010249319	\$632.82	\$2.30	\$2.30	\$119.18	\$91.33	\$211.25	\$203.06	\$3.39	\$235.51
0.009751282	\$667.38	\$2.75	\$2.75	\$128.01	\$98.20	\$214.39	\$217.84	\$3.45	\$249.76
0.009255359	\$698.78	\$2.82	\$2.82	\$136.23	\$104.70	\$218.13	\$229.76	\$4.32	\$265.60
0.017111124	\$749.38	\$3.06	\$3.06	\$145.17	\$123.25	\$224.41	\$245.68	\$4.74	\$287.10
0.015584846	\$816.87	\$3.70	\$3.70	\$163.56	\$141.04	\$234.41	\$265.12	\$5.34	\$316.95
0.014332574	\$878.18	\$4.09	\$4.09	\$176.55	\$163.84	\$236.05	\$287.43	\$6.12	\$352.37
0.013284565	\$945.42	\$5.30	\$4.40	\$194.79	\$183.58	\$246.23	\$304.40	\$6.71	\$380.84
0.012292998	\$1,010.24	\$6.52	\$4.82	\$209.82	\$210.61	\$250.34	\$320.59	\$7.54	\$413.95
0.011582587	\$1,076.19	\$8.64	\$5.85	\$229.56	\$235.48	\$250.06	\$338.06	\$8.54	\$445.55
0.010786797	\$1,144.44	\$10.10	\$6.36	\$248.50	\$261.60	\$256.80	\$352.78	\$8.32	\$473.86
0.010119744	\$1,206.52	\$11.57	\$6.85	\$268.65	\$283.61	\$261.83	\$363.36	\$10.65	\$511.25
0.00947339	\$1,270.43	\$14.23	\$7.99	\$284.99	\$299.22	\$269.52	\$384.06	\$10.42	\$543.37
0.009000964	\$1,341.04	\$16.58	\$8.88	\$306.29	\$325.71	\$273.08	\$399.47	\$11.03	\$571.08
0.038079734	\$1,539.59	\$26.24	\$13.44	\$372.90	\$386.97	\$284.65	\$441.02	\$14.37	\$655.06
0.030030522	\$1,891.70	\$37.22	\$18.32	\$502.97	\$500.18	\$306.93	\$507.32	\$18.76	\$798.22
0.024176974	\$2,234.68	\$51.25	\$24.31	\$649.28	\$597.84	\$321.14	\$568.50	\$22.36	\$949.79
0.019746579	\$2,597.19	\$57.17	\$26.18	\$803.73	\$710.17	\$340.08	\$631.61	\$28.25	\$1,083.10
0.016517266	\$2,965.06	\$64.82	\$28.73	\$990.75	\$805.30	\$357.65	\$682.72	\$35.10	\$1,216.07
0.014076376	\$3,321.39	\$71.79	\$30.85	\$1,162.49	\$893.73	\$376.37	\$743.17	\$43.00	\$1,349.15
0.012182972	\$3,690.09	\$77.02	\$32.13	\$1,363.56	\$979.84	\$388.74	\$797.79	\$50.99	\$1,487.73
0.010586638	\$4,073.32	\$93.03	\$37.73	\$1,558.36	\$1,079.20	\$401.54	\$842.27	\$61.19	\$1,606.21
0.00935115	\$4,451.13	\$105.68	\$41.72	\$1,771.30	\$1,155.26	\$411.02	\$893.86	\$72.30	\$1,729.08
0.00821512	\$4,856.67	\$133.40	\$51.32	\$1,982.33	\$1,258.88	\$420.49	\$927.37	\$82.87	\$1,826.82
0.007320028	\$5,246.37	\$153.18	\$57.48	\$2,219.89	\$1,323.90	\$427.36	\$968.87	\$95.70	\$1,937.65
0.006559763	\$5,608.62	\$190.72	\$69.86	\$2,419.87	\$1,377.94	\$437.35	\$1,001.66	\$111.22	\$2,085.35
0.005941973	\$6,010.25	\$258.57	\$92.52	\$2,601.89	\$1,452.88	\$445.22	\$1,030.96	\$128.21	\$2,170.96
0.005496711	\$6,464.27	\$305.65	\$106.92	\$2,872.75	\$1,503.67	\$454.10	\$1,071.93	\$149.25	\$2,217.30
0.005022948	\$6,785.39	\$412.89	\$141.29	\$2,965.92	\$1,544.38	\$455.16	\$1,102.76	\$162.99	\$2,391.55
0.004567243	\$7,222.40	\$479.14	\$160.49	\$3,196.41	\$1,587.04	\$468.89	\$1,135.84	\$194.59	\$2,467.30
0.004241052	\$7,625.01	\$601.89	\$197.45	\$3,385.84	\$1,637.92	\$459.23	\$1,140.51	\$202.17	\$2,572.26
0.003973975	\$8,020.59	\$718.11	\$230.83	\$3,535.93	\$1,707.58	\$462.83	\$1,148.72	\$216.59	\$2,673.09
0.003630814	\$8,506.18	\$879.22	\$277.05	\$3,725.34	\$1,741.79	\$462.78	\$1,185.25	\$234.75	\$2,674.94
0.003467391	\$8,893.07	\$1,000.58	\$309.21	\$3,823.04	\$1,810.74	\$464.52	\$1,209.74	\$275.22	\$2,800.13
0.00319671	\$9,292.15	\$1,146.60	\$347.66	\$4,013.24	\$1,834.64	\$462.55	\$1,224.32	\$263.15	\$2,886.73
0.003014795	\$9,691.55	\$1,265.98	\$376.75	\$4,176.30	\$1,850.85	\$459.13	\$1,248.56	\$313.98	\$2,988.87
0.002857184	\$10,144.63	\$1,368.96	\$400.01	\$4,341.77	\$1,930.34	\$478.86	\$1,293.02	\$331.67	\$3,027.68
0.002720865	\$10,662.84	\$1,671.00	\$479.56	\$4,429.63	\$1,969.11	\$480.37	\$1,297.01	\$336.16	\$3,023.51
0.002585601	\$11,105.59	\$1,812.28	\$510.99	\$4,639.47	\$1,995.47	\$464.53	\$1,310.74	\$372.12	\$3,076.06
0.002378666	\$11,472.71	\$1,888.41	\$523.28	\$4,757.91	\$2,061.54	\$474.68	\$1,371.83	\$395.04	\$3,181.66
0.002241196	\$11,960.99	\$2,104.93	\$573.39	\$4,819.79	\$2,127.94	\$485.68	\$1,434.30	\$414.95	\$3,192.47
0.002147209	\$12,241.21	\$2,187.73	\$585.99	\$4,965.80	\$2,174.24	\$483.41	\$1,421.73	\$422.32	\$3,393.64
0.002026149	\$12,814.43	\$2,339.29	\$616.26	\$5,311.37	\$2,149.45	\$489.50	\$1,449.81	\$458.74	\$3,322.98
0.001875097	\$13,281.88	\$2,616.88	\$678.20	\$5,261.41	\$2,294.88	\$496.64	\$1,474.50	\$459.37	\$3,363.48

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.001862882	\$13,572.15	\$2,598.56	\$662.65	\$5,546.68	\$2,215.12	\$519.36	\$1,532.27	\$497.50	\$3,567.11
0.001720191	\$13,884.76	\$2,815.96	\$706.73	\$5,505.44	\$2,328.11	\$497.18	\$1,498.52	\$532.81	\$3,723.07
0.001629404	\$14,560.29	\$2,986.38	\$737.79	\$5,854.21	\$2,312.50	\$523.77	\$1,583.56	\$562.08	\$3,556.02
0.001520467	\$14,732.24	\$3,156.01	\$767.65	\$5,810.35	\$2,341.02	\$505.88	\$1,574.45	\$576.89	\$3,805.90
0.001525004	\$15,215.26	\$3,316.96	\$794.47	\$5,946.39	\$2,441.44	\$509.39	\$1,608.22	\$598.40	\$3,800.44
0.001455415	\$15,662.19	\$3,401.36	\$802.38	\$6,225.72	\$2,489.80	\$517.03	\$1,613.33	\$612.56	\$3,931.15
0.002621748	\$16,393.96	\$3,492.71	\$811.60	\$6,682.76	\$2,542.80	\$534.86	\$1,666.91	\$662.32	\$3,972.98
0.002410462	\$17,005.48	\$3,841.19	\$879.37	\$6,549.14	\$2,801.12	\$528.90	\$1,725.76	\$680.01	\$4,276.36
0.002135025	\$17,893.84	\$4,086.90	\$921.89	\$6,941.11	\$2,839.27	\$540.45	\$1,789.40	\$774.82	\$4,406.57
0.002011914	\$18,786.21	\$4,374.66	\$972.47	\$7,295.27	\$2,984.84	\$566.67	\$1,807.21	\$785.08	\$4,526.11
0.001824342	\$19,476.25	\$4,578.67	\$1,003.16	\$7,543.70	\$3,022.24	\$582.30	\$1,917.40	\$828.76	\$4,812.13
0.001643795	\$20,249.91	\$4,836.82	\$1,044.58	\$7,852.58	\$3,003.82	\$585.44	\$2,012.38	\$914.28	\$5,031.94
0.001553909	\$20,896.01	\$5,100.33	\$1,085.89	\$8,057.16	\$3,033.67	\$618.12	\$2,049.28	\$951.56	\$5,423.66
0.00140724	\$21,655.65	\$5,428.08	\$1,139.43	\$8,371.96	\$3,087.35	\$583.87	\$2,004.55	\$1,040.42	\$5,587.54
0.001308124	\$22,564.49	\$5,705.08	\$1,180.87	\$8,579.49	\$3,389.69	\$607.52	\$2,083.85	\$1,018.00	\$5,713.44
0.001241518	\$23,043.46	\$5,978.88	\$1,220.40	\$8,686.10	\$3,300.20	\$595.16	\$2,187.08	\$1,075.64	\$6,262.62
0.009165256	\$26,495.64	\$7,518.57	\$1,513.58	\$9,728.57	\$3,423.38	\$663.20	\$2,443.37	\$1,204.97	\$7,781.50
0.005389389	\$33,531.23	\$11,031.22	\$2,190.38	\$11,376.50	\$3,692.55	\$786.70	\$2,932.96	\$1,520.92	\$10,719.69
0.003771889	\$38,672.78	\$13,675.26	\$2,678.53	\$12,607.24	\$3,722.66	\$863.93	\$3,349.25	\$1,775.91	\$15,562.53
0.002548118	\$44,842.91	\$16,684.15	\$3,223.78	\$14,244.14	\$3,821.87	\$975.04	\$3,834.88	\$2,059.06	\$19,234.12
0.001872797	\$52,541.36	\$19,990.15	\$3,810.77	\$16,576.76	\$4,098.43	\$1,068.78	\$4,627.69	\$2,368.78	\$21,670.40
0.001376936	\$59,705.91	\$23,266.96	\$4,376.27	\$19,392.89	\$4,251.55	\$1,092.48	\$4,576.15	\$2,749.60	\$24,114.44
0.000114501	\$63,230.49	\$26,529.59	\$4,923.74	\$19,411.59	\$3,519.24	\$1,151.67	\$4,772.01	\$2,922.66	\$26,555.62
0.000105146	\$66,145.75	\$27,801.59	\$5,091.71	\$20,281.28	\$4,029.84	\$888.64	\$4,521.31	\$3,531.39	\$24,517.81
0.000103996	\$66,443.40	\$27,619.27	\$4,991.88	\$19,938.96	\$4,005.86	\$1,065.59	\$5,123.37	\$3,698.45	\$25,079.29
0.000106793	\$67,755.91	\$29,722.75	\$5,301.83	\$20,755.98	\$3,865.44	\$1,261.74	\$3,870.63	\$2,977.55	\$25,016.07
0.000104493	\$71,164.32	\$27,817.91	\$4,897.47	\$23,699.85	\$4,166.40	\$1,732.32	\$5,786.13	\$3,064.24	\$21,465.82
0.000105488	\$67,175.77	\$28,295.91	\$4,917.06	\$20,711.61	\$4,181.37	\$972.70	\$5,542.46	\$2,554.66	\$27,802.32
0.000110709	\$70,416.59	\$27,009.78	\$4,632.98	\$23,622.76	\$4,306.33	\$1,669.35	\$5,947.53	\$3,227.86	\$25,175.84
0.0001044	\$69,062.58	\$28,977.45	\$4,906.58	\$21,100.28	\$3,974.35	\$1,246.08	\$5,705.75	\$3,152.09	\$27,744.01
0.000100484	\$70,164.84	\$28,688.20	\$4,795.37	\$22,857.27	\$4,844.67	\$1,116.93	\$4,225.87	\$3,636.52	\$27,612.67
9.0165E-05	\$70,232.95	\$30,249.66	\$4,991.81	\$21,874.77	\$3,731.86	\$1,325.79	\$4,652.52	\$3,406.53	\$27,907.75
0.002786538	\$91,046.15	\$39,098.73	\$6,369.97	\$28,251.64	\$5,111.45	\$1,475.80	\$7,321.88	\$3,416.67	\$27,604.04
0.001111259	\$143,164.16	\$61,832.11	\$9,945.89	\$47,813.37	\$6,541.43	\$1,937.67	\$10,825.25	\$4,268.44	\$25,776.97
0.000576764	\$190,025.16	\$83,669.61	\$13,288.26	\$66,271.77	\$6,811.54	\$2,628.91	\$12,324.74	\$5,030.31	\$26,717.72
0.000343814	\$240,621.91	\$100,724.50	\$15,795.06	\$93,579.27	\$7,531.09	\$2,404.66	\$15,338.14	\$5,249.18	\$27,285.15
0.000229904	\$276,694.97	\$115,020.60	\$17,809.91	\$116,905.14	\$7,369.36	\$1,752.06	\$12,479.67	\$5,358.23	\$37,506.21
0.000141106	\$323,178.02	\$140,884.80	\$21,540.86	\$130,601.97	\$7,433.20	\$3,001.33	\$15,642.32	\$4,073.53	\$36,489.95
0.000097904	\$377,718.44	\$182,396.14	\$27,538.46	\$133,749.61	\$11,630.53	\$2,093.82	\$13,608.63	\$6,701.24	\$33,833.02
0.000058214	\$418,316.82	\$202,033.14	\$30,121.93	\$151,612.70	\$9,174.41	\$3,277.30	\$16,494.44	\$5,602.90	\$33,928.46
0.000047149	\$446,195.20	\$233,470.71	\$34,374.72	\$153,396.99	\$9,504.52	\$1,931.75	\$9,739.19	\$3,777.33	\$53,953.84
0.000035277	\$496,288.93	\$283,354.76	\$41,199.61	\$134,907.77	\$11,479.65	\$6,392.10	\$12,559.17	\$6,395.86	\$39,760.39
0.000026481	\$532,601.80	\$320,710.15	\$46,051.07	\$139,096.85	\$12,795.90	\$1,921.37	\$6,626.51	\$5,399.95	\$49,330.22
0.000022813	\$553,074.38	\$301,139.17	\$42,703.78	\$154,444.31	\$8,240.81	\$1,387.53	\$35,096.17	\$10,062.61	\$64,871.54
0.000017157	\$661,052.29	\$370,364.54	\$51,868.94	\$176,976.12	\$8,415.42	\$2,570.13	\$20,852.34	\$30,004.80	\$12,949.31
0.000012370	\$612,176.95	\$359,123.89	\$49,671.48	\$165,858.89	\$12,325.53	\$5,081.94	\$6,161.51	\$13,953.70	\$61,680.55
0.000009417	\$781,280.98	\$388,028.25	\$53,004.92	\$271,933.23	\$21,229.52	\$1,763.75	\$39,407.21	\$5,914.11	\$38,709.59
0.000004351	\$843,402.72	\$498,324.22	\$67,229.40	\$249,532.82	\$6,845.63	\$1,248.90	\$4,464.60	\$15,757.15	\$18,021.80
0.000004786	\$800,456.85	\$494,727.83	\$65,919.15	\$179,489.41	\$20,384.93	\$1,009.96	\$7,646.89	\$31,278.68	\$25,033.82
0.000006651	\$874,397.84	\$525,636.02	\$69,172.14	\$230,505.37	\$13,111.56	\$1,183.38	\$31,750.61	\$3,038.77	\$21,158.54
0.000007988	\$959,075.38	\$680,699.11	\$88,471.66	\$154,956.44	\$16,238.48	\$1,215.33	\$12,172.04	\$5,322.32	\$40,667.27
0.000008267	\$1,111,458.24	\$766,357.08	\$98,374.90	\$215,536.91	\$12,186.42	\$1,807.06	\$9,692.64	\$7,503.22	\$15,093.08
0.000005222	\$1,086,232.66	\$688,606.07	\$87,302.91	\$130,291.53	\$10,586.46	\$1,943.55	\$82,068.98	\$85,433.15	\$159,760.87
0.000002891	\$1,211,155.71	\$911,217.90	\$114,099.73	\$160,114.27	\$9,312.01	\$1,275.85	\$4,242.64	\$10,893.31	\$3,929.45
0.000003699	\$1,436,156.34	\$1,089,248.18	\$134,707.83	\$189,719.32	\$7,352.34	\$1,326.52	\$2,193.52	\$11,608.64	\$11,909.29
0.000005128	\$1,512,269.86	\$1,274,847.08	\$155,713.41	\$61,334.05	\$8,990.61	\$1,126.40	\$2,960.44	\$7,297.86	\$8,992.38
0.000001523	\$2,202,105.76	\$1,909,097.50	\$230,300.88	\$35,594.77	\$5,877.09	\$203.90	\$7,083.29	\$13,948.34	\$8,940.24
0.000002393	\$3,066,917.86	\$2,553,417.64	\$304,218.63	\$164,333.68	\$15,058.86	\$2,698.12	\$3,349.80	\$23,841.12	\$9,640.98

Table 10 – Preventive Care Cost-Share Weighting

Major Service Category	Weighting
PCP	75%
SCP	25%

Table 11 – Medical Utilization Dampening

	IP	OP	PCP Copay	PCP Ded/Coins	ER	SCP Copay	SCP Ded/Coins	Other
A	-2.8	-1.34	-0.45	-0.93	-0.31	-1.6	-2.33	-2
B	1.19	1.23	1.06	1.67	1.06	1.24	2.03	1.28
Applicable MSC	IP	OP	PCP	PCP	ER	SCP	SCP	Other
	Indemnity (NY/NJ metro)		Indemnity (NJ South)			Indemnity (all other areas)		
A	-0.10		-0.32			-0.32		
B	0.62-0.72		0.74			0.29		
Applicable MSC	These indemnity UD factors apply to the aggregate cost-share							
<p>Note: Utilization dampening has a floor of 0.20. There is a cap of 1.2 on PCP, 1.4 on SCP, and 1.25 on Other. The specified indemnity plans use a utilization dampening formula of Utilization Dampening = $e^{(A \times \text{Cost-Sharing} + B)}$</p>								

Table 12 – Effective Deductible - Collective Adjustment

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	0	1	1	1	2	5000	1	0.977	0.898
1	50	0.635	0.441	0.352	2	5500	1	0.983	0.906
1	100	0.63	0.437	0.335	2	6000	1	0.99	0.918
1	150	0.633	0.437	0.334	2	6500	1	0.99	0.925
1	200	0.633	0.439	0.335	2	6850	1	0.997	0.931
1	300	0.635	0.441	0.338	2	7000	1	1	0.933
1	400	0.639	0.444	0.339	2	7500	1	1	0.943
1	500	0.644	0.447	0.342	2	8000	1	1	0.949
1	750	0.657	0.459	0.349	2	8500	1	1	0.954
1	1000	0.663	0.47	0.358	2	9000	1	1	0.963
1	1500	0.688	0.489	0.369	2	9500	1	1	0.968
1	2000	0.708	0.508	0.389	2	10000	1	1	0.972
1	2250	0.714	0.518	0.396	2	10500	1	1	0.979
1	2500	0.719	0.528	0.404	2	11000	1	1	0.983
1	3000	0.731	0.54	0.421	2	11500	1	1	0.99
1	3500	0.744	0.552	0.431	2	12000	1	1	0.99
1	4000	0.754	0.565	0.441	2	12500	1	1	1
1	4500	0.762	0.577	0.452	2.25	0	1	1	1
1	5000	0.772	0.588	0.463	2.25	50	1	0.89	0.706
1	5500	0.78	0.597	0.474	2.25	100	1	0.89	0.719
1	6000	0.787	0.608	0.484	2.25	150	1	0.89	0.716
1	6500	0.795	0.616	0.492	2.25	200	1	0.89	0.726
1	6850	0.8	0.625	0.502	2.25	300	1	0.89	0.73
1	7000	0.807	0.632	0.511	2.25	400	1	0.894	0.741
1	7500	0.807	0.632	0.511	2.25	500	1	0.904	0.755
1	8000	0.813	0.641	0.519	2.25	750	1	0.919	0.781
1	8500	0.818	0.648	0.527	2.25	1000	1	0.933	0.803
1	9000	0.824	0.656	0.535	2.25	1500	1	0.952	0.838
1	9500	0.828	0.66	0.545	2.25	2000	1	0.967	0.866
1	10000	0.829	0.666	0.549	2.25	2250	1	0.972	0.878
1	10500	0.833	0.674	0.559	2.25	2500	1	0.977	0.89
1	11000	0.838	0.681	0.566	2.25	3000	1	0.99	0.905
1	11500	0.843	0.69	0.572	2.25	3500	1	0.99	0.917
1	12000	0.846	0.69	0.579	2.25	4000	1	1	0.936
1	12500	0.851	0.7	0.584	2.25	4500	1	1	0.946
1	13000	0.854	0.706	0.59	2.25	5000	1	1	0.953
1	13500	0.857	0.712	0.596	2.25	5500	1	1	0.963
1	14000	0.861	0.718	0.602	2.25	6000	1	1	0.971
1	14500	0.864	0.723	0.607	2.25	6500	1	1	0.977
1	15000	0.867	0.727	0.613	2.25	6850	1	1	0.981
1	17000	0.879	0.744	0.634	2.25	7000	1	1	0.983
1	20000	0.896	0.767	0.661	2.25	7500	1	1	0.99
1.25	0	1	1	1	2.25	8000	1	1	0.99
1.25	50	0.718	0.515	0.393	2.25	8500	1	1	1
1.25	100	0.729	0.529	0.407	2.25	9000	1	1	1
1.25	150	0.725	0.53	0.408	2.5	0	1	1	1
1.25	200	0.733	0.529	0.403	2.5	50	1	0.99	0.784
1.25	300	0.733	0.532	0.401	2.5	100	1	0.99	0.784
1.25	400	0.741	0.537	0.403	2.5	150	1	0.922	0.782
1.25	500	0.752	0.545	0.427	2.5	200	1	0.923	0.792
1.25	750	0.769	0.563	0.442	2.5	300	1	0.935	0.8
1.25	1000	0.782	0.579	0.455	2.5	400	1	0.944	0.812
1.25	1500	0.805	0.607	0.479	2.5	500	1	0.951	0.825
1.25	2000	0.823	0.63	0.501	2.5	750	1	0.962	0.85
1.25	2250	0.83	0.641	0.51	2.5	1000	1	0.972	0.869
1.25	2500	0.838	0.651	0.52	2.5	1500	1	0.986	0.897
1.25	3000	0.851	0.671	0.537	2.5	2000	1	1	0.922
1.25	3500	0.863	0.69	0.554	2.5	2250	1	1	0.931
1.25	4000	0.875	0.706	0.57	2.5	2500	1	1	0.939
1.25	4500	0.881	0.719	0.584	2.5	3000	1	1	0.955
1.25	5000	0.89	0.732	0.599	2.5	3500	1	1	0.965
1.25	5500	0.895	0.737	0.604	2.5	4000	1	1	0.977

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.25	6000	0.9	0.742	0.609
1.25	6500	0.907	0.762	0.635
1.25	6850	0.913	0.772	0.647
1.25	7000	0.913	0.772	0.647
1.25	7500	0.921	0.781	0.654
1.25	8000	0.924	0.789	0.664
1.25	8500	0.927	0.798	0.676
1.25	9000	0.935	0.805	0.69
1.25	9500	0.938	0.811	0.697
1.25	10000	0.94	0.819	0.706
1.25	10500	0.946	0.825	0.715
1.25	11000	0.949	0.831	0.723
1.25	11500	0.951	0.833	0.731
1.25	12000	0.955	0.839	0.738
1.25	12500	0.957	0.845	0.745
1.25	13000	0.96	0.851	0.752
1.25	13500	0.963	0.856	0.758
1.25	14000	0.965	0.861	0.765
1.25	14500	0.967	0.866	0.771
1.25	15000	0.97	0.871	0.777
1.25	17000	0.978	0.89	0.799
1.25	20000	0.99	0.904	0.828
1.5	0	1	1	1
1.5	50	0.834	0.629	0.489
1.5	100	0.834	0.629	0.489
1.5	150	0.834	0.629	0.489
1.5	200	0.834	0.629	0.489
1.5	300	0.839	0.636	0.491
1.5	400	0.848	0.645	0.496
1.5	500	0.856	0.654	0.503
1.5	750	0.87	0.674	0.521
1.5	1000	0.89	0.69	0.549
1.5	1500	0.896	0.721	0.578
1.5	2000	0.911	0.745	0.603
1.5	2250	0.916	0.755	0.615
1.5	2500	0.921	0.765	0.626
1.5	3000	0.933	0.783	0.643
1.5	3500	0.939	0.8	0.664
1.5	4000	0.95	0.81	0.684
1.5	4500	0.955	0.826	0.701
1.5	5000	0.959	0.834	0.717
1.5	5500	0.965	0.844	0.731
1.5	6000	0.97	0.853	0.744
1.5	6500	0.974	0.863	0.755
1.5	6850	0.977	0.871	0.767
1.5	7000	0.977	0.871	0.767
1.5	7500	0.982	0.88	0.777
1.5	8000	0.99	0.89	0.786
1.5	8500	0.99	0.89	0.797
1.5	9000	0.99	0.897	0.805
1.5	9500	0.99	0.901	0.813
1.5	10000	1	0.911	0.822
1.5	10500	1	0.914	0.83
1.5	11000	1	0.918	0.833
1.5	11500	1	0.923	0.842
1.5	12000	1	0.929	0.849
1.5	12500	1	0.932	0.856
1.5	13000	1	0.936	0.863
1.5	13500	1	0.941	0.869
1.5	14000	1	0.944	0.875
1.5	14500	1	0.947	0.881
1.5	15000	1	0.951	0.89
1.5	17000	1	0.962	0.905
1.5	20000	1	0.978	0.927

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
2.5	4500	1	1	0.99
2.5	5000	1	1	0.99
2.5	5500	1	1	1
2.75	0	1	1	1
2.75	50	1	1	0.89
2.75	100	1	1	0.89
2.75	150	1	1	0.89
2.75	200	1	1	0.89
2.75	300	1	1	0.89
2.75	400	1	1	0.89
2.75	500	1	1	0.89
2.75	750	1	1	0.906
2.75	1000	1	1	0.923
2.75	1500	1	1	0.947
2.75	2000	1	1	0.966
2.75	2250	1	1	0.972
2.75	2500	1	1	0.979
2.75	3000	1	1	0.99
2.75	3500	1	1	1
2.75	4000	1	1	1
2.75	4500	1	1	1
2.75	5000	1	1	1
2.75	5500	1	1	1
3	0	1	1	1
3	50	1	1	0.91
3	100	1	1	0.91
3	150	1	1	0.911
3	200	1	1	0.912
3	300	1	1	0.924
3	400	1	1	0.934
3	500	1	1	0.942
3	750	1	1	0.957
3	1000	1	1	0.969
3	1500	1	1	0.99
3	2000	1	1	1
3	2250	1	1	1
3	2500	1	1	1
3	3000	1	1	1
3	3500	1	1	1
3	4000	1	1	1
3	4500	1	1	1
3	5000	1	1	1
3	5500	1	1	1
3.25	0	1	1	1
3.25	50	1	1	0.945
3.25	100	1	1	0.945
3.25	150	1	1	0.945
3.25	200	1	1	0.945
3.25	300	1	1	0.956
3.25	400	1	1	0.965
3.25	500	1	1	0.99
3.25	750	1	1	1
3.25	1000	1	1	1
3.25	1500	1	1	1
3.25	2000	1	1	1
3.25	2250	1	1	1
3.25	2500	1	1	1
3.25	3000	1	1	1
3.25	3500	1	1	1
3.25	4000	1	1	1
3.25	4500	1	1	1
3.25	5000	1	1	1
3.25	5500	1	1	1
3.5	0	1	1	1

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.75	0	1	1	1	3.5	50	1	1	1
1.75	50	0.927	0.721	0.57	3.5	100	1	1	1
1.75	100	0.927	0.721	0.57	3.5	150	1	1	1
1.75	150	0.927	0.718	0.572	3.5	200	1	1	1
1.75	200	0.926	0.727	0.573	3.5	300	1	1	1
1.75	300	0.934	0.729	0.579	3.5	400	1	1	1
1.75	400	0.94	0.738	0.587	3.5	500	1	1	1
1.75	500	0.945	0.749	0.596	3.5	750	1	1	1
1.75	750	0.953	0.769	0.618	3.5	1000	1	1	1
1.75	1000	0.96	0.786	0.639	3.5	1500	1	1	1
1.75	1500	0.969	0.814	0.673	3.5	2000	1	1	1
1.75	2000	0.978	0.837	0.702	3.5	2250	1	1	1
1.75	2250	0.984	0.847	0.714	3.5	2500	1	1	1
1.75	2500	0.99	0.857	0.727	3.5	3000	1	1	1
1.75	3000	0.99	0.873	0.748	3.5	3500	1	1	1
1.75	3500	1	0.89	0.769	3.5	4000	1	1	1
1.75	4000	1	0.899	0.786	3.5	4500	1	1	1
1.75	4500	1	0.907	0.802	3.5	5000	1	1	1
1.75	5000	1	0.912	0.811	3.5	5500	1	1	1
1.75	5500	1	0.923	0.824	3.75	0	1	1	1
1.75	6000	1	0.931	0.836	3.75	50	1	1	1
1.75	6500	1	0.936	0.849	3.75	100	1	1	1
1.75	6850	1	0.94	0.855	3.75	150	1	1	1
1.75	7000	1	0.942	0.858	3.75	200	1	1	1
1.75	7500	1	0.95	0.869	3.75	300	1	1	1
1.75	8000	1	0.953	0.878	3.75	400	1	1	1
1.75	8500	1	0.958	0.89	3.75	500	1	1	1
1.75	9000	1	0.964	0.892	3.75	750	1	1	1
1.75	9500	1	0.968	0.898	3.75	1000	1	1	1
1.75	10000	1	0.971	0.909	3.75	1500	1	1	1
1.75	10500	1	0.976	0.914	3.75	2000	1	1	1
1.75	11000	1	0.979	0.919	3.75	2250	1	1	1
1.75	11500	1	0.981	0.925	3.75	2500	1	1	1
1.75	12000	1	0.984	0.932	3.75	3000	1	1	1
1.75	12500	1	0.99	0.936	3.75	3500	1	1	1
1.75	13000	1	0.99	0.941	3.75	4000	1	1	1
1.75	13500	1	0.99	0.947	3.75	4500	1	1	1
1.75	14000	1	0.99	0.951	3.75	5000	1	1	1
1.75	14500	1	1	0.955	3.75	5500	1	1	1
1.75	15000	1	1	0.96	4	0	1	1	1
1.75	17000	1	1	0.975	4	50	1	1	1
1.75	20000	1	1	1	4	100	1	1	1
2	0	1	1	1	4	150	1	1	1
2	50	1	0.816	0.69	4	200	1	1	1
2	100	1	0.816	0.69	4	300	1	1	1
2	150	1	0.815	0.69	4	400	1	1	1
2	200	1	0.822	0.69	4	500	1	1	1
2	300	1	0.827	0.69	4	750	1	1	1
2	400	1	0.836	0.69	4	1000	1	1	1
2	500	1	0.846	0.69	4	1500	1	1	1
2	750	1	0.865	0.701	4	2000	1	1	1
2	1000	1	0.89	0.722	4	2250	1	1	1
2	1500	1	0.901	0.758	4	2500	1	1	1
2	2000	1	0.921	0.788	4	3000	1	1	1
2	2250	1	0.928	0.801	4	3500	1	1	1
2	2500	1	0.934	0.813	4	4000	1	1	1
2	3000	1	0.947	0.836	4	4500	1	1	1
2	3500	1	0.955	0.855	4	5000	1	1	1
2	4000	1	0.966	0.873	4	5500	1	1	1
2	4500	1	0.972	0.884					

Table 13 – Effective OOP Maximum - Collective Adjustment

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	500	0.675	0.498	0.382	2	5500	1.000	0.897	0.780
1	1000	0.675	0.498	0.382	2	6000	1.000	0.899	0.792
1	1500	0.675	0.498	0.382	2	6500	1.000	0.904	0.800
1	2000	0.700	0.520	0.404	2	7000	1.000	0.909	0.802
1	2500	0.725	0.542	0.424	2	8000	1.000	0.914	0.808
1	3000	0.767	0.588	0.444	2	9000	1.000	0.919	0.813
1	4000	0.778	0.609	0.464	2	10000	1.000	0.924	0.818
1	5000	0.784	0.612	0.484	2	11000	1.000	0.929	0.823
1	5500	0.790	0.615	0.504	2	12000	1.000	0.934	0.828
1	6000	0.801	0.623	0.524	2	13000	1.000	0.939	0.833
1	7000	0.811	0.632	0.524	2	14000	1.000	0.944	0.838
1	8000	0.818	0.632	0.524	2	15000	1.000	0.949	0.843
1	9000	0.824	0.632	0.524	2.25	500	1.000	0.880	0.801
1	10000	0.828	0.637	0.527	2.25	1000	1.000	0.880	0.806
1	11000	0.836	0.644	0.537	2.25	1500	1.000	0.880	0.812
1	12000	0.836	0.647	0.541	2.25	2000	1.000	0.888	0.828
1	13000	0.852	0.657	0.553	2.25	2500	1.000	0.892	0.845
1	14000	0.868	0.662	0.564	2.25	3000	1.000	0.895	0.862
1	15000	0.890	0.672	0.572	2.25	4000	1.000	0.898	0.875
1	16000	0.893	0.690	0.581	2.25	5000	1.000	0.903	0.883
1	17000	0.914	0.700	0.595	2.25	5500	1.000	0.908	0.887
1	18000	0.928	0.711	0.601	2.25	6000	1.000	0.913	0.894
1	19000	0.931	0.716	0.608	2.25	6500	1.000	0.918	0.899
1	20000	0.950	0.726	0.616	2.25	7000	1.000	0.923	0.904
1	25000	1.000	0.785	0.649	2.25	8000	1.000	0.928	0.909
1	30000	1.000	0.819	0.690	2.25	9000	1.000	0.933	0.914
1	35000	1.000	0.945	0.875	2.25	10000	1.000	0.938	0.919
1	40000	1.000	0.973	0.905	2.25	11000	1.000	0.943	0.924
1	45000	1.000	1.000	0.931	2.25	12000	1.000	0.948	0.929
1	50000	1.000	1.000	0.962	2.25	13000	1.000	0.953	0.934
1.25	500	0.738	0.565	0.406	2.25	14000	1.000	0.958	0.939
1.25	1000	0.738	0.565	0.406	2.25	15000	1.000	0.963	0.944
1.25	1500	0.738	0.565	0.406	2.5	500	1.000	0.896	0.845
1.25	2000	0.755	0.591	0.427	2.5	1000	1.000	0.896	0.853
1.25	2500	0.772	0.617	0.447	2.5	1500	1.000	0.896	0.861
1.25	3000	0.803	0.660	0.492	2.5	2000	1.000	0.897	0.865
1.25	4000	0.820	0.683	0.523	2.5	2500	1.000	0.897	0.870
1.25	5000	0.833	0.699	0.542	2.5	3000	1.000	1.000	0.878
1.25	5500	0.838	0.702	0.560	2.5	4000	1.000	1.000	0.885
1.25	6000	0.843	0.721	0.561	2.5	5000	1.000	1.000	0.891
1.25	7000	0.851	0.728	0.579	2.5	5500	1.000	1.000	0.893
1.25	8000	0.874	0.740	0.615	2.5	6000	1.000	1.000	0.899
1.25	9000	0.879	0.743	0.628	2.5	6500	1.000	1.000	0.919
1.25	10000	0.899	0.772	0.642	2.5	7000	1.000	1.000	0.939
1.25	11000	0.919	0.790	0.658	2.5	8000	1.000	1.000	0.959
1.25	12000	0.939	0.808	0.674	2.5	9000	1.000	1.000	0.979
1.25	13000	0.959	0.826	0.690	2.5	10000	1.000	1.000	0.999
1.25	14000	0.979	0.844	0.706	2.5	11000	1.000	1.000	1.000
1.25	15000	0.999	0.862	0.723	2.5	12000	1.000	1.000	1.000
1.25	16000	1.000	0.880	0.739	2.5	13000	1.000	1.000	1.000
1.25	17000	1.000	0.900	0.755	2.5	14000	1.000	1.000	1.000
1.25	18000	1.000	0.920	0.771	2.5	15000	1.000	1.000	1.000
1.25	19000	1.000	0.940	0.787	2.75	500	1.000	1.000	0.980
1.25	20000	1.000	0.960	0.804	2.75	1000	1.000	1.000	0.980
1.25	25000	1.000	1.000	0.834	2.75	1500	1.000	1.000	0.980
1.5	500	0.829	0.678	0.500	2.75	2000	1.000	1.000	0.983
1.5	1000	0.839	0.678	0.500	2.75	2500	1.000	1.000	0.986
1.5	1500	0.833	0.678	0.500	2.75	3000	1.000	1.000	0.987
1.5	2000	0.856	0.724	0.500	2.75	4000	1.000	1.000	0.991
1.5	2500	0.855	0.727	0.547	2.75	5000	1.000	1.000	0.994
1.5	3000	0.870	0.758	0.596	2.75	5500	1.000	1.000	0.995
1.5	4000	0.879	0.785	0.624	2.75	6000	1.000	1.000	0.998

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.5	5000	0.887	0.800	0.637	2.75	6500	1.000	1.000	1.000
1.5	5500	0.890	0.803	0.650	3	500	1.000	1.000	0.991
1.5	6000	0.896	0.822	0.680	3	1000	1.000	1.000	0.991
1.5	6500	0.906	0.828	0.691	3	1500	1.000	1.000	0.991
1.5	7000	0.916	0.834	0.692	3	2000	1.000	1.000	0.991
1.5	8000	0.926	0.844	0.696	3	2500	1.000	1.000	0.991
1.5	9000	0.936	0.856	0.711	3	3000	1.000	1.000	0.992
1.5	10000	0.946	0.869	0.718	3	4000	1.000	1.000	0.993
1.5	11000	0.956	0.878	0.725	3	5000	1.000	1.000	0.995
1.5	12000	0.966	0.884	0.727	3	5500	1.000	1.000	0.997
1.5	13000	0.976	0.891	0.747	3	6000	1.000	1.000	1.000
1.5	14000	0.986	0.901	0.761	3.5	500	1.000	1.000	0.992
1.5	15000	0.996	0.911	0.770	3.5	1000	1.000	1.000	0.992
1.75	500	1.000	0.772	0.576	3.5	1500	1.000	1.000	0.992
1.75	1000	1.000	0.772	0.581	3.5	2000	1.000	1.000	0.992
1.75	1500	1.000	0.772	0.586	3.5	2500	1.000	1.000	0.992
1.75	2000	1.000	0.791	0.617	3.5	3000	1.000	1.000	0.993
1.75	2500	1.000	0.811	0.648	3.5	4000	1.000	1.000	0.995
1.75	3000	1.000	0.832	0.684	3.5	5000	1.000	1.000	0.997
1.75	4000	1.000	0.851	0.709	3.5	5500	1.000	1.000	0.998
1.75	5000	1.000	0.865	0.730	3.5	6000	1.000	1.000	1.000
1.75	5500	1.000	0.870	0.732	3.75	500	1.000	1.000	0.997
1.75	6000	1.000	0.881	0.750	3.75	1000	1.000	1.000	0.997
1.75	6500	1.000	0.885	0.761	3.75	1500	1.000	1.000	0.997
1.75	7000	1.000	0.892	0.764	3.75	2000	1.000	1.000	0.997
1.75	8000	1.000	0.898	0.777	3.75	2500	1.000	1.000	0.997
1.75	9000	1.000	0.900	0.790	3.75	3000	1.000	1.000	0.997
1.75	10000	1.000	0.905	0.806	3.75	4000	1.000	1.000	0.997
1.75	11000	1.000	0.910	0.811	3.75	5000	1.000	1.000	0.997
1.75	12000	1.000	0.915	0.816	3.75	5500	1.000	1.000	0.997
1.75	13000	1.000	0.920	0.821	3.75	6000	1.000	1.000	1.000
1.75	14000	1.000	0.925	0.826	4	500	1.000	1.000	1.000
1.75	15000	1.000	0.930	0.831	4	1000	1.000	1.000	1.000
2	500	1.000	0.841	0.659	4	1500	1.000	1.000	1.000
2	1000	1.000	0.842	0.664	4	2000	1.000	1.000	1.000
2	1500	1.000	0.844	0.669	4	2500	1.000	1.000	1.000
2	2000	1.000	0.863	0.691	4	3000	1.000	1.000	1.000
2	2500	1.000	0.869	0.713	4	4000	1.000	1.000	1.000
2	3000	1.000	0.880	0.743	4	5000	1.000	1.000	1.000
2	4000	1.000	0.889	0.762	4	5500	1.000	1.000	1.000
2	5000	1.000	0.895	0.775	4	6000	1.000	1.000	1.000

Table 14 – Effective Coinsurance - Collective Adjustment

Plan Coinsurance	Average Family Size		
	2	3	4
0%	1	1	1
10%	0.95	0.96	0.97
20%	0.89	0.91	0.92
30%	0.85	0.88	0.9
40%	0.75	0.8	0.8
50%	0.65	0.7	0.7

Table 15 – Community Rate Loads

Category	Load	Detail
Modular Medical Management	1.013 to 1.023	Basic Medical Management
	0.973 to 0.993	Buy-up Medical Management
Telehealth Adjustment	1.01	
One Guide Adjustment	0.995	
Deductible Accumulation Adjustment		Accumulation Type (IN and OON)
	0.995	No Cross-Accumulation
	1.000	One-Way Accumulation (out-of-network to in-network)
	1.005	Cross-Accumulation
Gatekeeper Credit	0.99	
CarryOver Deductible Adjustment		Deductible
	1	0
	1.013	250
	1.019	500
	1.023	750
	1.030	1000
Office Surgery	The load is one plus the sum of the following applicable adjustments	
	0.0005	Waive deductible on PCP office surgery
	0.0005	Waive deductible on SCP office surgery
	0.0005	Waive coinsurance on PCP office surgery
	0.0005	Waive coinsurance on SCP office surgery
Consumerism Adjustment	0.985	
Breast Pump Supplies	1.0005	Covered at 100%
	1.0000	Covered at Deductible/Coinsurance
	0.998	Not Covered
Criteria-Based Network Adjustment	0.8550	Minimum
	0.9999	Maximum

Table 15 – Community Rate Loads (Continued)

ER/UC Steerage Adjustment

Using the applicable copay and/or coinsurance per the plan design and the average steerable visit cost below, calculate the average actual visit cost to a member for an ER visit and Urgent Care facility visit. Look up the load on the table based on visit cost differential and the Effective ER deductible from Step 2.4. No load is applied if Urgent Care is subject to the deductible or if the calculated Urgent Care facility visit cost is \$0.

Average Steerable visit cost					
ER	1150				
Urgent Care	180				
		Effective ER Deductible			
Visit Cost Difference	0	500	1000	3000	6000
0	1.0000	0.9987	0.9973	0.9933	0.9920
100	0.9987	0.9971	0.9957	0.9931	0.9920
200	0.9973	0.9957	0.9944	0.9928	0.9920
300	0.9960	0.9947	0.9933	0.9925	0.9920
400	0.9947	0.9936	0.9925	0.9923	0.9920
500	0.9933	0.9927	0.9920	0.9920	0.9920

Medical Specialty Drugs Steerage Adjustment

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

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

Independent Lab Steerage Adjustment

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

Deductible	Deductible Waiver by Place of Service		
	Outpatient Facility	Physician's Office	Both OP Facility and Physician's Office
0	1.0000	1.0000	1.0000
1000	0.9998	0.9998	0.9996
2000	0.9996	0.9996	0.9992
3000	0.9994	0.9994	0.9988
4000	0.9992	0.9992	0.9984
5000	0.9990	0.9990	0.9980

Enhanced Non-Par Claims Adjustment

See *Table 32 - Enhanced Non-Par. Claims Adjustment* and *Table 33 - Enhanced Non-Par. Claims Adjustment Summary* for appropriate loads.

Table 16 – Medical OON Program Savings Factors

	Percent	Factor	
		All Other Products	LocalPlus Product
Medicare Stacked	100	0.45	0.355
	110	0.5	0.4
	150	0.59	0.49
	200	0.65	0.6
	250	0.775	0.7075
	300	0.86	0.815
Medicare Only	100	0.1	0.077
	110	0.22	0.086
Average Contracted Rate	100	0.6	0.6
Usual & Customary (Percentile)	80 th	1	1
	90 th	1.05	1.1

Table 17 – Lifetime Maximum Adjustment

Lifetime Max (in dollars)	Factor
≤ 50,000	-2.00%
100,000	-1.50%
150,000	-1.25%
200,000	-1.00%
300,000	-0.83%
400,000	-0.67%
500,000	-0.50%
750,000	-0.40%
1,000,000	-0.25%
2,000,000	-0.10%
3,000,000	-0.05%
4,000,000	-0.02%
5,000,000	-0.01%
> 5,000,000	0.00%

Table 18 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.95	1.1	1.025
Mining	1	1.15	1.1
Construction	0.95	1.15	1.05
Manufacturing	0.9	1.1	1
Transportation, Communication, & Utilities	0.9	1.1	1
Wholesale Trade	0.9	1	0.95
Retail Trade	0.95	1.15	1.05
Finance, Insurance and Real Estate	0.9	1.1	1
Services	0.9	1.1	1.05
Public Administration	1	1.1	1

Table 19 – Medical Demographic Factors

Age Band	Male			Female			MT and MN Unisex
	Employee	Spouse	Child	Employee	Spouse	Child	All
00 - 19	0.560	0.560	0.560	0.528	0.528	0.528	0.544
20 - 24	0.403	0.448	0.536	0.724	1.353	0.771	0.659
25 - 29	0.433	0.438	0.623	0.910	1.451	0.890	0.769
30 - 34	0.500	0.528	0.581	1.205	1.460	1.606	0.843
35 - 39	0.575	0.707	0.778	1.272	1.293	1.422	0.861
40 - 44	0.753	0.953	1.049	1.283	1.283	1.411	0.957
45 - 49	0.938	1.203	1.324	1.394	1.497	1.647	1.107
50 - 54	1.256	1.593	1.752	1.601	1.746	1.921	1.331
55 - 59	1.737	2.007	2.208	1.759	1.896	2.086	1.596
60 - 64	2.276	2.772	3.050	2.113	2.307	2.537	1.942
65 - 69	3.766	3.766	4.142	2.895	2.895	3.184	3.330
70+	4.368	4.368	4.805	3.377	3.377	3.715	3.873

Table 20 – Demographic Aging Trend

Trend
0.004

Table 21 – Infertility Rider Demographic Factors

Age Band	Male	Female	Unisex
00 - 19	0	0	0
20 - 24	0	0.600	0.297
25 - 29	0.072	3.432	1.789
30 - 34	0.234	8.046	4.294
35 - 39	0.518	7.278	4.010
40 - 44	0.170	2.635	1.434
45 - 49	0.095	0.530	0.319
50 - 54	0.037	0.043	0.040
55 - 59	0.026	0.018	0.022
60 - 64	0	0.009	0.005
65 - 69	0	0	0
70+	0	0	0

Table 22 – Health Management Program Savings

Health Management Program	Savings
Your Health First	-1.00%
Healthy Pregnancies, Healthy Babies	-\$0.36
Comprehensive Oncology	-\$0.20
Personal Health Team – Non-CCF	-\$5.04
Personal Health Team – CCF	-\$2.19
Health-Advisor	-\$3.94

Table 23 – Medical Riders

Rider	Methodology
Bariatric Surgery	1.49 for lifetime maximums which are not unlimited 2.17 for unlimited coverage
Durable Medical Equipment (DME)	3.0359 base PMPM
Durable Medical Equipment OON Buy Up	IN PMPM multiplied by the POS Load
External Prosthetic Appliances (EPA)	0.9569 base PMPM
External Prosthetic Appliances OON Buy Up	IN PMPM multiplied by the POS Load
DME and EPA Combined	3.9928 Base PMPM
DME and EPA Combined OON Buy Up	IN PMPM multiplied by the POS Load
Routine Foot Disorders Buy Up	1.2687 for a maximum less than \$1000 1.4925 for a maximum \$1000 or greater
Routine Foot Disorders OON Buy Up	IN PMPM multiplied by the POS Load
Organ Transplants OON	0.2953 base PMPM
Home Health Care	-1.5522 when annual maximum days are set to zero. Slope of 0.0235 per day. 1.6866 cap on coverage.
Infertility Treatment – Buy Up #1	2.5 base PMPM
Infertility Treatment – Buy Up #1 OON	IN PMPM multiplied by the POS Load
Infertility Treatment – Buy Up #2	Base Cost PMPM = $2.94 \times \left[\frac{\text{Max}}{54362.57} \right]^{0.6}$ 4.9552 cap on coverage
Infertility Treatment – Buy Up #2 OON	IN PMPM multiplied by the POS Load
Infertility Only	Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1
Infertility Only OON	IN PMPM multiplied by the POS Load
Complex Psych Program Savings	-0.2239 base PMPM
TMJ	0.4627 base PMPM

Rider	Methodology			
Narcotics Therapy Program Savings	-0.2239 base PMPM			
Alternative Care (Acupuncture, Naturopathy, Massage)	Naturopathy and Acupuncture are available with or without massage at \$300 or \$600 limits. 1.8203 – Without massage, \$300 limit. 2.6573 – Without massage, \$600 limit 2.2463 – With massage, \$300 limit 4.1866 – With massage, \$600 limit			
Acupuncture	This doesn't apply if an Alternative Care election is made. 0 – Less than 10 visits 0.5845 – 10 to 11 visits 0.7015 – 12 to 14 visits 0.8330 – 15 to 19 visits 1.0522 – For 20 or more visits.			
Preventive Care OON Exclusion	If OON preventive care is not covered: -0.9339 base PMPM			
Family Planning Preventive Care Exemption	Apply a factor of 0.96 to the preventive care base rate in Step 2.1.			
<p>The following therapies riders use curves based on the number of visits. One slope (PMPM per visit) applies up to some number of visits ("Breakpoint") while another slope applies past that number of visits.</p> <p>For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:</p> $ST \text{ PMPM} = [1st \text{ Slope}] \times 20 + [2nd \text{ Slope}] \times 10 = 0.00591 \times 20 + 0.00148 \times 10 = 0.133$ <p>If Cardiac and Pulmonary Rehab is included with these benefits, it does not have a pricing impact.</p>				
Therapy	1 st slope	Breakpoint	2 nd slope	Cap
Speech Therapy (ST)	0.00678	20 days	0.00170	0.25441
Outpatient Speech, Hearing, and Occupational Therapy (OSHOT)	0.01357	20 days	0.00339	0.50882
Chiropractic Therapy (Chiro)	0.0678	60 days	0.01809	4.61326
Physical Therapy (PT)	0.12638	20 days	0.02967	4.30766
PT and Occupational Therapy (OT)	0.13316	20 days	0.03136	4.52304
PT and OSHOT	0.13995	20 days	0.03306	4.81647
PT, OSHOT, and Chiro	0.1722	30 days	0.06643	9.42973
<p>The following riders are not standardly offered but can be requested. If elected, they are multiplicative adjustments applied to total expected medical and pharmacy claims as calculated in Step 6 and Step 7.22. If the coverage is mandated, then the adjustment is already embedded in the rating area factor and does not apply separately.</p>				
Hearing Aids				1.001
Wigs				1.001
Varicose Veins				1.001
Power Prosthetic Devices				1.001
Macromastia				1.001
Abdominoplasty				1.001
Massage Therapy				1.002
Cryopreservation				1.003
Artificial Insemination				1.000
Skilled Nursing				1.000

Table 24 – Multiple Offering Load – Medical Load

Plan Cost		Medical Load
Lower Bound	Upper Bound	
0.0%	2.5%	1.00
2.5%	7.5%	1.005
7.5%	12.5%	1.010
12.5%	17.5%	1.015
17.5%	22.5%	1.020
22.5%	27.5%	1.025
27.5%	32.5%	1.030
32.5%	100.0%	1.035
The multiple offering load does not apply for Tennessee LocalPlus when offered with OAP or PPO		

Appendix D: Medical Tables by Rating Area

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

Table 25 – Medical Area Factors

Area Description	Rating Area	Product	Area Factor
VT, VERMONT	VTNWK1	NWK	0.72
VT, VERMONT	VTOAP1	OAP	0.72
VT, VERMONT	VTPPO1	PPO	0.74

Table 26 – Medical Area Factor Summary

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	1.32	1.32	NC	0.59	0.93
AL	0.53	0.77	ND	0.82	0.82
AR	0.59	0.73	NE	0.82	1.03
AZ	0.48	0.90	NH	0.78	0.93
CA*	0.00	1.13	NJ	0.66	0.77
CO	0.62	1.03	NM	0.61	0.97
CT	0.71	1.02	NV	0.61	0.75
DC	0.52	0.62	NY	0.57	1.07
DE	0.77	0.77	OH	0.68	1.04
FL	0.69	1.30	OK	0.77	0.88
GA	0.58	1.02	OR	0.67	0.79
HI	0.54	0.54	PA	0.69	0.93
IA	0.87	0.87	PR	0.61	0.61
ID	0.82	0.82	RI	0.62	0.67
IL	0.51	1.09	SC	0.69	1.16
IN	0.66	1.08	SD	1.00	1.00
KS	0.64	0.95	TN	0.49	0.94
KY	0.68	1.00	TX	0.68	1.16
LA	0.74	0.89	UT	0.62	0.81
MA	0.54	0.79	VA	0.52	0.96
MD	0.55	0.61	VI	0.54	0.61
ME	0.70	0.86	VT	0.72	0.74
MI	0.70	0.95	WA	0.64	0.79
MN	0.70	0.88	WI	0.85	1.25
MO	0.65	1.04	WV	0.74	0.96
MS	0.61	0.81	WY	0.94	0.94
MT	0.72	0.72			

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

Table 27 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend	
				2018/2017	2019+/2018
VT, VERMONT	VTNWK1	NWK	3.82%	5.47%	6.04%
VT, VERMONT	VTOAP1	OAP	-	5.47%	6.04%
VT, VERMONT	VTPPO1	PPO	-	5.47%	6.04%

Table 28 – Medical Trend Summary

State	2018/2017		2019+/2018		State	2018/2017		2019+/2018	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	7.24%	7.24%	6.99%	6.99%	NC	4.92%	6.10%	5.43%	6.02%
AL	5.65%	6.37%	6.43%	6.96%	ND	9.17%	9.17%	9.02%	9.02%
AR	5.33%	5.50%	4.07%	6.04%	NE	9.22%	9.34%	9.08%	9.19%
AZ	5.56%	7.88%	5.65%	5.80%	NH	6.52%	6.52%	6.42%	6.42%
CA	5.34%	6.03%	5.46%	5.91%	NJ	4.83%	5.49%	4.71%	5.27%
CO	5.90%	6.05%	5.74%	5.89%	NM	5.95%	5.95%	5.43%	5.43%
CT	6.31%	6.31%	5.91%	5.91%	NV	5.89%	6.04%	5.78%	5.93%
DC	6.47%	6.62%	6.50%	6.65%	NY	5.62%	8.74%	5.26%	8.61%
DE	6.70%	6.70%	6.62%	6.62%	OH	5.41%	7.29%	6.10%	7.38%
FL	4.74%	7.29%	4.85%	7.09%	OK	6.01%	6.01%	6.07%	6.07%
GA	5.96%	8.14%	5.91%	7.87%	OR	5.22%	5.22%	5.41%	5.41%
HI	8.21%	8.21%	8.10%	8.10%	PA	3.80%	9.11%	4.99%	8.97%
IA	9.34%	9.34%	9.19%	9.19%	PR	8.31%	8.31%	8.16%	8.16%
ID	8.46%	8.46%	8.33%	8.33%	RI	3.38%	3.53%	3.56%	3.71%
IL	5.20%	9.48%	4.61%	9.33%	SC	6.05%	6.37%	6.23%	6.96%
IN	5.20%	6.86%	4.61%	7.43%	SD	9.34%	9.34%	9.19%	9.19%
KS	6.74%	6.89%	6.57%	6.72%	TN	5.33%	6.91%	4.07%	6.47%
KY	6.55%	9.48%	6.20%	9.33%	TX	4.62%	6.17%	5.33%	6.30%
LA	6.45%	6.45%	6.38%	6.38%	UT	6.44%	6.44%	6.40%	6.40%
MA	5.68%	6.91%	5.61%	6.21%	VA	5.32%	6.98%	6.18%	6.95%
MD	5.96%	5.96%	6.00%	6.00%	VI	8.31%	8.31%	8.16%	8.16%
ME	6.86%	6.86%	6.87%	6.87%	VT	5.47%	5.47%	6.04%	6.04%
MI	7.72%	9.35%	8.07%	9.21%	WA	4.49%	4.64%	4.96%	5.11%
MN	9.17%	9.17%	9.02%	9.02%	WI	7.23%	9.17%	7.15%	9.02%
MO	6.00%	6.89%	6.34%	6.72%	WV	6.64%	6.64%	6.97%	6.97%
MS	5.33%	6.47%	4.07%	6.77%	WY	5.64%	5.64%	5.83%	5.83%
MT	8.83%	8.83%	8.68%	8.68%					
OON and Indemnity trend is 6.25% for 2018/2017 and 6.25% for 2019+/2018 for all rating areas									

Table 29 – NWK Percent Capitated Summary

State	Minimum	Maximum
AL	5.27%	5.27%
AR	4.27%	5.25%
AZ	5.10%	7.45%
CA	30.00%	30.00%
CO	4.70%	4.70%
CT	18.84%	18.84%
DC	8.72%	8.72%
DE	6.18%	6.18%
FL	5.97%	5.97%
GA	10.31%	10.31%
IL	4.21%	5.80%
IN	4.21%	5.03%
KS	0.00%	0.00%
KY	4.21%	5.03%
LA	5.19%	5.19%
MA	4.42%	4.42%
MD	8.72%	8.72%
ME	5.58%	5.58%
MI	5.02%	5.02%
MO	6.69%	6.69%
MS	5.25%	5.25%
NC	1.96%	1.96%
NJ	15.08%	15.08%
NV	0.90%	0.90%
NY	14.03%	14.03%
OH	2.90%	5.03%
OK	7.04%	7.04%
OR	2.43%	2.43%
PA	6.18%	6.68%
RI	4.39%	4.39%
SC	5.91%	10.31%
TN	5.25%	5.25%
TU	0.00%	0.00%
TX	8.15%	21.85%
VA	8.72%	8.72%
VT	3.82%	3.82%
WA	2.43%	4.12%
WI	2.40%	2.40%
WV	2.90%	2.90%

Table 30 – POS Load Coefficients

Area Description	Rating Area	Product	Equation Coefficients		
			A	B	C
VT, VERMONT	VTNWK1	NWK	0.25	-0.24	0.09
VT, VERMONT	VTOAP1	OAP	0.25	-0.24	0.09
VT, VERMONT	VTPPO1	PPO	0.25	-0.24	0.09

Table 31 – POS Load Coefficients Summary

Region/Market	Product	Equation Coefficients			
		A	B	C	
				Min	Max
Northeast and Midwest	OAP/PPO/NWK	0.25	-0.24	0.08	0.3
AZ	OAP/PPO/NWK	0.30	-0.31	0.2	0.2
NorCal/CO	OAP/PPO/NWK	0.45	-0.40	0.1	0.16
Mid-Atlantic	OAP/PPO/NWK	0.55	-0.50	0.18	0.18
South/USVI	OAP/PPO/NWK	0.65	-0.43	0.08	0.09
SoCal	OAP/PPO/NWK	0.78	-0.70	0.27	0.27
NY/NJ Metro	OAP/PPO/NWK	0.80	-1.10	0.36	0.36
West/TX	OAP/PPO/NWK	0.80	-0.50	0.17	0.17
CO	LCP	0.71	-0.60	0.12	0.12
WA	LCP	0.80	-0.50	0.17	0.17
NorCal	LCP	1.13	-1.01	0.28	0.28
KS	LCP	1.16	-0.76	0.16	0.16
NV	LCP	1.32	-1.06	0.32	0.32
AZ	LCP	1.33	-1.07	0.25	0.25
SoCal	LCP	1.70	-1.40	0.3	0.3
MA/RI	LCP	1.80	-1.40	0.3	0.3
Southeast	LCP	1.89	-1.19	0.19	0.19
TN	LCP	2.00	-1.17	0.19	0.19
TX	LCP	2.02	-1.27	0.3	0.3
FL	LCP	2.25	-1.41	0.19	0.2
IL	LCP	3.70	-2.38	0.16	0.16
Midwest/VA	V2V	0.25	-0.24	0.09	0.09
Phoenix	V2V	0.30	-0.31	0.2	0.2
CO	V2V	0.45	-0.40	0.1	0.1
Mid-atlantic	V2V	0.55	-0.50	0.18	0.18
South	V2V	0.65	-0.43	0.08	0.08
SoCal	V2V	0.78	-0.70	0.27	0.27

Table 32 - Enhanced Non-Par. Claims Adjustment

Area Description	Rating Area	Product	Adjustment
VT, VERMONT	VTNWK1	NWK	0
VT, VERMONT	VTOAP1	OAP	0
VT, VERMONT	VTPPO1	PPO	0

Table 33 - Enhanced Non-Par. Claims Adjustment Summary

State	Minimum	Maximum	State	Minimum	Maximum
AK	0.996	0.996	NC	0.965	0.997
AL	0.964	0.989	ND	1.000	1.000
AR	0.964	0.994	NE	1.000	1.000
AZ	0.933	0.995	NH	0.998	0.998
CA	0.965	0.996	NJ	0.987	0.987
CO	0.962	0.999	NM	0.996	0.996
CT	0.997	0.997	NV	0.956	0.995
DC	0.966	0.990	NY	0.996	0.996
DE	1.000	1.000	OH	0.995	0.998
FL	0.958	0.983	OK	0.993	0.993
GA	0.917	0.989	OR	1.000	1.000
HI	1.000	1.000	PA	0.993	0.993
IA	1.000	1.000	PR	1.000	1.000
ID	1.000	1.000	RI	0.997	0.999
IL	0.927	0.997	SC	0.964	0.992
IN	0.966	0.998	SD	1.000	1.000
KS	0.909	0.995	TN	0.875	1.000
KY	0.993	0.997	UT	0.994	0.994
LA	0.991	0.991	TX	0.959	0.984
MA	0.997	0.999	VA	0.896	0.990
MD	0.990	0.990	VI	1.000	1.000
ME	1.000	1.000	VT	1.000	1.000
MI	0.998	0.998	WA	0.997	1.000
MN	1.000	1.000	WI	0.999	0.999
MO	0.909	0.995	WV	0.990	0.995
MS	0.924	0.985	WY	0.995	0.995
MT	1.000	1.000			

Table 34 - Multiple Offering Load – Medical Savings

State	Minimum	Maximum	State	Minimum	Maximum
AK	1.00	1.00	NC	0.75	1.03
AL	0.94	1.00	ND	1.00	1.00
AR	0.93	1.17	NE	1.00	1.00
AZ	0.80	1.01	NH	1.00	1.09
CA	0.74	1.16	NJ	1.00	1.04
CO	0.80	1.00	NM	1.00	1.00
CT	1.00	1.09	NV	0.84	1.00
DC	0.89	1.03	NY	1.00	1.04
DE	1.00	1.00	OH	1.00	1.03
FL	0.92	1.35	OK	0.95	1.00
GA	0.79	1.09	OR	1.00	1.00
HI	1.00	1.00	PA	1.00	1.03
IA	1.00	1.00	PR	1.13	1.14
ID	1.00	1.00	RI	0.99	1.00
IL	0.71	1.06	SC	0.95	1.02
IN	0.71	1.05	SD	1.00	1.00
KS	0.83	1.19	TN	0.79	1.17
KY	1.00	1.04	TX	0.90	1.19
LA	1.00	1.00	UT	1.00	1.27
MA	0.85	1.00	VA	0.75	1.05
MD	1.00	1.03	VI	1.13	1.14
ME	1.00	1.03	VT	1.00	1.04
MI	1.00	1.01	WA	1.00	1.00
MN	1.00	1.01	WI	1.00	1.08
MO	0.77	1.19	WV	1.00	1.03
MS	0.89	1.17	WY	1.00	1.00
MT	1.00	1.00			

Appendix E: Mental Health/Substance Use Disorders

Table 35 – MH/SUD: Trend and Adjustments

MH/SUD Trend	9.40%
FFS Adjustment (if applicable)	1%

Table 36 – MH/SUD: OAP/PPO Rates

State	Proclaim Cap. Rate		Facets Rate		State	Proclaim Cap. Rate		Facets Rate	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	\$13.96	\$24.84	\$7.84	\$13.95	MT	\$15.00	\$26.67	\$8.90	\$15.82
AL	\$12.64	\$22.48	\$5.52	\$9.81	NC	\$12.69	\$22.56	\$7.46	\$13.28
AR	\$11.85	\$21.07	\$4.68	\$8.32	ND	\$13.84	\$24.62	\$7.16	\$12.74
AZ	\$13.42	\$23.88	\$6.34	\$11.28	NE	\$14.66	\$26.07	\$7.94	\$14.12
CA	\$0.00	\$0.00	\$6.87	\$12.21	NH	\$16.42	\$29.21	\$9.36	\$16.64
CO	\$14.19	\$25.24	\$7.12	\$12.67	NJ	\$15.40	\$27.39	\$8.13	\$14.46
CT	\$17.86	\$31.77	\$10.82	\$19.25	NM	\$12.27	\$21.82	\$5.14	\$9.15
DC	\$13.85	\$24.63	\$6.49	\$11.54	NV	\$12.49	\$22.21	\$4.66	\$8.30
DE	\$13.77	\$24.49	\$6.50	\$11.55	NY	\$15.92	\$28.31	\$8.88	\$15.79
FL	\$13.27	\$23.61	\$6.19	\$11.01	OH	\$12.77	\$22.72	\$5.66	\$10.07
GA	\$12.04	\$21.42	\$4.94	\$8.78	OK	\$12.80	\$22.77	\$6.19	\$11.02
GU	\$15.93	\$28.33	\$6.87	\$12.21	OR	\$13.83	\$24.61	\$6.36	\$11.30
HI	\$13.04	\$23.18	\$6.48	\$11.53	PA	\$13.32	\$23.70	\$6.21	\$11.05
IA	\$13.76	\$24.48	\$6.68	\$11.89	PR	\$13.87	\$24.67	\$6.48	\$11.53
ID	\$13.21	\$23.49	\$5.93	\$10.54	RI	\$16.17	\$28.76	\$9.47	\$16.85
IL	\$14.63	\$26.02	\$7.57	\$13.46	SC	\$12.08	\$21.48	\$4.97	\$8.85
IN	\$12.33	\$21.93	\$5.21	\$9.26	SD	\$14.00	\$24.90	\$9.26	\$16.46
KS	\$13.17	\$23.42	\$6.05	\$10.77	TN	\$12.79	\$22.76	\$5.70	\$10.14
KY	\$12.01	\$21.36	\$4.89	\$8.70	TX	\$12.97	\$23.06	\$5.88	\$10.45
LA	\$12.80	\$22.77	\$5.40	\$9.61	UT	\$13.84	\$24.62	\$7.03	\$12.51
MA	\$15.53	\$27.62	\$8.48	\$15.08	VA	\$13.68	\$24.33	\$6.60	\$11.75
MD	\$15.26	\$27.15	\$8.18	\$14.55	VI	\$13.34	\$23.73	\$7.73	\$13.75
ME	\$16.53	\$29.40	\$9.50	\$16.90	VT	\$15.68	\$27.88	\$8.60	\$15.30
MI	\$13.10	\$23.29	\$5.06	\$9.01	WA	\$13.45	\$23.92	\$6.34	\$11.28
MN	\$15.98	\$28.42	\$13.93	\$24.77	WI	\$14.35	\$25.52	\$7.68	\$13.66
MO	\$12.54	\$22.30	\$5.35	\$9.52	WV	\$12.92	\$22.99	\$5.70	\$10.14
MS	\$12.19	\$21.68	\$5.06	\$9.00	WY	\$14.17	\$25.21	\$7.10	\$12.64

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

Table 37 – MH/SUD: NWK Rates

Rider	Outpatient Copay										
Mental Health	0	5	10	15	20	25	30	35	40	45	50
	\$25.92	\$24.72	\$23.59	\$22.50	\$21.37	\$20.23	\$19.10	\$17.92	\$16.83	\$15.70	\$14.56
Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$4.91	\$4.82	\$4.74	\$4.66	\$4.58	\$4.49	\$4.41	\$4.32	\$4.23	\$4.15	\$4.06
Mental Health and Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$29.21	\$27.91	\$26.67	\$25.49	\$24.25	\$23.01	\$21.78	\$20.49	\$19.30	\$18.07	\$16.83
Non-Standard	Base Cost										
	\$25.49										

Appendix F: Vision Riders

Table 38 – Vision: Average Costs

State	Exam	Lenses					Frames	Contact Lenses		Materials
		Single Vision	Bifocal	Trifocal	Lenticular	Progressive		Elective	Therapeutic	
National	\$ 157.00	\$ 84.34	\$ 122.50	\$ 154.40	\$215.00	\$ 335.81	\$ 196.47	\$ 221.86	\$596.14	\$150.00
AK	\$ 258.48	\$ 99.42	\$ 137.00	\$ 152.66	\$215.00	\$ 327.27	\$ 192.93	\$ 166.57	\$596.14	\$150.00
AL	\$ 137.53	\$ 85.87	\$ 102.13	\$ 139.02	\$215.00	\$ 322.66	\$ 182.82	\$ 180.83	\$596.14	\$150.00
AR	\$ 162.93	\$ 74.30	\$ 87.00	\$ 137.69	\$215.00	\$ 276.82	\$ 167.01	\$ 162.24	\$596.14	\$150.00
AZ	\$ 192.89	\$ 79.43	\$ 115.30	\$ 143.28	\$215.00	\$ 335.84	\$ 192.17	\$ 217.60	\$596.14	\$150.00
CA	\$ 154.70	\$ 80.50	\$ 120.42	\$ 146.95	\$215.00	\$ 342.63	\$ 194.72	\$ 256.00	\$596.14	\$150.00
CO	\$ 161.30	\$ 89.95	\$ 138.88	\$ 158.77	\$215.00	\$ 355.99	\$ 200.21	\$ 233.47	\$596.14	\$150.00
CT	\$ 187.98	\$ 101.75	\$ 147.57	\$ 179.88	\$215.00	\$ 349.07	\$ 211.53	\$ 254.34	\$596.14	\$150.00
DC	\$ 179.67	\$ 112.85	\$ 153.10	\$ 166.28	\$215.00	\$ 406.83	\$ 261.52	\$ 290.66	\$596.14	\$150.00
DE	\$ 161.66	\$ 96.72	\$ 129.68	\$ 161.43	\$215.00	\$ 338.61	\$ 188.59	\$ 239.25	\$596.14	\$150.00
FL	\$ 147.24	\$ 80.27	\$ 116.76	\$ 143.05	\$215.00	\$ 348.94	\$ 196.56	\$ 208.94	\$596.14	\$150.00
GA	\$ 153.20	\$ 87.84	\$ 130.92	\$ 155.52	\$215.00	\$ 342.75	\$ 197.12	\$ 208.86	\$596.14	\$150.00
HI	\$ 154.73	\$ 77.64	\$ 129.75	\$ 168.62	\$215.00	\$ 321.76	\$ 173.93	\$ 211.59	\$596.14	\$150.00
IA	\$ 165.51	\$ 84.26	\$ 138.17	\$ 159.87	\$215.00	\$ 313.84	\$ 190.75	\$ 235.73	\$596.14	\$150.00
ID	\$ 162.87	\$ 83.37	\$ 128.14	\$ 160.31	\$215.00	\$ 309.87	\$ 177.18	\$ 216.08	\$596.14	\$150.00
IL	\$ 138.23	\$ 90.51	\$ 131.09	\$ 154.21	\$215.00	\$ 328.29	\$ 207.19	\$ 234.12	\$596.14	\$150.00
IN	\$ 140.55	\$ 83.73	\$ 123.04	\$ 151.53	\$215.00	\$ 313.68	\$ 185.90	\$ 209.64	\$596.14	\$150.00
KS	\$ 160.00	\$ 82.27	\$ 117.55	\$ 151.66	\$215.00	\$ 313.92	\$ 182.09	\$ 217.54	\$596.14	\$150.00
KY	\$ 118.35	\$ 87.94	\$ 122.35	\$ 168.43	\$215.00	\$ 303.80	\$ 162.00	\$ 210.01	\$596.14	\$150.00
LA	\$ 155.27	\$ 75.31	\$ 109.42	\$ 133.96	\$215.00	\$ 339.66	\$ 179.56	\$ 187.02	\$596.14	\$150.00
MA	\$ 189.96	\$ 105.37	\$ 151.55	\$ 168.82	\$215.00	\$ 392.83	\$ 227.07	\$ 236.99	\$596.14	\$150.00
MD	\$ 163.64	\$ 97.10	\$ 142.15	\$ 164.59	\$215.00	\$ 371.40	\$ 214.35	\$ 237.73	\$596.14	\$150.00
ME	\$ 170.50	\$ 85.55	\$ 121.48	\$ 143.76	\$215.00	\$ 333.44	\$ 190.57	\$ 194.91	\$596.14	\$150.00
MI	\$ 107.52	\$ 86.90	\$ 125.94	\$ 158.54	\$215.00	\$ 327.15	\$ 202.70	\$ 229.69	\$596.14	\$150.00
MN	\$ 220.64	\$ 104.67	\$ 148.89	\$ 169.67	\$215.00	\$ 342.11	\$ 211.25	\$ 221.36	\$596.14	\$150.00
MO	\$ 149.43	\$ 82.91	\$ 116.84	\$ 149.31	\$215.00	\$ 324.04	\$ 181.01	\$ 220.74	\$596.14	\$150.00
MS	\$ 152.56	\$ 66.02	\$ 95.47	\$ 128.80	\$215.00	\$ 253.46	\$ 160.40	\$ 179.30	\$596.14	\$150.00
MT	\$ 146.36	\$ 79.97	\$ 133.60	\$ 164.06	\$215.00	\$ 276.11	\$ 169.53	\$ 162.97	\$596.14	\$150.00
NC	\$ 171.67	\$ 88.56	\$ 133.70	\$ 163.60	\$215.00	\$ 340.51	\$ 190.60	\$ 230.79	\$596.14	\$150.00
ND	\$ 158.11	\$ 85.54	\$ 135.98	\$ 165.02	\$215.00	\$ 303.18	\$ 179.00	\$ 212.01	\$596.14	\$150.00
NE	\$ 159.26	\$ 81.98	\$ 147.95	\$ 163.16	\$215.00	\$ 341.42	\$ 192.79	\$ 245.10	\$596.14	\$150.00
NH	\$ 169.79	\$ 96.57	\$ 128.92	\$ 187.65	\$215.00	\$ 341.04	\$ 205.80	\$ 223.12	\$596.14	\$150.00

NJ	\$ 170.40	\$ 90.09	\$ 138.12	\$ 155.44	\$215.00	\$ 341.47	\$ 210.46	\$ 232.89	\$596.14	\$150.00
NM	\$ 170.04	\$ 78.33	\$ 126.19	\$ 148.10	\$215.00	\$ 334.14	\$ 190.82	\$ 198.76	\$596.14	\$150.00
NV	\$ 164.14	\$ 79.23	\$ 124.89	\$ 165.03	\$215.00	\$ 333.18	\$ 193.18	\$ 228.50	\$596.14	\$150.00
NY	\$ 156.41	\$ 89.03	\$ 132.32	\$ 162.07	\$215.00	\$ 373.91	\$ 230.06	\$ 240.97	\$596.14	\$150.00
OH	\$ 131.20	\$ 86.87	\$ 126.65	\$ 156.89	\$215.00	\$ 307.25	\$ 186.33	\$ 208.61	\$596.14	\$150.00
OK	\$ 142.76	\$ 72.16	\$ 108.88	\$ 135.16	\$215.00	\$ 284.04	\$ 168.14	\$ 193.82	\$596.14	\$150.00
OR	\$ 196.00	\$ 94.74	\$ 131.55	\$ 162.04	\$215.00	\$ 343.11	\$ 213.91	\$ 211.85	\$596.14	\$150.00
PA	\$ 121.59	\$ 83.48	\$ 116.18	\$ 151.05	\$215.00	\$ 301.18	\$ 195.35	\$ 217.80	\$596.14	\$150.00
PR	\$ 96.18	\$ 105.63	\$ 84.06	\$ 139.77	\$215.00	\$ 239.44	\$ 217.12	\$ 125.56	\$596.14	\$150.00
RI	\$ 193.45	\$ 88.84	\$ 123.22	\$ 170.02	\$215.00	\$ 317.47	\$ 180.43	\$ 222.42	\$596.14	\$150.00
SC	\$ 156.66	\$ 83.57	\$ 118.14	\$ 159.18	\$215.00	\$ 316.70	\$ 174.11	\$ 187.43	\$596.14	\$150.00
SD	\$ 149.87	\$ 85.61	\$ 122.07	\$ 195.65	\$215.00	\$ 311.97	\$ 182.32	\$ 207.97	\$596.14	\$150.00
TN	\$ 141.25	\$ 78.01	\$ 106.95	\$ 150.94	\$215.00	\$ 299.77	\$ 182.40	\$ 207.76	\$596.14	\$150.00
TX	\$ 155.27	\$ 80.83	\$ 122.64	\$ 155.76	\$215.00	\$ 378.22	\$ 200.39	\$ 214.39	\$596.14	\$150.00
UT	\$ 156.16	\$ 75.48	\$ 113.97	\$ 142.47	\$215.00	\$ 323.83	\$ 177.07	\$ 215.86	\$596.14	\$150.00
VA	\$ 173.20	\$ 91.80	\$ 136.63	\$ 164.11	\$215.00	\$ 351.30	\$ 224.97	\$ 259.05	\$596.14	\$150.00
VT	\$ 153.33	\$ 86.72	\$ 135.65	\$ 162.30	\$215.00	\$ 295.53	\$ 188.06	\$ 204.92	\$596.14	\$150.00
WA	\$ 214.83	\$ 97.95	\$ 146.23	\$ 163.06	\$215.00	\$ 342.51	\$ 207.38	\$ 211.19	\$596.14	\$150.00
WI	\$ 142.59	\$ 86.67	\$ 124.89	\$ 155.47	\$215.00	\$ 309.77	\$ 189.00	\$ 217.91	\$596.14	\$150.00
WV	\$ 135.29	\$ 76.98	\$ 126.13	\$ 129.64	\$215.00	\$ 276.22	\$ 169.05	\$ 197.08	\$596.14	\$150.00
WY	\$ 143.90	\$ 83.94	\$ 122.86	\$ 150.70	\$215.00	\$ 301.60	\$ 173.09	\$ 206.85	\$596.14	\$150.00

Table 39 – Vision: Frequency Factors

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

Table 40 – Vision: Service Utilization

Service	Utilization
Exam (Exam Only Plans)	33.00%
Exam (Comprehensive Plans)	57.75%
Lenses: Single Vision	17.88%
Lenses: Bifocal	2.23%
Lenses: Trifocal	0.23%
Lenses: Lenticular	0.00%
Lenses: Progressive	11.12%
Frames	37.00%
Contact Lenses: Elective	11.90%
Contact Lenses: Therapeutic	0.20%
Materials	48.90%

Table 41 – Vision: Trend and Adjustments

Industry Factor		Case Size Adjustment		Vision Trend
SIC Code	Factor	Number of Employees	Factor	Annual
0	0.983	Less than 50	1.20	3.00%
1000	1.016	Greater than or equal to 50	1.00	
1500	0.979			
2000	1.032			
4000	1.015			
5000	1.008			
5200	0.945			
6000	0.993			
7000	0.966			
7200	0.961			
7300	1.043			
7500	1.010			
7600	1.003			
7800	1.013			
7900	0.985			
8000	1.019			
8100	1.011			
8200	0.986			
8300	0.996			
8400	1.015			
8600	1.028			
8900	1.005			
9100	0.952			
9999	0.989			

Appendix G: General Pharmacy Tables

Table 42 – Retail AWP per Script Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
Specialty	0.00	765.48	5917.65	4778.97	
AdvantageDRT	All else	92.09	119.46	461.46	317.79
	Antihistamines	0.00	75.33	0.00	116.15
	Contraceptives	0.00	49.47	152.34	166.63
	Fertility	0.00	93.39	0.00	734.37
	Lifestyle, drugs w/OTC options	0.00	0.00	355.18	387.01
	PPIs	0.00	183.25	0.00	566.65
	Smoking Cessation	0.00	0.00	0.00	430.25
	Diet Drugs	0.00	44.09	0.00	550.13
	Vitamins	0.00	10.04	18.25	257.60
Specialty	192.88	622.16	5706.25	3543.46	
Performance	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
Specialty	86.59	660.13	5094.19	3930.14	

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Performance_4Tier	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
Specialty	86.59	660.13	5094.19	3930.14	
Advantage_4Tier	All else	100.61	124.45	464.74	
	Antihistamines	0.00	69.29	0.00	
	Contraceptives	0.00	48.70	150.80	
	Fertility	0.00	207.60	0.00	
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	
	PPIs	0.00	184.70	0.00	
	Smoking Cessation	0.00	0.00	0.00	
	Diet Drugs	0.00	45.58	0.00	
	Vitamins	0.00	12.78	0.00	
Specialty	0.00	765.48	5917.65		
Generics Only	All else	100.61	124.45		
	Antihistamines	0.00	69.29		
	Contraceptives	0.00	48.70		
	Fertility	0.00	207.60		
	PPIs	0.00	184.70		
	Smoking Cessation	0.00	0.00		
	Diet Drugs	0.00	45.58		
	Vitamins	0.00	12.78		
	Specialty	0.00	765.48		
Legacy	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
Specialty	0.00	765.48	5917.65	4778.97	

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Standard	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
	Specialty	86.59	660.13	5094.19	3930.14
Value	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
	Specialty	0.00	765.48	5917.65	4778.97
ValueDRT	All else	92.09	119.46	461.46	317.79
	Antihistamines	0.00	75.33	0.00	116.15
	Contraceptives	0.00	49.47	152.34	166.63
	Fertility	0.00	93.39	0.00	734.37
	Lifestyle, drugs w/OTC options	0.00	0.00	355.18	387.01
	PPIs	0.00	183.25	0.00	566.65
	Smoking Cessation	0.00	0.00	0.00	430.25
	Diet Drugs	0.00	44.09	0.00	550.13
	Vitamins	0.00	10.04	18.25	257.60
	Specialty	192.88	622.16	5706.25	3543.46

Table 43 – Retail Script Count PMPY Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
Specialty	0.00	0.04	0.04	0.05	
AdvantageDRT	All else	3.11	5.70	0.41	0.72
	Antihistamines	0.00	0.03	0.00	0.00
	Contraceptives	0.00	0.29	0.02	0.02
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.01
	PPIs	0.00	0.16	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.06	0.06
Performance	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
	Specialty	0.00	0.05	0.07	0.05

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Performance_4Tier	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
Specialty	0.00	0.05	0.07	0.05	
Advantage_4Tier	All else	2.57	6.44	0.26	
	Antihistamines	0.00	0.00	0.00	
	Contraceptives	0.00	1.01	0.11	
	Fertility	0.00	0.00	0.00	
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	
	PPIs	0.00	0.02	0.00	
	Smoking Cessation	0.00	0.00	0.00	
	Diet Drugs	0.00	0.00	0.00	
	Vitamins	0.00	0.00	0.00	
Specialty	0.00	0.04	0.04		
Generics Only	All else	2.57	6.44		
	Antihistamines	0.00	0.00		
	Contraceptives	0.00	1.01		
	Fertility	0.00	0.00		
	PPIs	0.00	0.02		
	Diet Drugs	0.00	0.00		
	Vitamins	0.00	0.00		
	Specialty	0.00	0.04		

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Legacy	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
	Specialty	0.00	0.04	0.04	0.05
Standard	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
	Specialty	0.00	0.05	0.07	0.05
Value	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
	Specialty	0.00	0.04	0.04	0.05
ValueDRT	All else	3.11	5.70	0.41	0.72
	Antihistamines	0.00	0.03	0.00	0.00
	Contraceptives	0.00	0.29	0.02	0.02
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.01
	PPIs	0.00	0.16	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.06	0.06

Table 44 – Script Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	35%	70%	55%	63%	35%
		M1	29%	68%	47%	55%	25%
		M2	32%	70%	47%	55%	25%
		M3	35%	71%	47%	55%	25%
		M0	29%	68%	47%	55%	25%
	Narrow	N	50%	77%	62%	71%	26%
		M1	29%	68%	47%	55%	25%
		M2	32%	70%	47%	55%	25%
		M3	35%	71%	47%	55%	25%
		M0	29%	68%	47%	55%	25%
NONE	Broad	N	76%	89%	52%	70%	40%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	52%	24%	27%	27%	0%
		M1	54%	25%	29%	34%	0%
		M2	52%	24%	29%	34%	0%
		M3	50%	23%	29%	34%	0%
		M0	54%	25%	29%	34%	0%
	Narrow	N	37%	17%	18%	21%	0%
		M1	54%	25%	29%	34%	0%
		M2	52%	24%	29%	34%	0%
		M3	50%	23%	29%	34%	0%
		M0	54%	25%	29%	34%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	13%	6%	18%	10%	65%
		M1	17%	7%	24%	11%	75%
		M2	16%	6%	24%	11%	75%
		M3	15%	6%	24%	11%	75%
		M0	17%	7%	24%	11%	75%
	Narrow	N	13%	6%	20%	8%	74%
		M1	17%	7%	24%	11%	75%
		M2	16%	6%	24%	11%	75%
		M3	15%	6%	24%	11%	75%
		M0	17%	7%	24%	11%	75%
NONE	Broad	N	24%	11%	48%	30%	60%

Table 45 – AWP Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	35%	71%	36%	57%	29%
		M1	29%	67%	28%	46%	19%
		M2	32%	69%	28%	46%	19%
		M3	35%	70%	28%	46%	19%
		M0	29%	67%	28%	46%	19%
	Narrow	N	49%	77%	34%	61%	22%
		M1	29%	67%	28%	46%	19%
		M2	32%	69%	28%	46%	19%
		M3	35%	70%	28%	46%	19%
		M0	29%	67%	28%	46%	19%
NONE	Broad	N	76%	89%	52%	70%	40%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	50%	20%	11%	15%	0%
		M1	52%	23%	12%	21%	0%
		M2	50%	22%	12%	21%	0%
		M3	48%	21%	12%	21%	0%
		M0	52%	23%	12%	21%	0%
	Narrow	N	36%	14%	7%	12%	0%
		M1	52%	23%	12%	21%	0%
		M2	50%	22%	12%	21%	0%
		M3	48%	21%	12%	21%	0%
		M0	52%	23%	12%	21%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	14%	9%	53%	29%	71%
		M1	19%	10%	61%	33%	81%
		M2	18%	9%	61%	33%	81%
		M3	17%	9%	61%	33%	81%
		M0	19%	10%	61%	33%	81%
	Narrow	N	15%	9%	60%	27%	78%
		M1	19%	10%	61%	33%	81%
		M2	18%	9%	61%	33%	81%
		M3	17%	9%	61%	33%	81%
		M0	19%	10%	61%	33%	81%
NONE	Broad	N	24%	11%	48%	30%	60%

Table 46 – Intra-Channel Non-Preferred Brand Shift Assumptions

Type	Program	Adjustment
Generic Requirement	Mandatory Generic	-8.0%
	Dispense as Written	-4.0%
Global Step Therapy	High Cholesterol	-0.8%
	Stomach Acid	-1.0%
	High Blood Pressure	-0.8%
	Overactive Bladder	-0.3%
	Bone Loss	-0.3%
	Sleep Disorders	-0.4%
	Allergy	-0.3%
	Anti Depressants	-0.5%
	Skin Treatment	-1.3%
	Non-Narcotic Pain Relievers	-0.5%
	Hyperactivity Disorder	-0.5%
	Mental Health	-0.6%
Asthma	-0.4%	

Table 47 – Intra-Channel Distribution Assumptions

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

Table 48 – Pharmacy: Cost Trend

Drug List	Generic/Brand/ Specialty	2017/2016	2018/2017	2019/2018	2020/2019	2021+/2020
Legacy	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Standard	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Value	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
ValueDRT	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Advantage	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
AdvantageDRT	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Performance	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Performance_4Tier	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Generics Only	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Advantage_4Tier	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%

Table 49 – Pharmacy: Utilization Trend

Drug List	Generic/Brand/ Specialty	2017/2016	2018/2017	2019/2018	2020/2019	2021+/2020
Legacy	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Standard	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Value	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
ValueDRT	G	4.6%	2.7%	1.5%	2.0%	1.4%
	B	-12.1%	-9.3%	-11.6%	-11.2%	-11.7%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Advantage	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
AdvantageDRT	G	4.6%	2.7%	1.5%	2.0%	1.4%
	B	-12.1%	-9.3%	-11.6%	-11.2%	-11.7%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Performance	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Performance_4Tier	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Generics Only	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Advantage_4Tier	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%

Table 50 – Pharmacy: Area Factor

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	0.68	0.68	NC	0.93	0.93
AL	0.94	0.94	ND	0.72	0.72
AR	0.78	0.78	NE	0.71	0.71
AZ	0.78	0.78	NH	0.86	0.86
CA	0.74	0.78	NJ	1.01	1.01
CO	0.76	0.76	NM	0.65	0.65
CT	1.01	1.01	NV	0.68	0.68
DC	1.03	1.03	NY	1.13	1.13
DE	0.96	0.96	OH	0.84	0.84
FL	0.84	0.96	OK	0.95	0.95
GA	0.97	0.97	OR	0.62	0.62
GU	1.05	1.05	PA	0.96	0.96
HI	0.69	0.69	PR	1.05	1.05
IA	0.71	0.71	RI	0.78	0.78
ID	0.74	0.74	SC	0.97	0.97
IL	0.81	0.81	SD	0.71	0.71
IN	0.83	0.83	TX	0.86	0.99
KS	0.89	0.89	TN	0.97	0.97
KY	0.97	0.97	UN	1.05	1.05
LA	1.05	1.05	UT	0.74	0.74
MA	0.83	0.83	VA	0.93	0.93
MD	1.01	1.01	VI	0.85	0.85
ME	0.79	0.79	VT	0.71	0.71
MI	0.79	0.79	WA	0.69	0.69
MN	0.76	0.76	WI	0.79	0.79
MO	0.91	0.91	WV	0.93	0.93
MS	0.81	0.81	WY	0.66	0.66
MT	0.72	0.72			

Table 51 – Pharmacy: CPD (% Preventive)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
0	0	31.76%	0.00%	0.00%	0.00%
0	1	16.61%	7.61%	79.66%	8.33%
1	50	7.15%	12.05%	80.29%	22.77%
50	100	4.73%	14.39%	30.46%	17.26%
100	150	3.60%	15.66%	23.37%	12.02%
150	200	2.92%	16.21%	23.65%	10.73%
200	250	2.44%	15.99%	24.63%	11.54%
250	300	2.04%	16.35%	26.70%	11.26%
300	350	1.69%	17.38%	27.57%	9.04%
350	400	1.46%	18.22%	25.72%	8.40%
400	450	1.34%	18.78%	21.07%	8.32%
450	500	1.12%	19.22%	24.93%	9.48%
500	550	0.97%	18.57%	27.23%	9.69%
550	600	0.89%	18.31%	29.07%	9.77%
600	650	0.84%	18.05%	28.32%	9.20%
650	700	0.76%	17.92%	30.26%	7.97%
700	750	0.68%	18.80%	29.61%	8.47%
750	800	0.64%	18.24%	30.20%	8.76%
800	850	0.62%	17.75%	27.35%	9.66%
850	900	0.58%	18.32%	24.71%	8.85%
900	950	0.53%	18.26%	28.76%	9.23%
950	1,000	0.97%	18.68%	28.71%	9.66%
1,000	1,100	0.88%	19.43%	28.67%	9.89%
1,100	1,200	0.79%	19.52%	30.42%	10.24%
1,200	1,300	0.74%	19.79%	28.81%	11.27%
1,300	1,400	0.67%	20.25%	29.64%	10.22%
1,400	1,500	0.62%	20.84%	32.39%	11.80%
1,500	1,600	0.53%	20.99%	35.38%	13.48%
1,600	1,700	0.50%	20.75%	38.13%	14.46%
1,700	1,800	0.46%	21.30%	39.32%	15.66%
1,800	1,900	0.44%	20.73%	40.73%	16.72%
1,900	2,000	1.81%	21.69%	42.14%	18.43%
2,000	2,500	1.32%	21.10%	45.02%	19.36%
2,500	3,000	0.97%	21.50%	49.04%	19.93%
3,000	3,500	0.77%	21.91%	51.79%	21.19%
3,500	4,000	0.62%	22.27%	52.44%	21.29%
4,000	4,500	0.50%	22.38%	51.43%	19.92%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
4,500	5,000	0.41%	22.32%	51.73%	19.05%
5,000	5,500	0.34%	22.19%	53.15%	18.94%
5,500	6,000	0.30%	21.97%	53.32%	17.84%
6,000	6,500	0.25%	21.51%	53.71%	18.15%
6,500	7,000	0.22%	21.30%	54.58%	17.83%
7,000	7,500	0.19%	20.44%	53.43%	18.13%
7,500	8,000	0.16%	19.98%	53.00%	18.29%
8,000	8,500	0.15%	19.69%	53.27%	16.40%
8,500	9,000	0.13%	19.63%	53.68%	15.34%
9,000	9,500	0.11%	20.47%	51.78%	15.77%
9,500	10,000	0.10%	19.38%	51.57%	15.59%
10,000	10,500	0.09%	18.56%	50.15%	15.11%
10,500	11,000	0.08%	18.64%	50.06%	16.61%
11,000	11,500	0.07%	17.89%	47.57%	15.45%
11,500	12,000	0.06%	17.96%	50.10%	15.22%
12,000	12,500	0.06%	19.06%	49.88%	13.13%
12,500	13,000	0.05%	18.27%	48.84%	14.27%
13,000	13,500	0.05%	16.99%	49.91%	14.04%
13,500	14,000	0.04%	16.24%	49.00%	12.86%
14,000	14,500	0.04%	15.68%	47.19%	13.57%
14,500	15,000	0.03%	15.83%	45.08%	12.11%
15,000	15,500	0.03%	16.79%	45.20%	12.81%
15,500	16,000	0.03%	15.80%	45.70%	11.80%
16,000	16,500	0.03%	16.22%	42.04%	12.12%
16,500	17,000	0.03%	15.68%	43.02%	12.20%
17,000	17,500	0.02%	16.14%	43.91%	13.66%
17,500	18,000	0.02%	16.33%	41.25%	11.77%
18,000	18,500	0.02%	12.75%	40.57%	12.30%
18,500	19,000	0.02%	14.81%	35.43%	11.16%
19,000	19,500	0.02%	14.49%	32.08%	10.51%
19,500	20,000	0.04%	14.33%	30.92%	9.44%
20,000	21,000	0.03%	12.52%	30.58%	9.80%
21,000	22,000	0.03%	11.93%	31.24%	8.65%
22,000	23,000	0.03%	12.69%	29.18%	8.05%
23,000	24,000	0.03%	13.62%	31.35%	7.94%
24,000	25,000	0.03%	13.66%	28.19%	7.34%
25,000	26,000	0.03%	10.75%	25.45%	6.49%
26,000	27,000	0.03%	9.78%	17.88%	4.58%
27,000	28,000	0.02%	9.81%	19.49%	5.83%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
28,000	29,000	0.02%	11.83%	14.68%	6.03%
29,000	30,000	0.19%	10.05%	8.85%	8.07%
30,000	40,000	0.11%	9.66%	5.20%	7.77%
40,000	50,000	0.06%	7.73%	6.88%	4.44%
50,000	60,000	0.06%	6.51%	2.02%	1.26%
60,000	70,000	0.03%	8.32%	3.68%	0.80%
70,000	80,000	0.02%	9.19%	2.34%	0.69%
80,000	90,000	0.00%	10.35%	4.09%	0.29%
90,000	91,000	0.00%	6.85%	1.23%	0.57%
91,000	92,000	0.00%	3.14%	0.88%	0.03%
92,000	93,000	0.00%	5.32%	1.54%	0.16%
93,000	94,000	0.00%	15.33%	0.42%	0.51%
94,000	95,000	0.00%	12.02%	0.44%	5.70%
95,000	96,000	0.00%	13.21%	0.49%	0.05%
96,000	97,000	0.00%	7.79%	0.72%	0.04%
97,000	98,000	0.00%	18.11%	0.81%	0.30%
98,000	99,000	0.00%	15.73%	0.62%	0.21%
99,000	100,000	0.05%	7.69%	1.17%	0.32%

Table 52 – Pharmacy: CPD (Cost per Script)

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	\$0.00	\$0.00	\$0.00	\$0.00
0	1	16.61%	\$8.59	\$31.68	\$17.89	\$20.74
1	50	7.15%	\$13.19	\$45.66	\$56.88	\$33.59
50	100	4.73%	\$15.39	\$74.98	\$70.66	\$61.23
100	150	3.60%	\$17.45	\$90.67	\$90.17	\$77.98
150	200	2.92%	\$19.17	\$104.25	\$102.99	\$76.17
200	250	2.44%	\$20.77	\$100.58	\$119.94	\$77.68
250	300	2.04%	\$22.16	\$91.12	\$125.84	\$85.40
300	350	1.69%	\$23.16	\$99.08	\$152.31	\$95.51
350	400	1.46%	\$23.95	\$115.16	\$172.85	\$90.92
400	450	1.34%	\$25.13	\$144.29	\$166.43	\$94.93
450	500	1.12%	\$26.83	\$129.69	\$172.82	\$94.15
500	550	0.97%	\$27.67	\$133.66	\$180.89	\$105.14
550	600	0.89%	\$28.94	\$139.16	\$184.97	\$116.69
600	650	0.84%	\$30.76	\$146.55	\$205.07	\$121.70
650	700	0.76%	\$31.23	\$148.80	\$229.33	\$150.26
700	750	0.68%	\$31.55	\$151.46	\$232.16	\$137.65
750	800	0.64%	\$32.97	\$160.06	\$228.22	\$143.31
800	850	0.62%	\$34.23	\$165.81	\$240.46	\$211.59
850	900	0.58%	\$33.84	\$184.62	\$245.92	\$165.57
900	950	0.53%	\$34.77	\$170.77	\$237.25	\$165.24
950	1,000	0.97%	\$35.90	\$171.84	\$248.67	\$158.73
1,000	1,100	0.88%	\$36.95	\$174.59	\$241.62	\$152.20
1,100	1,200	0.79%	\$38.18	\$177.37	\$243.04	\$147.43
1,200	1,300	0.74%	\$39.72	\$186.08	\$248.74	\$154.11
1,300	1,400	0.67%	\$40.62	\$194.47	\$290.12	\$184.93
1,400	1,500	0.62%	\$41.43	\$197.89	\$290.25	\$182.17
1,500	1,600	0.53%	\$42.78	\$204.28	\$281.48	\$170.55
1,600	1,700	0.50%	\$43.36	\$217.35	\$282.33	\$166.81
1,700	1,800	0.46%	\$44.08	\$229.57	\$292.63	\$179.90
1,800	1,900	0.44%	\$45.03	\$236.68	\$296.15	\$208.90
1,900	2,000	1.81%	\$45.58	\$245.34	\$305.05	\$202.20
2,000	2,500	1.32%	\$46.78	\$269.92	\$329.37	\$284.82
2,500	3,000	0.97%	\$49.02	\$290.40	\$355.56	\$310.94
3,000	3,500	0.77%	\$51.07	\$311.28	\$368.62	\$349.61
3,500	4,000	0.62%	\$52.46	\$330.88	\$386.50	\$384.83
4,000	4,500	0.50%	\$53.98	\$344.60	\$405.48	\$392.83
4,500	5,000	0.41%	\$55.90	\$360.48	\$421.36	\$444.52

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	\$57.82	\$376.24	\$437.10	\$578.30
5,500	6,000	0.30%	\$58.53	\$395.64	\$467.53	\$640.22
6,000	6,500	0.25%	\$59.24	\$408.33	\$470.07	\$697.18
6,500	7,000	0.22%	\$60.20	\$425.94	\$485.27	\$764.19
7,000	7,500	0.19%	\$62.08	\$438.35	\$510.58	\$822.95
7,500	8,000	0.16%	\$64.28	\$445.75	\$524.62	\$856.01
8,000	8,500	0.15%	\$64.87	\$471.18	\$538.33	\$1,021.51
8,500	9,000	0.13%	\$66.00	\$479.27	\$559.41	\$1,123.38
9,000	9,500	0.11%	\$70.80	\$493.26	\$564.16	\$1,126.92
9,500	10,000	0.10%	\$68.19	\$507.64	\$577.28	\$1,251.19
10,000	10,500	0.09%	\$72.75	\$525.48	\$611.31	\$1,303.97
10,500	11,000	0.08%	\$70.02	\$550.46	\$603.37	\$1,411.65
11,000	11,500	0.07%	\$73.68	\$556.51	\$623.79	\$1,503.27
11,500	12,000	0.06%	\$73.79	\$563.80	\$623.57	\$1,398.44
12,000	12,500	0.06%	\$72.67	\$573.24	\$629.04	\$1,331.17
12,500	13,000	0.05%	\$73.88	\$591.53	\$671.84	\$1,571.85
13,000	13,500	0.05%	\$78.03	\$609.54	\$685.08	\$1,754.91
13,500	14,000	0.04%	\$72.97	\$610.02	\$700.11	\$1,712.73
14,000	14,500	0.04%	\$84.48	\$634.09	\$711.13	\$1,573.76
14,500	15,000	0.03%	\$80.68	\$658.39	\$770.01	\$1,689.66
15,000	15,500	0.03%	\$86.85	\$659.23	\$772.11	\$1,754.02
15,500	16,000	0.03%	\$84.55	\$703.80	\$833.36	\$2,054.74
16,000	16,500	0.03%	\$83.39	\$736.55	\$816.97	\$2,048.87
16,500	17,000	0.03%	\$82.90	\$715.16	\$808.90	\$1,742.22
17,000	17,500	0.02%	\$85.08	\$745.43	\$901.21	\$1,987.46
17,500	18,000	0.02%	\$85.28	\$798.57	\$904.09	\$2,213.44
18,000	18,500	0.02%	\$88.04	\$821.93	\$972.63	\$2,282.43
18,500	19,000	0.02%	\$83.13	\$885.51	\$993.11	\$2,495.66
19,000	19,500	0.02%	\$92.67	\$951.03	\$1,044.17	\$2,686.76
19,500	20,000	0.04%	\$90.23	\$967.37	\$1,267.95	\$2,863.17
20,000	21,000	0.03%	\$97.32	\$1,047.95	\$1,221.26	\$2,697.53
21,000	22,000	0.03%	\$83.66	\$1,105.27	\$1,314.27	\$2,549.93
22,000	23,000	0.03%	\$92.74	\$1,086.38	\$1,484.12	\$2,664.16
23,000	24,000	0.03%	\$92.22	\$1,115.72	\$1,481.16	\$2,546.71
24,000	25,000	0.03%	\$87.55	\$1,085.64	\$1,695.76	\$2,659.79
25,000	26,000	0.03%	\$91.91	\$1,221.25	\$2,020.07	\$2,802.45
26,000	27,000	0.03%	\$92.30	\$1,333.81	\$2,368.93	\$3,046.63
27,000	28,000	0.02%	\$99.35	\$1,314.97	\$2,022.47	\$2,851.24
28,000	29,000	0.02%	\$88.06	\$1,771.19	\$2,162.11	\$3,291.95

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	\$88.60	\$2,148.66	\$2,308.93	\$3,688.90
30,000	40,000	0.11%	\$83.19	\$3,162.33	\$2,527.06	\$4,794.57
40,000	50,000	0.06%	\$95.82	\$3,841.60	\$3,572.55	\$6,754.76
50,000	60,000	0.06%	\$86.72	\$6,992.45	\$5,360.84	\$10,941.08
60,000	70,000	0.03%	\$89.57	\$5,208.04	\$6,356.82	\$9,991.76
70,000	80,000	0.02%	\$97.94	\$6,662.97	\$5,815.56	\$10,404.61
80,000	90,000	0.00%	\$92.38	\$7,063.58	\$7,513.73	\$10,619.99
90,000	91,000	0.00%	\$134.86	\$7,354.22	\$6,199.40	\$12,131.01
91,000	92,000	0.00%	\$137.05	\$7,832.35	\$6,923.17	\$10,002.50
92,000	93,000	0.00%	\$90.10	\$7,062.53	\$7,578.90	\$11,010.31
93,000	94,000	0.00%	\$67.77	\$8,838.90	\$5,397.97	\$11,328.74
94,000	95,000	0.00%	\$61.65	\$12,488.58	\$7,397.71	\$17,622.25
95,000	96,000	0.00%	\$50.15	\$14,624.22	\$7,453.11	\$18,513.11
96,000	97,000	0.00%	\$70.17	\$13,446.79	\$6,129.71	\$18,161.28
97,000	98,000	0.00%	\$35.24	\$19,233.92	\$8,649.60	\$22,692.88
98,000	99,000	0.00%	\$44.80	\$11,693.75	\$8,998.11	\$18,341.89
99,000	100,000	0.05%	\$105.15	\$9,398.84	\$8,965.70	\$14,548.35

Table 53 – Pharmacy: CPD (Scripts PMPY)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	0.000	0.000	0.000	0.000
0	1	16.61%	2.319	0.012	0.006	0.000
1	50	7.15%	4.698	0.128	0.043	0.001
50	100	4.73%	6.225	0.256	0.064	0.004
100	150	3.60%	7.456	0.332	0.087	0.007
150	200	2.92%	8.370	0.436	0.102	0.010
200	250	2.44%	9.346	0.550	0.124	0.015
250	300	2.04%	10.273	0.719	0.153	0.018
300	350	1.69%	10.942	0.792	0.190	0.026
350	400	1.46%	11.285	0.866	0.224	0.031
400	450	1.34%	11.297	0.921	0.245	0.034
450	500	1.12%	12.110	1.026	0.269	0.044
500	550	0.97%	12.842	1.086	0.290	0.045
550	600	0.89%	13.214	1.151	0.319	0.050
600	650	0.84%	13.000	1.252	0.335	0.054
650	700	0.76%	13.410	1.276	0.397	0.058
700	750	0.68%	13.761	1.418	0.423	0.060
750	800	0.64%	13.715	1.481	0.469	0.064
800	850	0.62%	13.557	1.645	0.453	0.071
850	900	0.58%	13.623	1.713	0.471	0.069
900	950	0.53%	14.055	1.905	0.536	0.072
950	1,000	0.97%	14.203	2.068	0.594	0.078
1,000	1,100	0.88%	14.228	2.391	0.680	0.078
1,100	1,200	0.79%	14.810	2.589	0.730	0.087
1,200	1,300	0.74%	14.522	2.836	0.794	0.078
1,300	1,400	0.67%	14.949	2.807	0.853	0.078
1,400	1,500	0.62%	15.111	3.042	0.925	0.084
1,500	1,600	0.53%	16.078	3.096	0.965	0.093
1,600	1,700	0.50%	16.125	3.251	1.002	0.090
1,700	1,800	0.46%	16.540	3.285	1.038	0.087
1,800	1,900	0.44%	16.567	3.462	1.073	0.088
1,900	2,000	1.81%	17.559	4.055	1.213	0.107
2,000	2,500	1.32%	19.509	4.677	1.440	0.131
2,500	3,000	0.97%	21.212	5.118	1.698	0.156
3,000	3,500	0.77%	22.512	5.689	1.861	0.164
3,500	4,000	0.62%	23.854	6.198	2.053	0.200
4,000	4,500	0.50%	24.946	6.745	2.225	0.234
4,500	5,000	0.41%	25.413	7.292	2.387	0.255

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	26.110	7.740	2.536	0.274
5,500	6,000	0.30%	26.450	8.060	2.716	0.300
6,000	6,500	0.25%	27.332	8.542	2.900	0.326
6,500	7,000	0.22%	28.369	8.974	2.949	0.382
7,000	7,500	0.19%	28.458	9.321	3.130	0.410
7,500	8,000	0.16%	29.480	9.703	3.259	0.451
8,000	8,500	0.15%	29.510	9.861	3.386	0.499
8,500	9,000	0.13%	30.329	10.092	3.600	0.602
9,000	9,500	0.11%	30.752	10.591	3.501	0.683
9,500	10,000	0.10%	31.296	10.775	3.825	0.698
10,000	10,500	0.09%	32.427	10.718	3.748	0.823
10,500	11,000	0.08%	32.199	11.228	3.844	0.977
11,000	11,500	0.07%	33.630	10.949	4.184	1.064
11,500	12,000	0.06%	33.402	11.670	4.157	1.051
12,000	12,500	0.06%	34.593	12.102	4.367	1.256
12,500	13,000	0.05%	34.735	12.331	4.169	1.255
13,000	13,500	0.05%	34.489	12.152	4.583	1.306
13,500	14,000	0.04%	35.616	12.893	4.485	1.375
14,000	14,500	0.04%	35.768	12.388	4.371	1.777
14,500	15,000	0.03%	35.068	12.321	4.507	1.905
15,000	15,500	0.03%	34.776	12.260	5.005	1.917
15,500	16,000	0.03%	34.788	12.261	4.742	1.948
16,000	16,500	0.03%	35.956	12.355	4.743	2.228
16,500	17,000	0.03%	38.136	13.096	4.955	2.638
17,000	17,500	0.02%	35.058	12.302	5.122	2.451
17,500	18,000	0.02%	35.086	12.245	4.908	2.496
18,000	18,500	0.02%	34.754	12.071	4.980	2.711
18,500	19,000	0.02%	34.852	11.533	4.871	2.817
19,000	19,500	0.02%	32.828	10.879	4.844	3.087
19,500	20,000	0.04%	31.527	10.808	4.524	3.394
20,000	21,000	0.03%	31.856	10.753	4.814	3.834
21,000	22,000	0.03%	32.427	10.520	4.947	4.616
22,000	23,000	0.03%	30.150	10.655	4.954	4.865
23,000	24,000	0.03%	31.839	10.728	5.177	5.537
24,000	25,000	0.03%	29.079	10.463	5.738	5.804
25,000	26,000	0.03%	26.162	9.061	5.457	6.270
26,000	27,000	0.03%	25.365	8.366	5.092	6.258
27,000	28,000	0.02%	26.857	9.305	5.638	6.673
28,000	29,000	0.02%	23.945	8.567	4.626	6.768

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	25.003	9.099	3.941	7.410
30,000	40,000	0.11%	24.547	8.987	3.335	7.850
40,000	50,000	0.06%	24.663	8.573	3.721	6.981
50,000	60,000	0.06%	19.336	6.255	2.497	5.589
60,000	70,000	0.03%	25.156	8.288	3.631	6.766
70,000	80,000	0.02%	25.007	8.217	3.856	7.575
80,000	90,000	0.00%	29.954	7.400	4.077	7.815
90,000	91,000	0.00%	24.938	7.396	4.625	7.188
91,000	92,000	0.00%	25.911	6.339	4.964	8.714
92,000	93,000	0.00%	24.365	7.500	4.385	7.865
93,000	94,000	0.00%	21.250	7.125	3.953	7.938
94,000	95,000	0.00%	17.663	4.916	2.916	5.108
95,000	96,000	0.00%	15.435	4.885	1.893	5.130
96,000	97,000	0.00%	19.878	5.740	2.415	5.203
97,000	98,000	0.00%	14.646	4.243	1.660	4.267
98,000	99,000	0.00%	18.888	6.103	2.430	5.196
99,000	100,000	0.05%	25.650	9.091	5.475	8.980

Table 54 – Pharmacy: Clinical Management Programs

Clinical Module B	0.50%
Clinical Module C	1.50%

Table 55 – Pharmacy: Demographic Factors

Age Band	Employee		Spouse		Child		Unisex
	Male	Female	Male	Female	Male	Female	
< 20	0.1797	0.4445	0.2568	0.5014	0.4438	0.3656	0.3589
20-24	0.2881	0.4205	0.2412	0.4487	0.5001	0.7074	0.4881
25-29	0.5075	0.7029	0.5091	0.6203	0.5600	0.6823	0.5823
30-34	0.6476	0.8341	0.6630	0.8109	0.7293	0.8920	0.7161
35-39	0.8539	1.0318	0.9494	1.0329	1.0444	1.1362	0.9070
40-44	1.0324	1.1969	1.1209	1.3856	1.2330	1.5242	1.1347
45-49	1.3335	1.4214	1.4927	1.6727	1.6420	1.8399	1.4360
50-54	1.6645	1.6754	2.0053	2.0193	2.2058	2.2213	1.8439
55-59	2.0382	1.9776	2.5687	2.4820	2.8256	2.7301	2.2691
60-64	2.5327	2.3216	3.0760	2.9814	3.3836	3.2796	2.7501
65-69	2.9689	2.4999	3.8573	3.6212	4.2431	3.9833	3.0846
70+	3.8407	3.0742	3.7376	3.5141	4.1114	3.8655	3.5014

Table 56 – Industry Load

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

Table 57 – Pharmacy: Utilization Dampening Factors

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

Table 58 – Pharmacy: Multiple Offering Load

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

Table 59 – Pharmacy: Exclusive Specialty Home Delivery (ESHD) Adjustment

ESHD Program	Fills	Adjustment
Y	0	-0.5%
Y	1	-0.3%
Y	2	-0.2%
Y	3+	-0.1%
N	N/A	0.0%

Table 60 – Pharmacy: Clinical Management Adjustment Assumption

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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC - VT actuarial memo_complete.pdf CHLIC-VTexh_2019_complete.pdf
Item Status:	
Status Date:	

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

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

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

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

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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Supplemental Exhibits
Comments:	
Attachment(s):	VT 2019 Supplemental Exhibits_Resubmitted.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response Letter Dated 2-15-19
Comments:	
Attachment(s):	Objection Letter Responses 2.22.19.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response Letter dated 3-12-19
Comments:	
Attachment(s):	Objection Letter Responses 3.12.19_final.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Letter Dated 3/12/19.
Comments:	
Attachment(s):	Objection Letter Responses 3.19.19_final_Set 1.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection letter dated 3/15/19
Comments:	
Attachment(s):	Area Factors.pdf Objection Letter Responses 3.19.19_final_set 2.pdf
Item Status:	
Status Date:	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

Satisfied - Item:	Response to Objection Dated 3/26/19
Comments:	
Attachment(s):	Objection Letter Responses 3.29.19_set_1.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Dated 3/27/19
Comments:	
Attachment(s):	Objection Letter Responses 3.29.19_set_2.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection 4-1-19
Comments:	
Attachment(s):	Objection Letter Responses 4.01.19_set_1.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection 4-3-19
Comments:	
Attachment(s):	VT UW Policy - Redacted without Confidentiality Stamp.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection 4-8-19
Comments:	
Attachment(s):	2018 SHCE CHLIC Part 1 2 3 VT.PDF Objection Letter Responses 04.08.19_final.pdf
Item Status:	
Status Date:	

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose

The purpose of this filing is to submit CIGNA Health and Life Insurance Company's group manual rating methodology. Our pricing model was developed to provide a consistent rating methodology across products. This filing includes Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance product, and is applicable for groups of 100 or more lives. Methodology is also included for Pharmacy products.

Benefit Description

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

Census

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

Adjustments to Base Claims

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

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

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

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

Benefit Plan Adjustments

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

Renewability Clause

The benefit plans covered under this memorandum are guaranteed renewable.

Applicability

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

Marketing Method

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

Premium Classes

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

Issue Age Range

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

Premium Modalization Rules

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

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business

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

Rating

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

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

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

Anticipated Loss Ratio

The methodology and supporting factors apply to groups of 51 or more employees.

The anticipated large group loss ratio for this policy is 87.2%.

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

Administrative Expenses 5.5%

Optional Buy-ups 0.1%

PPACA Fees 0.0%

Risk Charge: 0.0%

Premium and Income Taxes 2.0%

Profit 3.5%

State Assessments 1.7%

Commissions 0.0%

Total 12.8%

Comparison to Status Quo

This filing includes a number of changes to our medical and pharmacy rating methodologies. It is difficult to quantify each change independent of the others. The average expected increase in manual rates in Vermont is -3.6%. This figure was calculated by comparing the current filed and approved manuals using an illustrative effective date of 1/1/2018 to the proposed 1/1/2019 manuals for a representative sample of Vermont situated business. This figure is inclusive of one year of trend. (Note: The number of fully insured accounts situated in Vermont in 2016 was 5, consistent with the company's Supplemental Health Care Exhibits.)

Changes to Methodology for the 2019 Cigna Rate Filing

- Medical
 - Updates to the medical base claims
 - Updates to the medical area factors and trend
 - Updates to demographic factors and aging trend
 - Updates to the medical claims probability distribution
 - Updates to the medical capitation percentages
 - Updates to the tiered benefits methodology
 - Updates to the POS Load coefficients
 - Updates to Medical OON Program Savings Factors
 - Updates to the enhanced non-par claims adjustment
 - Updates to the Modular Medical Management Adjustment
 - Updates to medical riders
 - Updates to multiple offering load medical savings
- Behavioral
 - Updates to the MHSUD trend and rates
- Vision
 - Updates to the vision cost
 - Updates to frequency and service utilization
 - Updates to trend
- Pharmacy
 - Updates to average wholesale price per script
 - Updates to average script count per customer
 - Updates to script to channel distribution assumption
 - Updates to average wholesale price to channel distribution assumption
 - Updates to pharmacy cost trend
 - Updates to pharmacy utilization trend
 - Updates to pharmacy area factors
 - Updates to pharmacy demographic factors
 - Updates to pharmacy clinical management adjustment assumption
 - Updates to pharmacy discount

Credibility Formula

Cigna has updated its credibility formula in this latest filing.

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

For prospectively rated accounts, the number of member months at which the experience is considered fully credible depends on the pooling point, as well as if the account is a presale or a renewal. Partial credibility (blending experience with manual) would be reflected using the following formulas, depending on whether or not a certain boundary is reached:

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

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

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

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

There is a minimum of 5 months of experience for paid claims and 4 months for incurred claims as well as a minimum overall of 100 member months to have any credibility. If member months are greater than or equal to 36k, credibility is 100%.

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

Experience, once completed and smoothed, is trended to the rate projection period using the same anticipated medical cost trend used for the commercial pooled rate development. Capitation is added in separately. These projected claims are divided by the commercial loss ratio to get a required revenue number (including administrative expense and profit) for the rate period. This required revenue is further adjusted, if necessary, for any expected change in the account's demographic mix or benefit plan from the experience period to the rate period.

ACTUARIAL CERTIFICATION

Opinion

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

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



Paul Schaeffer, FSA, MAAA
Actuarial Senior Director

Date: 1/29/2019

VERMONT FILING SUMMARY
CGLIC/CHLIC Combined

Vermont (only)
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2014	\$15,241	\$10,215	67.0%
4th prior year 2015	\$12,131	\$9,786	80.7%
3rd prior year 2016	\$4,366	\$3,165	72.5%
2nd prior year 2017	\$3,664	\$4,407	120.3%
1st prior year 2018	\$3,763	\$3,128	83.1%

Countrywide
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2014	\$5,401,277	\$4,451,450	82.4%
4th prior year 2015	\$5,594,394	\$4,587,931	82.0%
3rd prior year 2016	\$5,833,712	\$4,853,289	83.2%
2nd prior year 2017	\$7,460,597	\$6,276,045	84.1%
1st prior year 2018	\$7,916,069	\$6,589,165	83.2%

2018 SHCE is not available yet. 2018 is projected based on current filed and approved methodology

Supporting Information for Trend Assumptions:

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

Pricing Trend Assumptions

Below provides detail into the buildup of our Vermont pricing trend assumptions for 2018/2017 and 2019/2018.

Vermont In-Network Trend		
2018	Weight	Unit
IP 1	16.7%	3.9%
OP 2	44.6%	4.3%
Pro 3	24.2%	-4.1%
OMS 3	14.5%	7.2%
Unit Cost	100.0%	2.6%
Util		1.2%
Mix		1.6%
Total Trend		5.5%

Vermont In-Network Trend		
2019	Weight	Unit
IP 1	15.0%	3.6%
OP 2	45.5%	2.8%
Pro 3	24.5%	2.3%
OMS 3	15.0%	6.8%
Unit Cost	100.0%	3.4%
Util		1.1%
Mix		1.5%
Total Trend		6.0%

Notes:

¹ IP (Inpatient) unit trends are created using a weighted average of IP cost per day by facility with that facilities %weight in the market. Weights are calculated using Vermont customers \$ FFS spend . The IP unit cost trend is the year over year comparison of the weighted average IP cost per day . For example: 2018 IP unit cost trend= 2018 IP cost per day/2017 IP cost per day.

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

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

Historical claims experience for Vermont

Vermont Monthly Medical Claims Experience		
Incurred Month (YYYYMM)	Incurred Claims	Members
FY2014	\$226,791,487	50,961
FY2015	\$239,773,640	50,329
201601	\$18,163,156	52,083
201602	\$18,772,798	52,010
201603	\$21,082,341	51,805
201604	\$18,446,153	51,657
201605	\$20,036,026	51,554
201606	\$21,455,988	51,681
201607	\$19,610,767	51,499
201608	\$20,840,618	51,513
201609	\$20,551,144	51,305
201610	\$21,879,580	51,574
201611	\$21,717,572	51,622
201612	\$22,788,131	51,715
201701	\$19,687,058	51,703
201702	\$18,964,877	51,744
201703	\$22,790,217	51,593
201704	\$19,156,206	51,576
201705	\$23,768,127	51,841
201706	\$22,358,381	51,648
201707	\$20,791,349	51,514
201708	\$23,253,741	51,547
201709	\$21,569,780	51,561
201710	\$23,997,300	51,591
201711	\$23,550,708	51,433
201712	\$23,998,595	51,335
201801	\$20,849,118	51,026
201802	\$20,494,379	51,109
201803	\$22,084,475	51,093
201804	\$24,125,260	51,011
201805	\$24,259,001	50,898
201806	\$23,568,182	50,878
201807	\$24,199,001	50,203
201808	\$24,795,430	50,002
201809	\$22,865,008	49,974
201810	\$0	0
201811	\$0	0
201812	\$0	0

The table above represents five years of historical claims experience for Vermont. We've also provided the monthly view of membership. The membership displayed here will not agree with the membership provided in the SERFF because this membership represents members who reside in VT for all funding types and the membership displayed in the SERFF represents the members who are situated in VT for fully insured products only. This information is not normalized for demographics or plan design. Note: the source for the experience above is different than in previous filings because the legacy claims database is no longer available.

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

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

Vermont Medical Trends	FY 2014	FY 2015	15/14	FY 2016	16/15	FY 2017	17/16	3Q17 YTD	3Q18 YTD	18/17
	PMPM	PMPM	Trend	PMPM	Trend	PMPM	Trend	PMPM	PMPM	Trend
Total Observed (Net) Trend	\$370.86	\$397.01	7.1%	\$395.71	-0.3%	\$426.25	7.7%	\$ 414	\$ 454	9.8%
Normalization Factor			-0.6%		0.7%		-3.1%			0.4%
Total Normalized (Gross) Trend			7.6%		-1.0%		11.1%			9.4%

Pharmacy Trend Assumptions

	2018/2017	2019/2018
Cost Trend	6.38%	7.46%
Utilization Trend	1.53%	0.44%
Total Trend	8.00%	7.93%

Pharmacy trends are composed of several pieces:

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

Pharmacy trends are at a lower level than the previous filing due to lower expected non-specialty and specialty inflation. The chart below outlines our expectations for specialty and non-specialty trends.

Trend Category	2018/2017	2019/2018
Specialty	17.40%	17.78%
Non-Specialty	4.74%	4.03%
Total Trend	8.00%	7.93%

Specialty medications are anticipated to trend in the double digits, at a higher rate than previous projections due to increased utilization. Non-specialty trends are projected to be at lower levels, but they are still expected to increase year-over-year reflecting a limited reversion towards historical pharmacy trends. This is offset by Cigna's continued efforts to better manage our drug lists to steer customers to the lowest cost drug.

Actual observed trend for 2017, and YTD 2018 was 4.4% and 6.1% respectively. Observed trends vary from pricing trends due to a variety of reasons including but not limited to changes in benefits and/or plan designs, demographics, and geographies. We believe these recently observed results support the requested pricing trend factors submitted in this filing.

Observed (raw and/or normalized) historical trends are not directly comparable to prospective pricing trend. We rely heavily on our knowledge of our unit cost position and forecasting the components mentioned above to set an appropriate prospective trend.

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Objection 1

Comment:

As shown under “Rate Review Detail” of SERFF submission, the weighted average prior rate is \$579.62 PMPM. Please illustrate how this amount reconciled to the approved rate from the prior filing.

Response:

We filed our original 2019 SERFF using the data from our first iteration of the December 2017 filing of 2018 rates. For the 2018 filing, there were objections from the Board that lead to a reduction in Cigna's rates. We have updated our prior data in the current SERFF so that the revised and approved rates from 2018 are used appropriately and align to the \$552.87 that was in the prior SERFF. We are filing a new SERFF with the 2019 filing using this corrected historical data to align to the approved rates in the March 2018 filing.

There is still a slight difference in the Projected PMPM in the SERFF for prior rates and what we are showing in the 2019 SERFF because of case mix. The 2018 projected PMPM in the 2018 filing is based on the 2017 case mix, while the 2018 actual PMPM in the 2019 filing (prior data) is based on the current case mix. The cases sold in 2018 had slightly higher premiums due to richer benefits than we had forecasted at the time of the prior approved filing. This led to greater utilization of benefits and slightly higher than forecasted medical claims.

The difference between the projected premium and actual premium is \$4.86., primarily due to higher medical costs (\$3.97 PMPM) and slightly higher Admin/Marketing/Profit (\$0.89 PMPM) as compared to our expectations at the time of the 2018 filing.

2018 Projected Premium	\$	552.87
Claim Cost Increase		\$3.97
Admin/Marketing/Profit		\$0.89
Total Premium Increase beyond Projection		\$4.86
2018 Actual Premium		\$557.73

Objection 2

Comments:

The VT trend assumptions shown in Table 27 and Table 28 are different from those shown in the Supplemental Exhibits. Which set of medical trend assumptions is correct?

Please confirm that the correct trend assumptions are being used in pricing, if not, please provide updated supporting documentation and rate manual with the corrected medical trend assumptions.

Response:

The trend assumptions in table 27 & 28 are correct. We will submit a new supporting documentation file. The error in the Supplemental exhibits did not affect other rate buildup assumptions.

Vermont In-Network Trend		
2018	Weight	Unit
IP 1	16.7%	3.9%
OP 2	44.6%	4.3%
Pro 3	24.2%	-4.1%
OMS 3	14.5%	7.2%
Unit Cost	100.0%	2.6%
Util		1.2%
Mix		1.6%
Total Trend		5.5%

Vermont In-Network Trend		
2019	Weight	Unit
IP 1	15.0%	3.6%
OP 2	45.5%	2.8%
Pro 3	24.5%	2.3%
OMS 3	15.0%	6.8%
Unit Cost	100.0%	3.4%
Util		1.1%
Mix		1.5%
Total Trend		6.0%

Objection 3

Comment:

Please provide a breakdown of the -3.60% overall rate impact by major category of change, which includes but are not limited to:

- a. Updating rating variables on a 1/1/2019 basis (e.g., area factors and trends for medical and Rx respectively);
- b. Approved trend from the prior filing;
- c. Change in proposed MLR.

In addition, please provide additional support for each of the components identified in the above breakdown with detailed sources of the referenced figures and/or derivation, as well as any other information that may be helpful with our review. For example, if there is any impact from neutralizing the methodology impact between national and Vermont rating, or if the baseline has changed, please specify.

Response:

Per response to objection 1, we had previously made an error in our SERFF submission; the prior rates in the SERFF were overstated and did not include the rate decrease that was agreed to in our March 2018 filing. This caused the rate increase calculated in the prior version to be too low because it incorrectly included the rate reduction submitted in March 2018. The true rate impact in this filing compared to prior approved rates is 0.2%

The overall rate impact of 0.2% represents the weighted average of our proposed actuarial pricing methodology for the state of VT, relative to previously filed and approved rates. This impact is calculated by comparing the filed and approved manual rates for an illustrative effective date of 3/28/2018 to the proposed manual rates for an illustrative effective date of 1/1/2019 for a representative sample of VT sitused business.

There are three main categories of change that help us analyze the 0.2%. Updated rating variables on a 1/1/2019 basis (including area factors and trend), previously filed and approved 2019/2018 trend, and the change in proposed MLR. Please see the table below for more analysis.

Category	Change
Rating Variables	-5.7%
Med+Rx Filed Trend	7.3%
MLR Impact	-0.9%
Total Impact¹	0.2%

¹Total Impact = (1+Rating Variables) * (1+Med+Rx Filed Trend) * (1+MLR Impact) - 1

Rating Variables: In this proposed filing, we are reflecting reductions to our area factors as a result of our periodic experience rate reviews, which looked at full-year 2017 experience relative to our manual rating expectation. Generally, claims were favorable as compared to the manual, which results in lowering our medical and rx area factors. Secondly, as represented in the filing, we have taken reductions to our trend assumptions relative to previous expectations. Please see the supplemental trend exhibits for more information.

By design of the rate review process, methodology changes are neutralized out at the rating area level, such that the average impact of methodology changes are 0% at the rating area level. However, at the case level methodology changes can cause a difference in manual rating between filings. Additionally, the 0.2% represents the impact to the average VT situs case, which include membership inside and outside of VT. Geographic mix at the case level (e.g. a single account having greater/lower % VT membership) can drive variance to the average. Methodology changes and geographic mix are the main drivers behind the range between the minimum and maximum filed rate changes.

Med+Rx Filed Trend: This number is the filed and approved trend that was submitted within last year's filing.

MLR Impact: Please refer to Objection 5 below for the changes from the prior filing to the current filing. The major changes include removing the PPACA fee charges from 3% to 0.0%, and increasing the profit from last year's approved 1.0% to 3.5%. Within objection 5 contains our position backing our request for a higher profit margin.

The above view is helpful, in that, it demonstrates that 'point-in-time' (i.e. excluding the baseline impact of previously approved trend), the requested change in our premium rating is $(1 + (-5.7\%)) * (1 + (-0.9\%)) - 1 = -6.6\%$. As noted, our filing includes previously approved trends to illustrate the year over year change with 12 months of trend, which yields 0.2%.

Objection 4

Comments:

Provide the derivation of the projected federal MLR for 2019, starting with your target loss ratio.

Response:

Projected MLR	87.2%
- TPV Admin	-0.3%
+ QI Expenses	0.8%
+ PPACA Fees	0.0%
+ Premium Tax	1.8%
+ Fed Income Tax	1.1%
Federal MLR	90.6%

The following assumptions apply to the projected federal MLR for 2019:

1. Third Party Vendor administrative expenses are deducted from claims in the federal MLR. Assumption of -0.3% of premium based on final 2017 results.
2. QI expenses set to 0.8% of premium, based on HHS guidance.
3. PPACA fees assumptions:
 - a. Reinsurance PMPM of \$0 since the reinsurance assessment is only applicable from 2014 through 2016.
 - b. HII Fee set to 0% of premium due to the HII fee removal in 2019.
4. Premium and other state income, excise, and business taxes are in total of 2.1% of premium based on VT historical results.
5. Federal income tax is based on a 21% tax rate on projected taxable income.

Objection 5

Comments:

Please explain any significant changes in the retention assumptions from the prior filing and explain how the retention assumptions in this filing compare to experience.

Response:

	Prior Filed	Proposed	Change
Administrative Expenses	4.8%	5.5%	0.7%
Optional Buy-ups	0.1%	0.1%	0.0%
PPACA Fees	3.0%	0.0%	-3.0%
Risk Charge	0.5%	0.0%	-0.5%
Premium and Income Taxes	2.0%	2.0%	0.0%
State Assessments	1.5%	1.7%	0.2%
Commissions	0.7%	0.0%	-0.7%
Profit	1.0%	3.5%	2.5%
Total	13.6%	12.8%	-0.9%
MLR	86.4%	87.2%	

Significant Changes:

- Administrative expense: Admin fees increased 1% or \$0.50 y/y due to inflation. Admin is expected to increase as a percent of premium year over year driven by absolute claims dollars forecast to be lower compared to last year, combined with the removal of the HIF.
- PPACA Fees: PPACA fees were removed due to the temporary suspension of the HII fee.
- Risk Charge: Risk charge is applied to our Experience Rated (or Shared Returns clients) given the one-sided risk on the claims. Last year we had approximately 2,332 member months in our Shared returns product and this year we have 0.
- Commissions: Commissions are only applied to Shared Returns clients given we have the Broker Advisory Fee turned on for GC in VT. Since our Shared Returns business in VT is expected to decrease from 2,332 member months to 0, we do not expect to pay commissions in 2019 rates.
- Profit: The profit assumption in our filed and approved rating methodology is 1.0%. In this proposed filing, we are submitting assumptions for retention which includes a profit assumption of 3.5% (consistent with our requested profit in prior filings). Please see reference to Cigna's position regarding this assumption in the below link:

http://ratereview.vermont.gov/sites/dfr/files/2016/Other/GMCB_001_16rr/Cigna%20Motion%20for%20Consideration.pdf

It should be noted that due to the size of Cigna's book of business, historic loss ratio and profitability results should not be considered credible. Loss ratios are not used as a basis for

adjusting rates. Actuarially, 95% of cohorts with ~10,000 MMOS are expected to result in a loss ratio within +/- 29.3% of the expected loss ratio.

CHLIC did not pay a rebate in 2015, 2016 or 2017 and does not anticipate paying a rebate in 2018 or 2019.

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Objection 1

Comment:

The 2018 trend in the updated Supplemental Exhibits still doesn't match with those in Table 27 and Table 28 of the initial filing. Please confirm that the correct trend assumptions are being used in the pricing and if so, provide corrected support matching the 2018 trend.

Response:

The trend in the Supplemental Exhibits is correct. We updated our Best Estimate pricing trend to reflect additional data after our first SERFF was submitted and was incorporated into our revised supplemental exhibit. We have updated tables 27 and 28 in the filing with the below values.

Table 27 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend	
				2018/2017	2019+/2018
VT, VERMONT	VTNWK1	NWK	3.82%	5.47%	6.04%
VT, VERMONT	VTOAP1	OAP	-	5.47%	6.04%
VT, VERMONT	VTPO1	PPO	-	5.47%	6.04%

Table 28 – Medical Trend Summary

State	2018/2017		2019+/2018		State	2018/2017		2019+/2018	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	7.24%	7.24%	6.99%	6.99%	NC	4.92%	6.10%	5.43%	6.02%
AL	5.65%	6.37%	6.43%	6.96%	ND	9.17%	9.17%	9.02%	9.02%
AR	5.33%	5.50%	4.07%	6.04%	NE	9.22%	9.34%	9.08%	9.19%
AZ	5.56%	7.88%	5.65%	5.80%	NH	6.52%	6.52%	6.42%	6.42%
CA	5.34%	6.03%	5.46%	5.91%	NJ	4.83%	5.49%	4.71%	5.27%
CO	5.90%	6.05%	5.74%	5.89%	NM	5.95%	5.95%	5.43%	5.43%
CT	6.31%	6.31%	5.91%	5.91%	NV	5.89%	6.04%	5.78%	5.93%
DC	6.47%	6.62%	6.50%	6.65%	NY	5.62%	8.74%	5.26%	8.61%
DE	6.70%	6.70%	6.62%	6.62%	OH	5.41%	7.29%	6.10%	7.38%
FL	4.74%	7.29%	4.85%	7.09%	OK	6.01%	6.01%	6.07%	6.07%
GA	5.96%	8.14%	5.91%	7.87%	OR	5.22%	5.22%	5.41%	5.41%
HI	8.21%	8.21%	8.10%	8.10%	PA	3.80%	9.11%	4.99%	8.97%
IA	9.34%	9.34%	9.19%	9.19%	PR	8.31%	8.31%	8.16%	8.16%
ID	8.46%	8.46%	8.33%	8.33%	RI	3.38%	3.53%	3.56%	3.71%
IL	5.20%	9.48%	4.61%	9.33%	SC	6.05%	6.37%	6.23%	6.96%
IN	5.20%	6.86%	4.61%	7.43%	SD	9.34%	9.34%	9.19%	9.19%
KS	6.74%	6.89%	6.57%	6.72%	TN	5.33%	6.91%	4.07%	6.47%
KY	6.55%	9.48%	6.20%	9.33%	TX	4.62%	6.17%	5.33%	6.30%
LA	6.45%	6.45%	6.38%	6.38%	UT	6.44%	6.44%	6.40%	6.40%
MA	5.68%	6.91%	5.61%	6.21%	VA	5.32%	6.98%	6.18%	6.95%
MD	5.96%	5.96%	6.00%	6.00%	VI	8.31%	8.31%	8.16%	8.16%
ME	6.86%	6.86%	6.87%	6.87%	VT	5.47%	5.47%	6.04%	6.04%
MI	7.72%	9.35%	8.07%	9.21%	WA	4.49%	4.64%	4.96%	5.11%
MN	9.17%	9.17%	9.02%	9.02%	WI	7.23%	9.17%	7.15%	9.02%
MO	6.00%	6.89%	6.34%	6.72%	WV	6.64%	6.64%	6.97%	6.97%
MS	5.33%	6.47%	4.07%	6.77%	WY	5.64%	5.64%	5.83%	5.83%
MT	8.83%	8.83%	8.68%	8.68%					

Objection 2

Comments:

With regards to updating rating variables on a 1/1/2019 basis, please provide a detailed derivation of the pricing impact due to the following:

- a. Updating the medical area factors;
- b. Updating the Rx area factors;

If there is further pricing impact due to neutralizing the methodology impact, or if the baseline has changed, please specify.

Response:

Below is a table of our methodology changes due to medical and Rx area factors:

Methodology factor changes	% Change	Weight
Total Med Change	-3.6%	81.4%
Total Rx Change	-14.8%	18.6%
Total Methodology Change	-5.7%	100.0%

Rating Variables: In this proposed filing, we are reflecting reductions to our area factors as a result of our periodic experience rate reviews, which looked at full-year 2017 experience relative to our manual rating expectation. Generally, claims were favorable as compared to the manual, which results in lowering our medical and rx area factors. Secondly, as represented in the filing, we have taken reductions to our trend assumptions relative to previous expectations. Please see the supplemental trend exhibits for more information.

By design of the rate review process, methodology changes are neutralized out at the rating area level, such that the average impact of methodology changes are 0% at the rating area level. However, at the case level methodology changes can cause a difference in manual rating between filings.

Objection 3

Comment:

Given that the potential approval date for this filing is well past the proposed effective date of 1/1/2019, please explain how the rates are being accurately priced and quoted for accounts with coverage that includes months in the 2020 calendar year.

Response:

Per the state approved filing last year we continue to use the trend from 2018+ that we submitted when quoting cases in calendar year 2020.

Table filed in last year's submission

Table 27 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend	
				2017/2016	2018+/2017
VT, VERMONT	VTNWK1	NWK	3.82%	6.52%	6.77%
VT, VERMONT	VTOAP1	OAP	-	6.52%	6.77%
VT, VERMONT	VTPPO1	PPO	-	6.52%	6.77%

Objection 4

Comments:

What is the PPACA fee assumption for 2020? Has this been incorporated in the pricing for any coverage that extends to months in 2020 calendar year?

Response:

We are assuming the HIF returns in 2020 and will be 2.5% of premium, which is designed to cover the HIF as well as the additional taxes we incur as a result. For mid-year policy effective dates we would include pricing for the HIF for the months in 2020 where the policy year runs into 2020.

For example a case with an effective date 7/1/2019 would have six months in 2020 and would pay six months of the fee.

Objection 5

Comments:

What is the projected 2018 profit for the block of Large Group only? Please make sure that the figure will be reasonably backed up by the 2018 annual statement.

Response:

In order to support MLR filings we produce SHCEs for every state and legal entity by 3/31/2019. We have not yet completed our 2018 state level SHCE. We do have an estimate of full year claims and premiums that will be a part of the profit calculation. There are expenses and taxes that will be recorded over the next two weeks to get to the final net profit. Given these are only an estimate and not the final numbers they are subject to change.

VT SITUS Cases	
Premium	\$ 5,409,492
Claims	\$ 4,571,168
MLR	84.5%

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Objection 1

Comment:

Please identify instances, if any, of deviations of more than 10% from the approved 2018 manual rate for large groups in this book of business. For each instance of +-10% deviation from the approved manual rate, what is the magnitude of the deviation that is attributable to factors other than group experience and credibility as detailed in the rate filing (i.e. to underwriting discretion and/or management decision)?

Response:

There were no deviations of more than 10% from the 2018 manual rate.

Objection 2

Comments:

Please provide the premium-weighted mean rate, the arithmetic mean rate, the median rate, the rate range, the type of distribution of the rates (e.g. normal, Gaussian, bimodal, etc.), and the number of groups for this book of business for each year of the three most recent calendar years for which there is data.

Response:

We are providing both the fully insured business values which is a very small number of accounts as well as overall VT SITUS book of business which is more representative sample of VT experience and what we use to calculate rate changes. We don't have a distribution of rates but we expect that if we had more cases the rates would be normally distributed.

Year	Rate averages			Rate Range		Number of groups
	Premium Weighted	Arithmetic mean	Median Rate	Rate High	Rate Low	
2016 All Groups	\$552.28	\$535.20	\$533.84	\$818.49	\$295.88	73
2016 Fully Insured	\$590.60	\$545.38	\$555.19	\$818.49	\$366.21	12
2017 All Groups	\$533.76	\$491.24	\$480.39	\$759.90	\$276.32	80
2017 Fully Insured	\$542.33	\$498.48	\$525.35	\$629.38	\$356.89	5
2018 All Groups	\$557.73	\$507.17	\$503.10	\$790.72	\$214.76	76
2018 Fully Insured	\$557.73	\$528.70	\$528.70	\$579.75	\$477.64	2

Objection 3

Comment:

Are there written guidelines for when and how underwriting or management discretion is Applied to a rate? If so, please provide any written guidelines related to the exercise of underwriting discretion that will be used by underwriters or management when developing rates for this book of business.

Response:

Underwriting discretion may be used to modify the rate to reflect case characteristics not otherwise reflected in the methodology. Examples of characteristics that could trigger an adjustment include but are not limited to:

- 1) Account-specific assumptions (e.g. claim utilization patterns that deviate from expected book of business averages)
- 2) Expected changes in the group's claim experience (e.g. a large claimant that exists in the experience period but is not expected to be present in the projection period)

Category	Change
Rating Variables	-5.70%
Med+Rx Filed Trend	7.30%
MLR Impact	-0.90%
Total Impact¹	0.20%

Methodology factor changes	% Change	Weight
Total Med Change	-3.6%	81.4%
Total Rx Change	-14.8%	18.6%
Total Methodology Change	-5.7%	100.0%

Rx Trend	2018	2019	Total
2018 Filing	9.4%	9.4%	19.7%
2019 Filing	8.0%	7.9%	16.6%
Difference	-1.4%	-1.5%	-2.8%

Medical Trend	2018	2019	Total
2018 Filing	6.8%	6.8%	14.0%
2019 Filing	5.5%	6.0%	11.8%
Difference	-1.3%	-0.7%	-2.0%

Rx Methodology Changes 2018 - 2019	
Pharmacy Trend Changes	-2.8%
Area factor changes	-12.3%
Total Rx Methodology Change	-14.8%

Medical Methodology Changes 2018 - 2019	
Med Trend Changes	-2.0%
Med Area Factor Change	-1.6%
Total Rx Methodology Change	-3.6%

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Objection 1

Comments:

You stated in the response that the medical trend “reflect additional data after our first SERFF was submitted”. As a result of additional data after your first SERFF submission, is there any impact to the 2019 proposed rates, or the proposed 0.2% proposed rate increase? If so, please specify and provide detailed support for it.

Response:

There is no impact to our proposed rates in 2019. We submitted our updated SERFF in the first set of objections showing the new proposed rate increase of 0.2%. The -3.6% we originally submitted was adjusted to show the increased trend leading to the 0.2% rate increase.

Objection 2

Comments:

We have done a comparison of the Rx trend and Rx area factor between the prior approved filing and the current filing.

- 1) We have calculated that the pricing impact of updating the Rx trend is -2.6%. Please confirm; otherwise, please provide detailed derivation.
- 2) Please provide detailed derivation of the pricing impact due to updating the Rx area factor.
- 3) If the above two doesn't add up to the total pricing impact of -14.8% due to Rx change, please explain and provide detailed derivation.

Response:

- 1) We have calculated the update in Rx trend to be an impact of -2.8%. We are unsure how you arrived at your -2.6% value however here is the derivation of our -2.8%

Rx Trend	2018	2019	Total
2018 Filing	9.4%	9.4%	19.7%
2019 Filing	8.0%	7.9%	16.6%
Difference	-1.4%	-1.5%	-2.8%

- 2) The area factor changes that do not include trend are equal to -12.3%

Rx Methodology Changes 2018 - 2019	
Pharmacy Trend Changes	-2.8%
Area factor changes	-12.3%
Total Rx Methodology Change	-14.8%

- 3) The trend plus other area factor changes do equal the total Rx Methodology Change of -14.8%

Objection 3

Comments:

Similarly, we have done a comparison of the medical trend and medical area factors between the prior approved filing and the current filing.

- 1) We have calculated that the pricing impact of updating the medical trend is -1.9%. Please confirm. If not, please provide detailed derivation.
- 2) Please provide detailed derivation of the pricing impact due to updating the medical area factors.
- 3) If the above two doesn't add up to the total pricing impact of -3.6% due to medical change, please explain and provide detailed derivation.

Response:

- 1) We have calculated the update in Medical trend to be an impact of -2.0%. We are unsure how you arrived at your -1.9% but do have a derivation of how we arrived at our -2.0%.

Medical Trend	2018	2019	Total
2018 Filing	6.8%	6.8%	14.0%
2019 Filing	5.5%	6.0%	11.8%
Difference	-1.3%	-0.7%	-2.0%

- 2) The area factor changes that do not include trend are equal to -1.6%

Medical Methodology Changes 2018 - 2019	
Med Trend Changes	-2.0%
Med Area Factor Change	-1.6%
Total Rx Methodology Change	-3.6%

- 3) The trend plus other area factor changes do equal the total Medical Methodology Change of -3.6%

Responses to Objections

Contents

Objection 1	2
Objection 2	3
Objection 3	4

Objection 1

Comment:

We noticed that the Vermont Rx area factor in this year's filing has not changed from that in the prior approved filing. As such, what is driving the -12.3% pricing impact due to pharmacy area factor change?

Response:

We set most of the assumptions around Rx at the national level. About 2/3 of the pricing decrement is pharmacy claim experience running better than we originally forecasted. The other one-third is related to improved pharmacy discounts passed back to the clients/customers.

Objection 2

Comments:

Similarly, the Vermont medical area factors in the current filing are 2.7% lower than those in the prior approved filing for NWK and OAP, and it is 3.9% lower for PPO. How is the -1.6% pricing impact, due to medical area factor change, derived/related to the above comparison?

Response:

The medical area factors for VT were reduced by the above amounts for each product related primarily to the underlying claims from members located in the state running slightly better than the pure manual rate.

This will not tie to the previously submitted Medical Methodology changes for the accounts with a SITUS in VT because they only have about 2/3 of their members residing in the state. The overall methodology change is a weighted blend of the accounts' in and out of state residents' medical trend and area factor changes. As you can see below for the VT SITUSed cases, VT residents had a more favorable change than the membership located outside the state.

Medical Methodology Changes 2018 – 2019 VT SITUS cases	
Med Trend Changes	-2.0%
Med Area Factor Change	-1.6%
Total Methodology Change	-3.6%

Medical Methodology factor changes for VT SITUS cases	% Change	Weight
Total Med Change	-3.6%	100.0%
Resident Med Change	-4.6%	65.7%
Non Resident Med Change	-1.7%	34.3%

Objection 3

Comment:

In the past years, we had been provided with some rough estimation about the profit/gain for the prior year's large group business. Can we get the estimated profit for 2018, using the same methodology that was utilized for prior years' filings?

Response:

In our Objection Response #5 submitted on 3.12.19 we provided the estimated claims and premiums for 2018 leading to preliminary estimated MLR of 84.5%. Would continue to expect expenses to be ~10% of premium, leading to a pre-tax profit of 5.5% (94.5% combined ratio).

For 2016 and 2017, the SHCE for VT has shown 1.3% profit and ~20% loss respectively. The 2017 final number is quite different from our expectation when we submitted our estimated profit at the time of the objections last year, indicating the high degree of volatility that exists with the run out of claims and the final expense allocation process that occurs to develop the SHCE.

We expect to submit our final 2018 SHCE within the next 2 weeks.

Responses to Objections

Contents

Objection 1	2
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Objection 1

Comment:

Please provide detailed qualitative and quantitative support for the projected medical utilization and mix trends, as well as the historical utilization and mix trends over the past four years. Please note that the utilization trend seems to be on the high end of what we've seen in the large group market.

Response:

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

Please see the previous 4 years plus 2019 projected mix trends for VT.

5 Year VT Utilization/Mix Trend					
Filing	15/14	16/15	17/16	18/17	18/19
2016	4.5%	3.9%			
2017		3.4%	3.1%		
2018			3.4%	3.2%	
2019				2.8%	2.6%

We don't think it's prudent to compare utilization trends between us and our competitors, as we may define unit and utilization trend in different ways. For example, we include mix & severity to capture the shift in services toward more high cost procedures (e.g. x-ray→MRI) in our utilization/mix trend pick, whereas our competitors may bucket that severity into unit cost trend. A second example is that utilization metrics are not consistently defined across the industry. Changes in services, number of bed days, prescriptions, visits, claim counts, or episodes of care are all reasonable and rationale ways to define utilization but may provide different answers depending on which are determined to be most important.

We recommend that the state focus on our total trend; we believe that total medical cost is a better reflection of the actual impact clients see in their rates.

We participate in national surveys that report 2019 average trend forecasts for PPO In-network products with consistent plan designs across carriers.

The results of the most recent survey suggest that Cigna's 2019 pricing trend is about 1% below the national industry average of 7.9%. Specifically in VT, the 6.0% is an additional 1% below Cigna's average and 2% below the national industry average.

Responses to Objections

Contents

Objection 7	2
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Objection 7

Comment:

Are there written guidelines for when and how underwriting or management discretion is applied to a rate? If so, please provide any written guidelines related to the exercise of underwriting discretion that will be used by underwriters or management when developing rates for this book of business.

Response:

Yes, we have guidelines and certain instructions for UW discretion – they are attached in the PDFs as part of the SERFF response. We have redacted the components that we believe are proprietary underwriting processes which if made public would give Cigna's competitors an opportunity to obtain unfair business advantage.

Pursuant to Subchapter 1, Chapter 107 of Title 8 (8 V.S.A. § 4061 et seq.) and in conjunction with GMCB Rule 2.000 (Rate Review), Cigna has requested that the Green Mountain Care Board (“GMCB”) treat the redacted portions of the attached document as confidential under GMCB Rule 2.305. The GMCB’s ruling on that request is currently pending.

Underwriting Adjustment Guidance

Updated 08/20/2018 08:39 AM | Content Code: 33850 | Content Owner: Brett McQuiggan

Updated to include Facets IDE

File Attachments

 [Adjustment Documentation and Tracking Process.doc \(35.5 KB\)](#)

 [RBA Concessions Grid 6150 8708 12.7.18.xlsx \(13.34 KB\)](#)

Revisions to this topic appear in red.

[Overview](#)

[Usage Guidelines](#)

[Compliance](#)

[Workflows](#)

OVERVIEW

This P&P provides guidance on the Underwriting adjustments that are available on a case by case basis for either a risk based adjustment or an investment (profit) concession, for GC, Facets ASO Facets IDE and SR presale/renewal business. This P&P also provides guidance on the necessary steps when taking one of these adjustments from formula (previously referred to as target) within the rating applications, to accurately capture the adjustments that an Underwriter deems necessary.

Please refer to the attachment "RBA_Concessions Grid" for a detailed list of adjustments.

Please refer to the attachment "Training 01-2015- Risk Based Adjustments and Concessions" for the January 2015 training presentation.

USAGE GUIDELINES

This P&P applies to Over 500 and Under 500 Buyer Groups.

COMPLIANCE

For the underwriting and finance organization, it is critical that underwriters calculate and report adjustments accurately, consistently, and standardly. Many areas are impacted by the results of these decisions including strategic decision making, reporting, portfolio management, projection forecasting, state specific compliance reporting, pricing, etc.

WORKFLOWS

Risk Based Adjustments (RBA's)

The following section provides guidance on how Underwriters can determine if there is a risk based adjustment that is applicable for all funding types rated in iQuote for presales, Guaranteed Cost renewals, Facets ASO Renewals, Proclaim ASO renewals and Proclaim Shared Returns renewals. Additionally, this workflow also goes over other considerations that Underwriters have to keep in mind when taking a risk based adjustment, such as referencing the LOA grid to determine the appropriate level of authority.

Risk Based Adjustments are adjustments to projected claims based on account macro issues, additional data that is provided, or alternate methodology that supports the validity of the change to projected claims. When an Underwriter finds it appropriate to take a risk based adjustment based off their analysis of the case specifics, the Underwriter should document their thought process used to justify the modification to claims. Additionally, the Underwriter should provide a high level calculation for the value of the change that was taken. For RBAs, adjustments further refine the claim projection, are profit neutral, and are supported with data.

Why are RBA's important?

Financial Impacts - Case level and book of business decisions are based on an accurate look at how that case or book of business is running. Having the best projection inclusive of RBA's is critical to this process. Strategy decisions (locally and globally) - many broad market and local strategy decisions are based on how well we feel our book is positioned (are we running better or worse than expected?) If these indicators are not correct, incorrect decisions can be made.

- A "true" look at how the book of business is running - a formula projection produced by the rating applications is an automated systematic approach to pricing a case. Evaluation of case specific adjustments (RBA's) add the value of underwriting to that case.

Guaranteed Cost - Renewals

REDACTED

REDACTED

Presale - iQuote (Guaranteed Cost & Shared Returns):

REDACTED

Proclaim Shared Returns Renewals

REDACTED

Proclaim ASO - Presales/Renewals

*****This only applies to ASO accounts which include ASL/ISL (Aggregate Stop Loss/Individual Stop Loss)*****

||

REDACTED

Facets ASO - Presales/Renewals

Please refer to [P&P 8892](#) for guidelines and examples of RBAs on Facets ASO Renewals.

REDACTED

Investment Concessions

The following section provides guidance on how Underwriters can determine if there is an investment concession that is applicable to be taken for all funding types rated in iQuote for presales, Guaranteed Cost and Facets ASO Renewals, and Proclaim Shared Return and Proclaim ASO renewals.

Investments are adjustments to the formula claim projection, expenses, profit, and/or CFC which have no supporting evidence or documentation that they should be adjusted. These investments are usually made to reach a certain price point for persistency or sale purposes. These adjustments should be documented and categorized as investments. For investments, adjustments take profit away and do not have data to support the decision.

Guaranteed Cost - Renewals

REDACTED

Presale - iQuote (Guaranteed Cost, Facets IDE & Proclaim Shared Returns):

REDACTED

Proclaim Shared Returns Renewals

REDACTED

Proclaim ASO - Presales/Renewals

This only applies to ASO accounts which include ASL/ISL (Aggregate Stop Loss/Individual Stop Loss)

UWs may need to adjust the claim projection without data to support the decision even if there are no LOAs for ASO investments. It is important to calculate the impact to the Aggregate Corridor Level for the adjustment to the

claim projection. The LOA for Aggregate Corridor Level should be based on effective corridor vs. the corridor in an PSE or RPM (i.e. not just the corridor number shown on the quote).

Here is an example:

- Risk Adjusted Projected Claims = \$1,000,000
- 125% corridor = \$1,250,000 minimum attachment point
- Underwriter "investment" discretion changes claims to: \$950,000
- With 125% corridor, Underwriter quotes minimum attachment point of: \$1,187,500
- Effective corridor = $(\$1,187,500 / \$1,000,000) * 100 = 118.75\%$

ASO Facets - Presales/Renewals

REDACTED

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SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf)
Cigna Health and Life Insurance Company

REPORT FOR: 1. CORPORATION

2. 900 Cottage Grove Road Bloomfield, CT 06002

Table with columns: NAIC Group Code (0901), BUSINESS IN THE STATE OF (Vermont), DURING THE YEAR (2018), (LOCATION) (67369), and various sub-categories (1-15) including Premiums, Claims, and Expenses.

216-1.VT

SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company
SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans		Expatriate Plans		9							
	1	2	3	4	5	6	7		8						
Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14	
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	0	0	26,507	0	0	0	0	0	0	0	191,205	0	217,712	630,482	848,194
10.2 Agents and brokers fees and commissions.....	0	0	115,459	0	0	0	0	0	0	0	888,200	0	1,003,659	0	1,003,659
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below).....	0	0	(43,177)	0	0	0	0	0	0	0	56,224	0	13,047	348,774	361,821
10.4 Other general and administrative expenses.....	0	0	142,978	0	0	0	0	0	0	0	1,223,444	0	1,366,422	7,936,082	9,302,504
10.4a Community Benefit Expenditures (informational only)	0	0	1,920	0	0	0	0	0	0	0	6,616	0	8,536	31,147	39,683
10.5 Total general and administrative (Lines 10.1 +10.2 + 10.3 + 10.4)	0	0	241,767	0	0	0	0	0	0	0	2,359,073	0	2,600,840	8,915,338	11,516,178
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	0	0	267,167	0	0	0	0	0	0	0	7,134,341	0	7,401,508	XXX	(5,724,994)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,185,051	22,185,051
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	320,698	320,698
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(8,266)	(8,266)
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,730,472	16,789,021
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and line 10.4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16a. ICD-10 Implementation Expenses (informational only; already included in line 10.4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INDICATORS:															
1. Number of certificates/policies	0	0	372	0	0	0	0	0	0	0	2,754	0	3,126	42,515	45,641
2. Number of Covered Lives	0	0	794	0	0	0	0	0	0	0	5,191	0	5,985	88,682	94,667
3. Number of Groups	XXX	0	6	XXX	0	0	0	0	0	0	13	0	19	146	165
4. Member Months	0	0	9,429	0	0	0	0	0	0	0	63,258	0	72,687	1,076,289	1,148,976

Is run off business reported in Columns 1 through 9 or 12? Yes [] No [X] If yes, show the amount of premiums and claims included. Premiums \$0 Claims \$0

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES and PAYABLES				
	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1	2	3	4
	Individual Plans	Small Group Employer Plans	Individual Plans	Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)	0	0	0	0
2. Transitional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)	0	XXX	0	XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium.....	0	0	0	0
3.2 Reserve for rate credits or policy experience refunds	0	0	0	0
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustments receipts/(payments)	0	0	0	0
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims	0	XXX	0	XXX
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received.....	0	0	0	0
6.2 Rate credits or policy experience refunds paid	0	0	0	0

SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company
SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

Cigna Health and Life Insurance Company

2. 900 Cottage Grove Road Bloomfield, CT 06002

NAIC Group Code	0901	BUSINESS IN THE STATE OF	Vermont	DURING THE YEAR						(LOCATION)						
				2018						NAIC Company Code 67369						
				Comprehensive Health Coverage			Business Subject to MLR			Expatriate Plans:		9	10	11	12	13
				1	2	3	4	5	6	7	8					
Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Total (a)				
1.	Health Premiums Earned:															
1.1	Direct premiums written	0	0	5,519,332	0	0	0	0	0	0	0	0	47,012,884			
1.2	Unearned premium prior year	0	0	50,916	0	0	0	0	0	0	0	0	219,283			
1.3	Unearned premium current year	0	0	163,896	0	0	0	0	0	0	0	0	372,931			
1.4	Change in unearned premium (Lines 1.2 - 1.3)	0	0	(112,980)	0	0	0	0	0	0	0	0	(153,648)			
1.5	Paid rate credits	0	0	0	0	0	0	0	0	0	0	0	0			
1.6	Reserve for rate credits current year	0	0	0	0	0	0	0	0	0	0	0	145,067			
1.7	Reserve for rate credits prior year	0	0	0	0	0	0	0	0	0	0	0	0			
1.8	Change in reserve for rate credits (Lines 1.6 - 1.7)	0	0	0	0	0	0	0	0	0	0	0	145,067			
1.9	Premium balances written off	0	0	530	0	0	0	0	0	0	0	0	17			
1.10	Group conversion charge	0	0	0	0	0	0	0	0	0	0	0	0			
1.11	Total direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	0	0	5,405,822	0	0	0	0	0	0	0	0	46,859,219			
1.12	Assumed premiums earned from non-affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
1.13	Net Assumed less Ceded premiums earned from affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
1.14	Ceded premiums earned to non-affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
1.15	Other Adjustments due to MLR calculation - Premiums	0	0	0	0	0	0	0	0	0	0	0	6,161			
1.16	Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)	0	0	5,405,822	0	0	0	0	0	0	0	0	46,720,313			
2.	Direct Claims Incurred:															
2.1	Paid claims during the year	0	0	4,442,300	0	0	0	0	0	0	0	0	33,134,078			
2.2	Direct claim liability current year	0	0	408,718	0	0	0	0	0	0	0	0	6,172,055			
2.3	Direct claim liability prior year	0	0	285,801	0	0	0	0	0	0	0	0	5,722,518			
2.4	Direct claim reserves current year	0	0	0	0	0	0	0	0	0	0	0	0			
2.5	Direct claim reserves prior year	0	0	0	0	0	0	0	0	0	0	0	43,797			
2.6	Direct contract reserves current year	0	0	4,058	0	0	0	0	0	0	0	0	4,058			
2.7	Direct contract reserves prior year	0	0	3,862	0	0	0	0	0	0	0	0	3,921			
2.8	Paid rate credits	0	0	0	0	0	0	0	0	0	0	0	0			
2.9	Reserve for rate credits current year	0	0	0	0	0	0	0	0	0	0	0	145,067			
2.10	Reserve for rate credits prior year	0	0	0	0	0	0	0	0	0	0	0	0			
2.11	Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)	0	0	12,721	0	0	0	0	0	0	0	0	12,866			
2.11a	Paid medical incentive pools and bonuses current year	0	0	10,965	0	0	0	0	0	0	0	0	11,110			
2.11b	Accrued medical incentive pools and bonuses current year	0	0	5,941	0	0	0	0	0	0	0	0	5,941			
2.11c	Accrued medical incentive pools and bonuses prior year	0	0	4,185	0	0	0	0	0	0	0	0	4,185			
2.12	Net healthcare receivables (Lines 2.12a - 2.12b)	0	0	22,455	0	0	0	0	0	0	0	0	24,959			
2.12a	Healthcare receivables current year	0	0	78,222	0	0	0	0	0	0	0	0	84,459			
2.12b	Healthcare receivables prior year	0	0	55,767	0	0	0	0	0	0	0	0	59,500			
2.13	Group conversion charge	0	0	0	0	0	0	0	0	0	0	0	0			
2.14	Multi-option coverage blended rate adjustment	0	0	0	0	0	0	0	0	0	0	0	0			
2.15	Total incurred claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)	0	0	4,555,679	0	0	0	0	0	0	0	0	33,672,929			
2.16	Assumed incurred claims from non-affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
2.17	Net assumed less ceded incurred claims from affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
2.18	Ceded incurred claims to non-affiliates	0	0	0	0	0	0	0	0	0	0	0	0			
2.19	Other adjustments due to MLR calculation - Claims	0	0	0	0	0	0	0	0	0	0	0	129			
2.20	Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)	0	0	4,555,679	0	0	0	0	0	0	0	0	33,527,991			
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)	0	0	0	0	0	0	0	0	0	0	0	0			

(a) Column 13, Line 1.1 includes direct written premium of \$ 1,485,706 for stand-alone dental and \$ 131,450 for stand-alone vision policies.

216-3-VT

SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company
SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

Cigna Health and Life Insurance Company

2. 900 Cottage Grove Road Bloomfield, CT 06002

NAIC Group Code		0901 BUSINESS IN THE STATE OF Vermont		DURING THE YEAR 2018				(LOCATION) NAIC Company Code		67369	
All Expenses		Improving Health Care Quality Expenses						Claims Adjustment Expenses		General Administrative Expenses	
		1	2	3	4	5	6	7	8	9	10
		Improve Health Outcomes	Activities to Prevent Hospital Readmissions	Improve Patient Safety and Reduce Medical Errors	Wellness & Health Promotion Activities	HIT Expenses	Total (1 to 5)	Cost Containment Expenses	Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
1.	Individual Comprehensive Coverage Expenses:										
	1.1 Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.3 EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.4 Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.5 Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
	1.6 Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.7 Subtotal before Reimbursements and Taxes (Lines 1.1 to 1.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
	1.10 Total (1.7 to 1.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	1.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0	0
2.	Small Group Comprehensive Coverage Expenses:										
	2.1 Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.3 EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.4 Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.5 Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
	2.6 Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.7 Subtotal before Reimbursements and Taxes (Lines 2.1 to 2.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
	2.10 Total (2.7 to 2.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
	2.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0	0
3.	Large Group Comprehensive Coverage Expenses:										
	3.1 Salaries (including \$11,219 for affiliated services) .....	.0	.0	.0	.0	.0	.0	2,607	.0	165,542	168,149
	3.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	1,162	670	26,939	28,771
	3.3 EDP Equipment and Software (incl \$2,390 for affiliated services) .....	.0	.0	.0	.0	.0	.0	22	.0	35,799	35,821
	3.4 Other Equipment (excl. EDP) (incl \$(1,086) for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	(16,280)	(16,280)
	3.5 Accreditation and Certification (incl \$3 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	50	50
	3.6 Other Expenses (incl \$1,343 for affiliated services)	43,247	.0	.0	.0	.0	43,247	24,427	.0	(47,549)	20,125
	3.7 Subtotal before Reimbursements and Taxes (Lines 3.1 to 3.6)	43,247	.0	.0	.0	.0	43,247	28,218	670	164,501	236,636
	3.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	2,546	.0	4,984	7,530
	3.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	133,431	133,431
	3.10 Total (3.7 to 3.9)	43,247	.0	.0	.0	.0	43,247	30,764	670	302,916	377,597
	3.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	(862)	(862)

216-4.VT

SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company
SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9	10
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
4.	Individual Mini-Med Plans Expenses:									
4.1	Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.2	Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3	EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4	Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.5	Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
4.6	Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.7	Subtotal before Reimbursements and Taxes (Lines 4.1 to 4.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.8	Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.9	Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
4.10	Total (4.7 to 4.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.11	Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0
5.	Small Group Mini-Med Plans Expenses:									
5.1	Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.2	Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.3	EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.4	Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.5	Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
5.6	Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.7	Subtotal before Reimbursements and Taxes (Lines 5.1 to 5.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.8	Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.9	Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
5.10	Total (5.7 to 5.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.11	Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0
6.	Large Group Mini-Med Plans Expenses:									
6.1	Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.2	Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.3	EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.4	Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.5	Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
6.6	Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.7	Subtotal before Reimbursements and Taxes (Lines 6.1 to 6.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.8	Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.9	Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
6.10	Total (6.7 to 6.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.11	Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0

216-5.VT

SUPPLEMENT FOR THE YEAR 2018 OF THE Cigna Health and Life Insurance Company
SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9	10
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses:									
	7.1 Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.3 EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.4 Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.5 Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
	7.6 Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.7 Subtotal before Reimbursements and Taxes (Lines 7.1 to 7.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
	7.10 Total (7.7 to 7.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0
8.	Large Group Expatriate Plans Expenses:									
	8.1 Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.3 EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.4 Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.5 Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
	8.6 Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.7 Subtotal before Reimbursements and Taxes (Lines 8.1 to 8.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
	8.10 Total (8.7 to 8.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	8.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0
9.	Student Health Plans Expenses:									
	9.1 Salaries (including \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.2 Outsourced Services .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.3 EDP Equipment and Software (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.4 Other Equipment (excl. EDP) (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.5 Accreditation and Certification (incl \$0 for affiliated services) .....	.0	XXX	XXX	XXX	XXX	.0	.0	.0	.0
	9.6 Other Expenses (incl \$0 for affiliated services) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.7 Subtotal before Reimbursements and Taxes (Lines 9.1 to 9.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.8 Reimbursements by uninsured plans and fiscal intermediaries .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.9 Taxes, Licenses and Fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
	9.10 Total (9.7 to 9.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	9.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only)	0	0	0	0	0	0	0	0	0

Responses to Objections

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Objection 1

Comments:

Has the 2018 profit figure on the Vermont large group block been finalized yet? If so and if it has changed from the estimation that was previously provided, please provide the updated profit figure and any supporting documentation.

Response:

We have completed our SHCEs for VT and have new updated profit figures below for our CHLIC business line. We did not include our legacy CGLIC business as it is less than \$10K in premiums and the results are immaterial.

VT SITUS Cases 2018	
	CHLIC
Adjusted Premium Earned	\$5,139,294
Net Incurred Claims	\$4,555,678
Improving Healthcare Quality Expenses	\$43,247
MLR	89.5%
Claims Adjustment Expenses	\$31,434
Total General & Admin Expenses	\$241,767
Underwriting Gain/Loss	\$267,167
Underwriting Gain/Loss %	5.2%

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing 2019/

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)
10/23/2018		Rate	Rate manual	03/12/2019	VT_CHLIC Template 2019 (5) format change_Final.pdf (Superseded)
10/23/2018		Supporting Document	Supplemental Exhibits	02/25/2019	VT 2019 Supplemental Exhibits_Final.pdf (Superseded)

Cigna Health and Life Insurance Company

Rate Filing

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Medical Manual Rating Formulas

1 Transform Census

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

2 Calculate Base Medical Claim Costs

Run the members from the census in Step 1 through the calculations in Step 2 to determine in-network (IN) base medical claim costs. For plans with out-of-network (OON) benefits, calculate the base medical claim costs using the methodology outlined in Step 2 but with OON assumptions and benefits. For indemnity plans, calculate all claim costs using only OON assumptions.

Calculate expected claim costs on a per member per month (PMPM) basis.

2.1 National Base Claims

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

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

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

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

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

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

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

Pharmacy base claims are calculated in Step 7.13.2 and are used to develop medical manual rates (during Step 2.5) only if the plan features combined medical and pharmacy claims.

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

2.2 National Trend

2.2.1 Calculate Trend Factor

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

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

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

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.
 - b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

2.2.2 Apply Trend Factor (National)

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

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

2.3 Copays – Calculate Effective Copay Percentage

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

- Determine:

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

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

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

The impact of copays for Mental Health/Substance Use Disorders (MH/SUD) is calculated in Step 4.3.

2.4 Effective Deductible and Out-of-Pocket Maximum

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

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

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

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

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

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

2.5 Cost-Share

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

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

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

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

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

2.5.1 Benefits Dependent on Number of Visits

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

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

2.5.2 Base Claim Costs

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

If pharmacy and medical claims are combined, use the 'Estimated Annual Cost' (converted to monthly) from the pharmacy Step 7.13.2 to scale the pharmacy service category.

2.5.3 Copays before the Deductible

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

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

2.5.4 Deductible

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

If pharmacy and medical claims are combined and cost share has been waived for certain classes of prescription drugs (e.g., waiving cost share for preventive medications), use the pharmacy CPD (outlined in *Table 51*, *Table 52* and *Table 53*) to calculate the percentage of pharmacy claims subject to the deductible and only the portion of pharmacy claims that are subject to the deductible are included in the pharmacy service category.

2.5.5 Effective Coinsurance

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

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

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

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

If pharmacy and medical claims are combined, use [1 – Regular Member Cost Share] from Step 7.13.10 as the effective coinsurance for the pharmacy service category.

2.5.6 Out-of-Pocket Maximum

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

2.5.7 Annual Maximum

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

2.5.8 Member Cost-Sharing Percentage

Calculate the member cost-sharing percentage for each MSC.

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

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

If pharmacy and medical claims are combined, the pharmacy trended base claims are the 'Estimated Annual Cost' (converted to monthly) from Step 7.13.2. The pharmacy member cost-sharing percentage is used as the effective member cost-share for pharmacy benefits in Step 7.13.11.

2.5.9 Collective Accumulation Adjustment

If the plan features collective accumulation (in the deductible and/or OOP maximum), add a collective accumulation adjustment to each member cost-sharing percentage from Step 2.5.8.

Definition of terms:

- Accumulator: generic term for the deductible or OOP maximum (both if plural)
- Average family size: the ratio of family members to family subscribers
- Deductible multiplier: the ratio of the family deductible to the individual deductible
- OOP maximum multiplier: the ratio of the family OOP maximum to the individual OOP maximum

To calculate the collective accumulation adjustment: using the deductible and OOP maximum from the plan design as rated, determine the accumulators that a family and an individual within a family would experience under the two following scenarios:

- The deductible and OOP maximum are non-collective
- The deductible and OOP maximum follow the plan design as rated (i.e. plan-as-rated)

For each scenario, determine the *effective* deductible and OOP maximum that an individual within a family would experience. To do this, multiply the deductible and OOP maximum for an individual within a family by the factors found in *Table 12 – Effective Deductible - Collective Adjustment* and *Table 13 – Effective OOP Maximum - Collective Adjustment* (the factors depend on the individual deductible or OOP, respective multiplier, and average family size). If necessary, interpolate between the nearest multipliers to calculate the adjustment.

For a plan where the deductible is collective and the OOP maximum is non-collective, if the OOP maximum for an individual is sufficiently close to the family deductible, use *Table 14 – Effective Coinsurance - Collective Adjustment* to determine the effective coinsurance used in this calculation. The table is based on the plan coinsurance and the average family size.

For each scenario, apply the plan coinsurance (or effective coinsurance, if applicable), effective individual deductible, and effective individual OOP maximum to the “Total Annual Claims” column of the Step 2.5.2 CPD to calculate member cost-share. Calculate the preliminary collective adjustment based on the calculated cost-share for the non-collective and plan-as-rated scenarios as follows:

$$\text{Preliminary Collective Adjustment} = [\text{Plan-As-Rated Cost Share}] - [\text{Non-Collective Cost Share}]$$

In order to normalize the difference between the simulated non-collective cost share (calculated as above and termed “Non-Collective Cost Share”) and actual non-collective cost share (calculated in Step 2.5.8), multiply the preliminary collective adjustment by the ratio of the two aforementioned cost-share calculations.

Normalized Collective Adjustment

$$= [\text{Preliminary Collective Adjustment}] \times \frac{[\text{Member Cost-Sharing Percentage (Step 2.5.8)}]}{[\text{Non-Collective Cost Share}]}$$

Lastly, the collective adjustment only impacts family plans. In order to calculate the final collective adjustment, dampen the normalized collective adjustment by the single to total member ratio. Calculate:

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

Then

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

2.5.10 Final Member Cost-Sharing Percentage

If applicable, add the collective accumulation adjustment from Step 2.5.9 to the Step 2.5.8 member cost-sharing percentage to get the final member cost-sharing percentage. If the plan does not have collective accumulation, the final member cost-sharing percentage is equal to the percentage calculated in Step 2.5.8.

If preventive care is covered with cost-sharing, the final member cost-sharing percentage for the preventive care MSC is calculated as a blend of the PCP and SCP final member cost-sharing percentages. See *Table 10 – Preventive Care Cost-Share Weighting* for the appropriate weights.

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

2.5.11 Apply Cost-Sharing Offset

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

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

2.6 Utilization Dampening

2.6.1 Calculate Utilization Dampening

Determine the utilization dampening to apply to each MSC. Values for this calculation are found in *Table 11 – Medical Utilization Dampening*. The preventive care MSC is not subject to utilization dampening.

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

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

2.6.2 Apply Utilization Dampening Factor

Apply the Utilization Dampening from Step 2.6.1 to the Cost-Sharing Adjusted Claims from Step 2.5.11.

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

2.7 Area-Specific Trend Relativity

2.7.1 Calculate Area-Specific Trend Relativity

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

Area-specific trend is found in *Table 27 – Medical Trend and Capitation* (with additional summary detail provided in *Table 28 – Medical Trend Summary*).

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

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

2.7.2 Apply Area-Specific Trend Relativity

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

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

2.8 Base Medical Community Rate

2.8.1 Calculate Medical Community Rate Load

Multiply together all applicable community rate loads from *Table 15 – Community Rate Loads* and the area factor for the plan rating area found in *Table 25 – Medical Area Factors* (with additional summary detail in *Table 26 – Medical Area Factor Summary*) to get the medical community rate load.

2.8.2 Apply Medical Community Rate Load

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

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

3 Base Medical Community Rate by Class

3.1 Blending Medical Rates

3.1.1 Calculate Blended Community Rate

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

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

The POS load calculation proceeds as follows:

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

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

2. Find the appropriate coefficients (A, B, and C) in *Table 30 – POS Load Coefficients* (with additional summary detail in *Table 31 – POS Load Coefficients Summary*) and calculate the base POS load.

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

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

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

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

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

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

3.1.2 Calculate IN and OON Utilization

The expected OON utilization is used in the adjustment for Cigna Care Network tiered benefits. This requires the POS load calculated in Step 3.1.1 and the IN and OON base medical community rates calculated in Step 2.8.2. If the product is capitated, only use the non-capitated portion of the IN base medical community rate. If the calculation yields an IN Utilization greater than 100% or less than 0%, the IN Utilization is set to one and no POS load is applied.

$$\text{IN Utilization} = \frac{[1 + \text{POS Load}] \times [\text{IN Rate}] - [\text{OON Rate}]}{[\text{IN Rate}] - [\text{OON Rate}]}$$

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

3.2 Lifetime Maximum Adjustment

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

3.3 Industry Load

Calculate the applied industry load.

- Select the appropriate industry load from *Table 18 – Industry Load* based on the Standard Industrial Classification code of the group being priced.
- If applicable, determine the capitation percentage from *Table 27 – Medical Trend and Capitation* (with additional summary detail in *Table 29 – NWK Percent Capitated Summary*).

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

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

3.4 Demographic Factor

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

To calculate the demographic aging adjustment, multiply the demographic aging trend found in *Table 20 – Demographic Aging Trend* by the number of years between the date the census is evaluated and the midpoint of the policy period, then add one. Multiply the demographic factor by the demographic aging adjustment to calculate the applied demographic factor.

3.5 Calculate Base Medical Community Rate by Class

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

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

4 Calculate Claim Costs for Other Benefits

4.1 Riders

4.1.1 Medical Riders

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

Determine base rider claim costs.

- See *Table 23 – Medical Riders* for the methodology and values required to calculate base medical rider claim costs.

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

- The trend factor is the area-specific trend factor from Step 2.7.
- The rider load is calculated the same way as the community rate load from Step 2.8.1 using only applicable loads.
- The applied industry load is calculated in Step 3.3.
- The applied demographic factor is calculated in Step 3.4. The infertility riders have their own demographic factors to use in the calculation. These factors may be found in *Table 21 – Infertility Rider Demographic Factors*.

4.1.2 Vision Rider

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

1. For each applicable category of coverage found in *Table 38 – Vision: Average Costs*, calculate the coverage allowance. If a category is not covered, the coverage allowance is \$0.

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

2. Multiply the coverage allowance by the frequency factor found in *Table 39 – Vision: Frequency Factors* and the utilization percentage found in *Table 40 – Vision: Service Utilization* to calculate the preliminary claims cost. Sum the preliminary claims costs across all categories of coverage to determine the overall preliminary claims cost.

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

3. Multiply the overall preliminary claims cost by the industry factor, case size adjustment, and trend factor to calculate the vision rider claim cost per employee per year (PEPY). The

industry factor, case size adjustment, and annual trend used for the trend factor are found in *Table 41 – Vision: Trend and Adjustments*.

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

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

4.2 Health Management Program Savings

Using the values in *Table 22 – Health Management Program Savings*, calculate the expected claim cost savings for applicable health management programs.

- To calculate expected savings for Your Health First, multiply the decrement in the table by the sum of the blended medical community rate from Step 3.1.1 and the rider claim cost (before demographic and industry factors are applied). Then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Healthy Pregnancies, Healthy Babies and Comprehensive Oncology, trend the PMPM dollar amounts in the table using the area-specific trend factor from Step 2.7, and then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Health Advisor and Personal Health Team, use the PEPM dollar amounts in the table.

4.3 Mental Health/Substance Use Disorders

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

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

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

4.4 Medicare Coordination of Benefits

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

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

5 Multiple Offering Loads

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

The selection load varies by the cost difference between the cheapest and most expensive plans from an account that has 2 or more plans. The cost of a plan is derived by (1 - network savings of the product relative to the Open Access Plus (OAP) product) + 2 * in network medical cost share. See *Table 24 – Multiple Offering Load – Medical Load* for the selection loads and *Table 34 - Multiple Offering Load – Medical Savings* for the range of network savings by state.

6 Aggregate Medical Claim Costs

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

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

Multiply the total medical claim cost by the multiple offering load from Step 5.

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

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

Pharmacy Manual Rating Formulas

Use this section to calculate expected pharmacy claim costs.

The following formulas detail the pharmacy claim cost calculation process. The specific steps are applied to each pharmacy cost category, except as specifically noted. There are no separate provisions made for OON pharmacy benefits. All benefits are assumed to be IN. Claim costs for each individual rating area are calculated separately and the results are aggregated.

7 Pharmacy Rating Step-by-Step

7.1 Extract the Average Wholesale Price (AWP) per Script

Extract the AWP per script by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). The AWP per script assumptions are found in the following table:

- *Table 42 – Retail AWP per Script Assumptions*

7.2 Extract the Annual Script Counts per customer

Extract the annual script counts per member (script count per member per year [PMPY]) by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). Pull in script counts for optional cost categories, such as lifestyle drugs, as needed. If an optional cost category has not been selected, set the script count to zero. The script assumptions are on a retail equivalent (i.e. 30-day) basis. The script count assumptions are found in the following tables:

- *Table 43 – Retail Script Count PMPY Assumptions*

7.3 Extract the Channel Distribution Factors for Scripts and Total AWP

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

- *Table 44 – Script Channel Distribution Assumptions*
- *Table 45 – AWP Channel Distribution Assumptions*

7.4 Shift Retail Equivalent Scripts to the Appropriate Channel

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

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

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

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

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

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

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

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

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

7.5 Calculate channel specific AWP per Script Amounts

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

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

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

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

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

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

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

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

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

7.6 Extract and Apply intra-channel shift assumptions

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

Extract the intra-channel shift factors (portion of non-preferred brand scripts) based on the elected program type(s) (i.e. step-therapy for high cholesterol, mandatory generics, etc.) and sum the individual shift assumptions to calculate an aggregate shift factor. Intra-channel shift assumptions can be found in the following table:

- *Table 46 – Intra-Channel Non-Preferred Brand Shift Assumptions*

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

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

Retail-30 non-preferred brand scripts to shift =
Step 7.4 Retail-30 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Retail-90 non-preferred brand scripts to shift =
Step 7.4 Retail-90 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Home Delivery non-preferred brand scripts to shift =
Step 7.4 Home Delivery Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Distribute the shifted non-preferred brand scripts to the preventative generic or non-preventative generic drug classes using the Intra-channel Distribution Assumptions. These assumptions can be found in the following table:

- *Table 47 – Intra-Channel Distribution Assumptions*

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

Retail-30 Final Preventative Generic Scripts PMPY =
Step 7.4 Retail-30 Preventative Generics Script Count PMPY +
Step 7.6 Retail-30 Non-preferred brand scripts to shift x
Step 7.6 Preventative Generic Distribution Assumptions

Retail-30 Final Non-Preventative Generic Scripts PMPY =
Step 7.4 Retail-30 Non-Preventative Generics Script Count PMPY +
Step 7.6 Retail-30 Non-preferred brand scripts to shift x
Step 7.6 Non-Preventative Generic Distribution Assumptions

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

Retail-30 Final Non- Preferred Brand Scripts PMPY =
Step 7.4 Retail-30 Preventative Generics Script Count PMPY -
Step 7.6 Retail-30 non-preferred brand scripts to shift

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

7.7 Extract and Apply the Discount

Discounts are applied to the AWP per script calculated in Step 7.5 . Discount assumptions range from 65%-84% for generic drugs, 11%-39% to brand drugs and 11%-27% for specialty drugs. The discounts vary by drug type, channel, pharmacy network, account size, funding type, and client pricing terms.

Once the discounts are determined, apply them to AWP per script calculated in Step 7.5:

Step 7.7 Discounted AWP per Script = Step 7.5 AWP per Script × (1 – Discount)

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

7.8 Calculate and Apply the Cost Trend Factors

The discounted AWP per script calculated in Step 7.7 was developed using assumptions from the base claim period. To establish expected costs for the policy period, the discounted AWP per script must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Drug-list-specific trends should be used to determine the unit cost trend factor for each drug class.

Unit cost trend assumptions are found in *Table 48 – Pharmacy: Cost Trend*.

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.

- b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
- c. Calculate the actual portion of trend to be applied from each one-year period with:

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

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

Once the final unit cost trend factor is determined, apply it to the discounted AWP per script calculated in Step 7.7:

$$\begin{aligned} \text{Step 7.8 Trended Discounted Cost per Script} \\ = \text{Step 7.7 Discounted AWP per Script} \times \text{Final Unit Cost Trend Factor} \end{aligned}$$

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

7.9 Calculate and Apply the Utilization Trend Factors

The script counts calculated in Step 7.6 were developed using assumptions from the base claim period. To establish expected costs for the policy period, the script counts must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Utilization trend assumptions are found in the following table:

- *Table 49 – Pharmacy: Utilization Trend*

Calculate the utilization trend factor by re-running Step 7.8 with the utilization trend factors. Once the final utilization trend factors are determined for generic, brand and specialty scripts, apply them to the script counts calculated in Step 7.6:

$$\text{Step 7.9 Trended Script Count PMPY} = \text{Step 7.6 Script Count PMPY} \times \text{Final Utilization Trend Factor}$$

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

7.10 Calculate Gross Cost per Script

Dispensing fees are added to the trended discounted AWP per script calculated in Step 7.8. Dispensing fee ranges from \$0 - \$2 per script.

Sales tax is not included in the gross cost per script calculation because of insignificance, so once the dispensing fees are determined, add them to the trended discounted AWP per script calculated in Step 7.8:

$$\begin{aligned} \text{Step 7.10 Trended Gross Cost per Script} \\ = \text{Step 7.8 Discounted AWP per Script} + \text{Dispensing Fee per Script} \end{aligned}$$

7.11 Calculate Gross Trended PMPM

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

$$\begin{aligned} &\text{Step 7.11 Gross Trended PMP} \\ &= \frac{\text{Step 7.10 Trended Gross Cost per Script} \times \text{Step 7.9 Trended Script Count PMPY}}{12} \end{aligned}$$

7.12 Calculate Gross Area-Adjusted PMPM

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

- *Table 50 – Pharmacy: Area Factor*

Extract the area factor based on the site and funding type/product (HMO, non-HMO, experience rated NWK, experience rated non-NWK) being rated and apply it to the gross trended cost PMPM calculated in Step 7.11:

$$\text{Step 7.12 Gross Area-Adjusted PMPM} = \text{Step 7.11 Gross Trended PMPM} \times \text{Pharmacy Area Factor}$$

7.13 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

- *Table 51 – Pharmacy: CPD (% Preventive)*
- *Table 52 – Pharmacy: CPD (Cost per Script)*
- *Table 53 – Pharmacy: CPD (Scripts PMPY)*

Unless otherwise specified, weighted averages mentioned in Step 7.13 are calculated using the probabilities in the pharmacy CPD.

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

7.13.1 Adjust CPD to Appropriate Rate Level

Scale the cost per script and script counts PMPY for each row and tier of the pharmacy CPD to reflect the expected cost and utilization derived in Steps 7.1 through 7.11:

$$\text{Step 7.13.1 Scaled Cost per Script} = \text{Original CPD Cost per Script} \times \text{Cost per Script Scalar}$$

$$\text{Step 7.13.1 Scaled Script Count PMPY} = \text{Original CPD Script Count PMPY} \times \text{Script Count PMPY Scalar}$$

where

$$\text{Cost per Script Scalar} = \text{Step 7.10} \div \text{Original CPD Weighted Average Cost per Script}$$

$$\text{Script Count PMPY Scalar} = \text{Step 7.9} \div \text{Original CPD Weighted Average Script Count PMPY}$$

7.13.2 Calculate Annual Cost

Determine the annual cost for each row and tier using the scaled pharmacy CPD from Step 7.13.1. In addition, the tiers should be further split into preventive and non-preventive using *Table 51 – Pharmacy: CPD (% Preventive)*:

$$\begin{aligned} &\text{Step 7.13.2 Preventive Gross Trended PMPY} \\ &= \text{Step 7.13.1 Scaled Cost per Script} \times \text{Step 7.13.1 Scaled Script Count PMPY} \times \% \text{ Preventive} \end{aligned}$$

Step 7.13.2 Non-Preventive Gross Trended PMPY

$$= \text{Step 7.13.1 Scaled Cost per Script} \times \text{Step 7.13.1 Scaled Script Count PMPY} \times (1 - \% \text{ Preventive})$$

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

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

Step 7.13.2 Total Annual Cost

$$= \text{Sum}(\text{Step 7.13.2 Preventive Gross Trended PMPY}, \text{Step 7.13.2 Non-Preventive Gross Trended PMPY})$$

Finally, calculate the estimated annual cost across all rows and tiers as the weighted average of the Step 7.13.2 Total Annual Cost:

$$\text{Step 7.13.2 Estimated Annual Cost} = \text{Sum}(\text{Step 7.13.2 Total Annual Cost} \times \text{Probability})$$

7.13.3 Calculate Deductible and Deductible Waiver Impacts

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

$$\text{Step 7.13.3 Deductible Applied} = \text{Min}[\text{Applicable Annual Cost}, \text{Deductible}]$$

where

Step 7.13.3 Applicable Annual Cost

$$= \text{Step 7 Total Annual Cost} - \text{Sum}(\text{Waived Step 7.13.2 Gross Trended PMPY})$$

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

7.13.4 Calculate Percentage of Cost Remaining after Applying Deductible

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

$$\text{Step 7.13.4 Percentage of Cost Remaining} = 1 - \frac{\text{Step 7.13.3 Deductible Applied}}{\text{Step 7.13.3 Applicable Annual Cost}}$$

7.13.5 Calculate the effective value of copays and coinsurance

Define the effective copay as the member cost per script after copays, coinsurance, maximum copays, minimum copays and the cost per script are considered.

For tiers with copays:

Step 7.13.5 effective copay

$$= \text{Min}[\text{Copay}, \text{Step 7.13.1 Scaled Cost per Script}]$$

For tiers with coinsurance:

Step 7.13.5 effective copay

= Min{ Max[Member Coinsurance x Step 7.13.1 Scaled Cost per Script, minimum copay] , maximum copay}

7.13.6 Adjust Copays for Costs Covered by the Deductible

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

Step 7.13.6 Member Copay Value = Step 7.13.4 Percentage of Cost Remaining x Step 7.13.5 Effective Copay

7.13.7 Calculate Annual Member Cost Share

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

Step 7.13.7 Annual Member Cost Share
= Sum(Step 7.13.6 Member Copay Value × Step 7.13.1 Scaled Script Count PMPY)
+ Step 7.13.3 Deductible Applied

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

Adjust the annual member cost share calculated in Step 7.13.7 for each row to reflect the impact of an OOP maximum, if applicable:

Step 7.13.8 Member Cost Share after OOP Max = Min[OOP Max, Step 7.13.7 Annual Member Cost Share]

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

7.13.9 Adjust for Plan Maximum

Adjust the member cost share after OOP max calculated in Step 7.13.8 for each row to reflect the impact of a plan maximum, if applicable:

Step 7.13.9 Member Cost Share after OOP Max & Plan Max
= Max[Step 7.13.8 Member Cost Share after OOP Max, Step 7.13.2 Total Annual Cost – Plan Max]

7.13.10 Calculate Regular Member Cost Share

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

Step 7.13.10 Regular Member Cost Share
=
$$\frac{\text{Weighted Average(Step 7.13.9 Member Cost Share after OOP Max \& Plan Max)}}{\text{Step 7.13.2 Estimated Annual Cost}}$$

7.13.11 Calculate Effective Member Cost Share

For plans with a combined deductible and/or combined OOP maximum, the regular member cost share calculated in Step 7.13.10 is used in Step 2.5 to determine the effective member cost share for the pharmacy benefit.

For all other plans, the effective member cost share is set equal to the regular member cost share calculated in Step 7.13.10.

7.14 Calculate Net Pharmacy PMPM

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

For all standard cost categories apply the effective member cost share from Step 7.13.11:

$$\begin{aligned} \text{Step 7.14 Net Pharmacy PMPM} \\ = \text{Step 7.12 Gross Area-Adjusted PMPM} \times (1 - \text{Step 7.13.11 Effective Member Cost Share}) \end{aligned}$$

7.15 Calculate Aggregate Metrics

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

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

7.16 Apply the Clinical Program Factor

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

- *Table 54 – Pharmacy: Clinical Management Programs*

Apply the clinical program factor to the net pharmacy rate from Step 7.14:

$$\begin{aligned} \text{Step 7.16 Clinical-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.14 Net Pharmacy PMPM} \times (1 - \text{Clinical Program Factor}) \end{aligned}$$

7.17 Apply the Pharmacy Demographic Factor

Extract the pharmacy demographic factor from *Table 55 – Pharmacy: Demographic Factors* based on the age, gender, and status (employee, spouse, or child) of the individual being rated. Unisex factors exist if gender is not a permitted rating variable. Multiply the pharmacy demographic factor by the demographic aging adjustment calculated in Step 3.4 to calculate the adjusted pharmacy demographic factor.

Apply the adjusted pharmacy demographic factor to the clinical-adjusted net pharmacy Step 7.16:

$$\begin{aligned} \text{Step 7.17 Clinical/Demo-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.16 Clinical-Adjusted PMPM} \times \text{Adjusted Pharmacy Demographic Factor} \end{aligned}$$

7.18 Apply the Industry Factor

Extract the industry factor from *Table 56 – Industry Load* and apply it to the clinical- and demographic-adjusted net pharmacy PMPM calculated in Step 7.17:

$$\begin{aligned} \text{Step 7.18 Clinical/Demo/Industry-Adjusted Net Pharmacy PMPM} \\ = \text{Step 7.17 Clinical/Demo-Adjusted PMPM} \times \text{Industry Factor} \end{aligned}$$

7.19 Apply Utilization Dampening Factor

Extract the utilization dampening factor from *Table 57 – Pharmacy: Utilization Dampening Factors* based on the average adjusted member cost share calculated in Step 7.13.11. Apply it to the clinical-

demographic-, and industry-adjusted net pharmacy PMPM calculated in Step 7.18 to determine the total benefit pharmacy community rate by class (CRC):

Step 7.19 Total Benefit Pharmacy CRC
= Step 7.18 Clinical/Demo/Industry Net Pharmacy PMPM × Utilization Dampening Factor

7.20 Apply Miscellaneous Pharmacy Adjustments

The following multiplicative adjustments are applied to the total benefit pharmacy CRC calculated in Step 7.19 to arrive at the adjusted total benefit pharmacy CRC:

Step 7.20 Adjusted Total Benefit Pharmacy CRC
= Step 7.19 Total Benefit Pharmacy CRC
× (1 + Step 7.20.1 Mail Order Deductible Waiver Adjustment)
× (1 + Step 7.20.2 Mail Order Specialty Drug 30 Day Limit)
× (1 + Step 7.20.3 Mandatory Mail Load)

7.20.1 Mail Order Deductible Waiver Adjustment

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

7.20.2 Mail Order Specialty Drug 30 Day Limit

Limiting specialty drug fills to 30 day supplies reduces waste. Plans that elect this feature receive a 0.4% reduction while plans that choose not to elect this feature receive no adjustment.

7.20.3 Mandatory Mail for Maintenance Drugs Load

When clients require customers to obtain their maintenance medications via Cigna's mail order pharmacy costs increase due to overhead expense costs associated with filling a script at mail. Plans that have mandatory mail receive a 1% load. Plans that incentivize mail order utilization receive a 0.5% load.

7.20.4 Rx Exclusive Specialty Home Delivery (ESHD) Adjustment

When clients choose to fill specialty drugs exclusively through the Cigna Home Delivery service, a decrement to claims is applied. The decrement varies from 0% - 0.5% depending on the number of grace fills the customer is allowed to fill at a separate pharmacy prior to being required to use the Cigna Home Delivery service.

The Exclusive Specialty Home Delivery (ESHD) Adjustment can be found in the following table:

Table 59 – Pharmacy: Exclusive Specialty Home Delivery (ESHD) Adjustment

7.20.5 Rx Clinical Management Adjustment

Clients that elect a bundled clinical management offering receive a claim adjustment varying by the package they elect in lieu of applying the pricing adjustments outlined in Step 7.6 (step therapy), and Step 7.16 (clinical modules).

The Rx Clinical Management Adjustment factor is calculated in step 7.20.5

$$\begin{aligned} & \text{Step 7.20.5 Rx Clinical Management Adjustment Factor} \\ & = (Rx \text{ NonSpecialty Management Program Factor} + Rx \text{ Specialty Management Program Factor}) \\ & * (1 - Rx \text{ Grandfathering Prior Authorization Factor} - Rx \text{ Grandfathering Step Therapy Factor}) \end{aligned}$$

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

Table 60 – Pharmacy: Clinical Management Adjustment Assumption

7.21 Determine Final Pharmacy CRC and Pharmacy CR

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

- Multiple Offering Load

The multiple offering load applied to the pharmacy rate is the sum of the pharmacy multiple offering load and the additional pharmacy adjustment from *Table 58 – Pharmacy: Multiple Offering Load*, if applicable, based on the site being rated and whether there is more than one product offering being considered.

- Deductible Accumulation Adjustment
- Open Access Load
- Consumerism Adjustment

The product of these adjustments becomes the pharmacy community rate load, which is applied to the adjusted total benefit pharmacy CRC calculated in Step 7.20:

$$\begin{aligned} \text{Step 7.21 Final Pharmacy CRC} \\ & = \text{Step 7.20 Adjusted Total Benefit Pharmacy CRC} \times \text{Pharmacy Community Rate Load} \end{aligned}$$

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

$$\text{Step 7.21 Final Pharmacy CR} = \frac{\text{Step 7.21 Final Pharmacy CRC}}{\text{Step 7.17 Demographic Factor} \times \text{Step 7.18 Industry Factor}}$$

7.22 Aggregate Individual Claim Costs

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

$$\text{Step 7.22 Aggregate Pharmacy CRC} = \frac{\text{Sum of Step 7.21 Final Pharmacy CRC for all individuals}}{\text{Sum of the number of individuals}}$$

$$\text{Step 7.22 Aggregate Pharmacy CR} = \frac{\text{Sum of Step 7.21 Final Pharmacy CR for all individuals}}{\text{Sum of the number of individuals}}$$

Final Rate

8 Calculate Final Rate

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

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

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

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

Appendix A: Rating Formula for Medical Products

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

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

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

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

Appendix B: Tiered Benefits

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

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

$$\text{Savings \%} = [1 - \text{OON Percent}] \times \left[\frac{\text{Benefit Save} \times \text{Percent Non-Tier 1 Dollars} \times (1 - \text{Addtl Tier 1 Penetration})}{\text{Mkt Savings Opportunity} \times \text{Addtl Tier 1 Penetration} \times \text{Percent Non-Tier 1 Dollars}} \right]$$

Notes:

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

Definitions:

- **Benefit Save** - Benefit savings ran through the regular methodology as if the whole group was making the cost-sharing change from Tier 1 to non-Tier 1 benefits.
- **Percent Non-Tier 1 Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do define Tier 1 vs. Non-Tier 1 but the doctors did not earn the Tier 1 designation.
- **Addtl Tier 1 Penetration** – The portion of Non-Tier 1 dollars that will be shifted to Tier 1-designated providers through steerage.
- **Mkt Savings Opportunity** – Expected percent savings in the market seen by shifting all SCP/PCP utilization from non-Tier 1 providers to Tier 1 providers.
- **OON Percent** - Developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 benefit level. Calculated as OON Utilization in Step 3.1.2

Appendix C: General Medical Tables

Table 1 – Medical Base Claims

Network	Major Service Categories (dollars PMPM)						
	Inpatient (IP)	Outpatient (OP)	Primary Care Physician (PCP)	Emergency Room (ER)	Specialty Care Physician (SCP)	Other	Preventive Care
Experience-Rated In-Network	136.66	141.07	26.45	39.68	57.31	17.63	20.26
Experience-Rated Out-of-Network	198.16	204.55	38.35	57.53	83.1	25.56	29.38

Table 2 – MSC Weighting by SCC

Sub-Cost Categories	Major Service Categories					
	Inpatient (Hospital)	Outpatient (Hospital)	ER	PCP	SCP	Other
Facility	83.5%	55.0%	100.0%	0.0%	0.0%	100.0%
Professional	16.5%	17.0%	0.0%	90.0%	81.0%	0.0%
Lab	0.0%	6.8%	0.0%	8.0%	3.6%	0.0%
Radiology	0.0%	10.2%	0.0%	2.0%	5.4%	0.0%
Advanced Radiology (ARI)	0.0%	11.0%	0.0%	0.0%	10.0%	0.0%

Table 3 – Preventive Care Child Age Adjustment

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

Table 4 – National Medical Trend

	2018/2017	2019+/2018
IN Trend	6.25%	6.25%
OON Trend	6.25%	6.25%

Table 5 – National Utilization Rates by MSC

	Major Service Categories						
	IP Per Day	IP Per Admit	OP	ER	PCP	SCP	Other
National Utilization	See Note	0.09	0.12	0.4	1.9	2.1	0

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

Table 6 – Number of Copays Per Admit Adjustment

Max Days	0	1	2	3	4	5	6	7	8	9
Average Days	0	1	1.85	2.4	2.75	3	3.21	3.39	3.54	3.67
Max Days	10	11	12	13	14	15	16	17	18	19
Average Days	3.79	3.9	3.99	4.08	4.17	4.25	4.32	4.39	4.45	4.51

Table 7 – Medical Effective Deductible Adjustment

		Plan Deductible																	
		0	50	100	150	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
Ratio of Family to Individual Deductible	1.00	1	0.54	0.55	0.55	0.55	0.57	0.58	0.59	0.61	0.63	0.66	0.69	0.71	0.73	0.75	0.76	0.77	0.79
	1.25	1	0.6	0.61	0.61	0.62	0.63	0.64	0.65	0.67	0.69	0.72	0.74	0.76	0.78	0.8	0.81	0.82	0.83
	1.50	1	0.67	0.67	0.67	0.68	0.69	0.7	0.71	0.73	0.75	0.78	0.8	0.82	0.83	0.85	0.86	0.87	0.87
	1.75	1	0.73	0.73	0.74	0.74	0.75	0.76	0.77	0.79	0.81	0.84	0.86	0.87	0.89	0.9	0.91	0.91	0.92
	2.00	1	0.79	0.79	0.8	0.8	0.81	0.82	0.83	0.85	0.87	0.9	0.91	0.93	0.94	0.95	0.95	0.96	0.96
	2.25	1	0.82	0.83	0.83	0.84	0.85	0.86	0.87	0.89	0.9	0.92	0.94	0.95	0.96	0.97	0.97	0.97	0.98
	2.50	1	0.86	0.86	0.86	0.87	0.88	0.89	0.9	0.91	0.93	0.95	0.96	0.97	0.97	0.98	0.98	0.98	0.99
	2.75	1	0.89	0.89	0.89	0.9	0.91	0.92	0.92	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99
	3.00	1	0.92	0.92	0.92	0.93	0.94	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99	0.99	1
	3.25	1	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.98	0.98	0.99	0.99	0.99	1	1	1	1
	3.50	1	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1	1	1
	3.75	1	0.96	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	0.99	1	1	1	1	1	1	1
	4.00	1	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1

Table 8 – Medical Effective OOP Maximum Adjustment

		Plan OOP Max																	
		0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
Ratio of Family to Individual OOP Max	1.00	1	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
	1.25	1	0.93	0.93	0.93	0.93	0.93	0.93	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.99	1
	1.50	1	0.93	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.97	0.98	0.99	0.99	1
	1.75	1	0.94	0.94	0.94	0.94	0.95	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	1	1
	2.00	1	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1	1
	2.25	1	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1
	2.50	1	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1	1	1
	2.75	1	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1	1	1	1	1	1
	3.00	1	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1
	3.25	1	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1
	3.50	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1
	3.75	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1
	4.00	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1	1

Table 9 – Medical Claims Probability Distribution

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.165475324	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0.03481993	\$10.80	\$0.01	\$0.01	\$4.29	\$0.09	\$5.23	\$1.18	\$0.01	\$17.04
0.032636979	\$59.89	\$0.03	\$0.03	\$10.48	\$1.89	\$36.33	\$11.10	\$0.03	\$23.29
0.035594958	\$102.20	\$0.09	\$0.09	\$12.72	\$12.08	\$57.07	\$20.07	\$0.08	\$28.92
0.033398549	\$143.07	\$0.23	\$0.23	\$17.16	\$21.29	\$75.11	\$28.92	\$0.12	\$37.72
0.02915585	\$180.33	\$0.35	\$0.35	\$23.17	\$22.19	\$93.52	\$40.53	\$0.23	\$50.71
0.025492215	\$216.00	\$0.43	\$0.43	\$30.31	\$27.04	\$106.20	\$51.21	\$0.39	\$65.05
0.023111311	\$253.73	\$0.69	\$0.69	\$37.30	\$31.05	\$119.84	\$63.56	\$0.60	\$77.22
0.021186889	\$291.34	\$0.91	\$0.91	\$44.69	\$33.66	\$135.85	\$74.52	\$0.79	\$89.39
0.019360215	\$326.38	\$1.10	\$1.10	\$51.77	\$37.42	\$146.67	\$87.27	\$1.05	\$103.68
0.017649877	\$362.06	\$1.34	\$1.34	\$60.53	\$42.45	\$155.63	\$99.38	\$1.38	\$117.06
0.016182776	\$395.73	\$1.53	\$1.53	\$67.81	\$46.33	\$164.60	\$112.38	\$1.55	\$132.45
0.014994313	\$432.21	\$1.72	\$1.72	\$74.12	\$51.05	\$175.13	\$126.59	\$1.88	\$144.85
0.014086664	\$464.02	\$1.80	\$1.80	\$82.71	\$55.46	\$182.19	\$138.19	\$1.88	\$161.63
0.012909048	\$497.37	\$1.89	\$1.89	\$88.64	\$62.17	\$187.23	\$153.23	\$2.31	\$176.31
0.012089016	\$532.91	\$2.18	\$2.18	\$96.82	\$69.37	\$196.14	\$163.71	\$2.51	\$190.66
0.011456835	\$566.71	\$2.03	\$2.03	\$105.50	\$76.78	\$201.19	\$176.77	\$2.42	\$205.41
0.010733929	\$599.82	\$2.52	\$2.52	\$113.18	\$82.91	\$206.04	\$189.58	\$3.07	\$221.16
0.010249319	\$632.82	\$2.30	\$2.30	\$119.18	\$91.33	\$211.25	\$203.06	\$3.39	\$235.51
0.009751282	\$667.38	\$2.75	\$2.75	\$128.01	\$98.20	\$214.39	\$217.84	\$3.45	\$249.76
0.009255359	\$698.78	\$2.82	\$2.82	\$136.23	\$104.70	\$218.13	\$229.76	\$4.32	\$265.60
0.017111124	\$749.38	\$3.06	\$3.06	\$145.17	\$123.25	\$224.41	\$245.68	\$4.74	\$287.10
0.015584846	\$816.87	\$3.70	\$3.70	\$163.56	\$141.04	\$234.41	\$265.12	\$5.34	\$316.95
0.014332574	\$878.18	\$4.09	\$4.09	\$176.55	\$163.84	\$236.05	\$287.43	\$6.12	\$352.37
0.013284565	\$945.42	\$5.30	\$4.40	\$194.79	\$183.58	\$246.23	\$304.40	\$6.71	\$380.84
0.012292998	\$1,010.24	\$6.52	\$4.82	\$209.82	\$210.61	\$250.34	\$320.59	\$7.54	\$413.95
0.011582587	\$1,076.19	\$8.64	\$5.85	\$229.56	\$235.48	\$250.06	\$338.06	\$8.54	\$445.55
0.010786797	\$1,144.44	\$10.10	\$6.36	\$248.50	\$261.60	\$256.80	\$352.78	\$8.32	\$473.86
0.010119744	\$1,206.52	\$11.57	\$6.85	\$268.65	\$283.61	\$261.83	\$363.36	\$10.65	\$511.25
0.00947339	\$1,270.43	\$14.23	\$7.99	\$284.99	\$299.22	\$269.52	\$384.06	\$10.42	\$543.37
0.009000964	\$1,341.04	\$16.58	\$8.88	\$306.29	\$325.71	\$273.08	\$399.47	\$11.03	\$571.08
0.038079734	\$1,539.59	\$26.24	\$13.44	\$372.90	\$386.97	\$284.65	\$441.02	\$14.37	\$655.06
0.030030522	\$1,891.70	\$37.22	\$18.32	\$502.97	\$500.18	\$306.93	\$507.32	\$18.76	\$798.22
0.024176974	\$2,234.68	\$51.25	\$24.31	\$649.28	\$597.84	\$321.14	\$568.50	\$22.36	\$949.79
0.019746579	\$2,597.19	\$57.17	\$26.18	\$803.73	\$710.17	\$340.08	\$631.61	\$28.25	\$1,083.10
0.016517266	\$2,965.06	\$64.82	\$28.73	\$990.75	\$805.30	\$357.65	\$682.72	\$35.10	\$1,216.07
0.014076376	\$3,321.39	\$71.79	\$30.85	\$1,162.49	\$893.73	\$376.37	\$743.17	\$43.00	\$1,349.15
0.012182972	\$3,690.09	\$77.02	\$32.13	\$1,363.56	\$979.84	\$388.74	\$797.79	\$50.99	\$1,487.73
0.010586638	\$4,073.32	\$93.03	\$37.73	\$1,558.36	\$1,079.20	\$401.54	\$842.27	\$61.19	\$1,606.21
0.00935115	\$4,451.13	\$105.68	\$41.72	\$1,771.30	\$1,155.26	\$411.02	\$893.86	\$72.30	\$1,729.08
0.00821512	\$4,856.67	\$133.40	\$51.32	\$1,982.33	\$1,258.88	\$420.49	\$927.37	\$82.87	\$1,826.82
0.007320028	\$5,246.37	\$153.18	\$57.48	\$2,219.89	\$1,323.90	\$427.36	\$968.87	\$95.70	\$1,937.65
0.006559763	\$5,608.62	\$190.72	\$69.86	\$2,419.87	\$1,377.94	\$437.35	\$1,001.66	\$111.22	\$2,085.35
0.005941973	\$6,010.25	\$258.57	\$92.52	\$2,601.89	\$1,452.88	\$445.22	\$1,030.96	\$128.21	\$2,170.96
0.005496711	\$6,464.27	\$305.65	\$106.92	\$2,872.75	\$1,503.67	\$454.10	\$1,071.93	\$149.25	\$2,217.30
0.005022948	\$6,785.39	\$412.89	\$141.29	\$2,965.92	\$1,544.38	\$455.16	\$1,102.76	\$162.99	\$2,391.55
0.004567243	\$7,222.40	\$479.14	\$160.49	\$3,196.41	\$1,587.04	\$468.89	\$1,135.84	\$194.59	\$2,467.30
0.004241052	\$7,625.01	\$601.89	\$197.45	\$3,385.84	\$1,637.92	\$459.23	\$1,140.51	\$202.17	\$2,572.26
0.003973975	\$8,020.59	\$718.11	\$230.83	\$3,535.93	\$1,707.58	\$462.83	\$1,148.72	\$216.59	\$2,673.09
0.003630814	\$8,506.18	\$879.22	\$277.05	\$3,725.34	\$1,741.79	\$462.78	\$1,185.25	\$234.75	\$2,674.94
0.003467391	\$8,893.07	\$1,000.58	\$309.21	\$3,823.04	\$1,810.74	\$464.52	\$1,209.74	\$275.22	\$2,800.13
0.00319671	\$9,292.15	\$1,146.60	\$347.66	\$4,013.24	\$1,834.64	\$462.55	\$1,224.32	\$263.15	\$2,886.73
0.003014795	\$9,691.55	\$1,265.98	\$376.75	\$4,176.30	\$1,850.85	\$459.13	\$1,248.56	\$313.98	\$2,988.87
0.002857184	\$10,144.63	\$1,368.96	\$400.01	\$4,341.77	\$1,930.34	\$478.86	\$1,293.02	\$331.67	\$3,027.68
0.002720865	\$10,662.84	\$1,671.00	\$479.56	\$4,429.63	\$1,969.11	\$480.37	\$1,297.01	\$336.16	\$3,023.51
0.002585601	\$11,105.59	\$1,812.28	\$510.99	\$4,639.47	\$1,995.47	\$464.53	\$1,310.74	\$372.12	\$3,076.06
0.002378666	\$11,472.71	\$1,888.41	\$523.28	\$4,757.91	\$2,061.54	\$474.68	\$1,371.83	\$395.04	\$3,181.66
0.002241196	\$11,960.99	\$2,104.93	\$573.39	\$4,819.79	\$2,127.94	\$485.68	\$1,434.30	\$414.95	\$3,192.47
0.002147209	\$12,241.21	\$2,187.73	\$585.99	\$4,965.80	\$2,174.24	\$483.41	\$1,421.73	\$422.32	\$3,393.64
0.002026149	\$12,814.43	\$2,339.29	\$616.26	\$5,311.37	\$2,149.45	\$489.50	\$1,449.81	\$458.74	\$3,322.98
0.001875097	\$13,281.88	\$2,616.88	\$678.20	\$5,261.41	\$2,294.88	\$496.64	\$1,474.50	\$459.37	\$3,363.48

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.001862882	\$13,572.15	\$2,598.56	\$662.65	\$5,546.68	\$2,215.12	\$519.36	\$1,532.27	\$497.50	\$3,567.11
0.001720191	\$13,884.76	\$2,815.96	\$706.73	\$5,505.44	\$2,328.11	\$497.18	\$1,498.52	\$532.81	\$3,723.07
0.001629404	\$14,560.29	\$2,986.38	\$737.79	\$5,854.21	\$2,312.50	\$523.77	\$1,583.56	\$562.08	\$3,556.02
0.001520467	\$14,732.24	\$3,156.01	\$767.65	\$5,810.35	\$2,341.02	\$505.88	\$1,574.45	\$576.89	\$3,805.90
0.001525004	\$15,215.26	\$3,316.96	\$794.47	\$5,946.39	\$2,441.44	\$509.39	\$1,608.22	\$598.40	\$3,800.44
0.001455415	\$15,662.19	\$3,401.36	\$802.38	\$6,225.72	\$2,489.80	\$517.03	\$1,613.33	\$612.56	\$3,931.15
0.002621748	\$16,393.96	\$3,492.71	\$811.60	\$6,682.76	\$2,542.80	\$534.86	\$1,666.91	\$662.32	\$3,972.98
0.002410462	\$17,005.48	\$3,841.19	\$879.37	\$6,549.14	\$2,801.12	\$528.90	\$1,725.76	\$680.01	\$4,276.36
0.002135025	\$17,893.84	\$4,086.90	\$921.89	\$6,941.11	\$2,839.27	\$540.45	\$1,789.40	\$774.82	\$4,406.57
0.002011914	\$18,786.21	\$4,374.66	\$972.47	\$7,295.27	\$2,984.84	\$566.67	\$1,807.21	\$785.08	\$4,526.11
0.001824342	\$19,476.25	\$4,578.67	\$1,003.16	\$7,543.70	\$3,022.24	\$582.30	\$1,917.40	\$828.76	\$4,812.13
0.001643795	\$20,249.91	\$4,836.82	\$1,044.58	\$7,852.58	\$3,003.82	\$585.44	\$2,012.38	\$914.28	\$5,031.94
0.001553909	\$20,896.01	\$5,100.33	\$1,085.89	\$8,057.16	\$3,033.67	\$618.12	\$2,049.28	\$951.56	\$5,423.66
0.00140724	\$21,655.65	\$5,428.08	\$1,139.43	\$8,371.96	\$3,087.35	\$583.87	\$2,004.55	\$1,040.42	\$5,587.54
0.001308124	\$22,564.49	\$5,705.08	\$1,180.87	\$8,579.49	\$3,389.69	\$607.52	\$2,083.85	\$1,018.00	\$5,713.44
0.001241518	\$23,043.46	\$5,978.88	\$1,220.40	\$8,686.10	\$3,300.20	\$595.16	\$2,187.08	\$1,075.64	\$6,262.62
0.009165256	\$26,495.64	\$7,518.57	\$1,513.58	\$9,728.57	\$3,423.38	\$663.20	\$2,443.37	\$1,204.97	\$7,781.50
0.005389389	\$33,531.23	\$11,031.22	\$2,190.38	\$11,376.50	\$3,692.55	\$786.70	\$2,932.96	\$1,520.92	\$10,719.69
0.003771889	\$38,672.78	\$13,675.26	\$2,678.53	\$12,607.24	\$3,722.66	\$863.93	\$3,349.25	\$1,775.91	\$15,562.53
0.002548118	\$44,842.91	\$16,684.15	\$3,223.78	\$14,244.14	\$3,821.87	\$975.04	\$3,834.88	\$2,059.06	\$19,234.12
0.001872797	\$52,541.36	\$19,990.15	\$3,810.77	\$16,576.76	\$4,098.43	\$1,068.78	\$4,627.69	\$2,368.78	\$21,670.40
0.001376936	\$59,705.91	\$23,266.96	\$4,376.27	\$19,392.89	\$4,251.55	\$1,092.48	\$4,576.15	\$2,749.60	\$24,114.44
0.000114501	\$63,230.49	\$26,529.59	\$4,923.74	\$19,411.59	\$3,519.24	\$1,151.67	\$4,772.01	\$2,922.66	\$26,555.62
0.000105146	\$66,145.75	\$27,801.59	\$5,091.71	\$20,281.28	\$4,029.84	\$888.64	\$4,521.31	\$3,531.39	\$24,517.81
0.000103996	\$66,443.40	\$27,619.27	\$4,991.88	\$19,938.96	\$4,005.86	\$1,065.59	\$5,123.37	\$3,698.45	\$25,079.29
0.000106793	\$67,755.91	\$29,722.75	\$5,301.83	\$20,755.98	\$3,865.44	\$1,261.74	\$3,870.63	\$2,977.55	\$25,016.07
0.000104493	\$71,164.32	\$27,817.91	\$4,897.47	\$23,699.85	\$4,166.40	\$1,732.32	\$5,786.13	\$3,064.24	\$21,465.82
0.000105488	\$67,175.77	\$28,295.91	\$4,917.06	\$20,711.61	\$4,181.37	\$972.70	\$5,542.46	\$2,554.66	\$27,802.32
0.000110709	\$70,416.59	\$27,009.78	\$4,632.98	\$23,622.76	\$4,306.33	\$1,669.35	\$5,947.53	\$3,227.86	\$25,175.84
0.0001044	\$69,062.58	\$28,977.45	\$4,906.58	\$21,100.28	\$3,974.35	\$1,246.08	\$5,705.75	\$3,152.09	\$27,744.01
0.000100484	\$70,164.84	\$28,688.20	\$4,795.37	\$22,857.27	\$4,844.67	\$1,116.93	\$4,225.87	\$3,636.52	\$27,612.67
9.0165E-05	\$70,232.95	\$30,249.66	\$4,991.81	\$21,874.77	\$3,731.86	\$1,325.79	\$4,652.52	\$3,406.53	\$27,907.75
0.002786538	\$91,046.15	\$39,098.73	\$6,369.97	\$28,251.64	\$5,111.45	\$1,475.80	\$7,321.88	\$3,416.67	\$27,604.04
0.001111259	\$143,164.16	\$61,832.11	\$9,945.89	\$47,813.37	\$6,541.43	\$1,937.67	\$10,825.25	\$4,268.44	\$25,776.97
0.000576764	\$190,025.16	\$83,669.61	\$13,288.26	\$66,271.77	\$6,811.54	\$2,628.91	\$12,324.74	\$5,030.31	\$26,717.72
0.000343814	\$240,621.91	\$100,724.50	\$15,795.06	\$93,579.27	\$7,531.09	\$2,404.66	\$15,338.14	\$5,249.18	\$27,285.15
0.000229904	\$276,694.97	\$115,020.60	\$17,809.91	\$116,905.14	\$7,369.36	\$1,752.06	\$12,479.67	\$5,358.23	\$37,506.21
0.000141106	\$323,178.02	\$140,884.80	\$21,540.86	\$130,601.97	\$7,433.20	\$3,001.33	\$15,642.32	\$4,073.53	\$36,489.95
0.000097904	\$377,718.44	\$182,396.14	\$27,538.46	\$133,749.61	\$11,630.53	\$2,093.82	\$13,608.63	\$6,701.24	\$33,833.02
0.000058214	\$418,316.82	\$202,033.14	\$30,121.93	\$151,612.70	\$9,174.41	\$3,277.30	\$16,494.44	\$5,602.90	\$33,928.46
0.000047149	\$446,195.20	\$233,470.71	\$34,374.72	\$153,396.99	\$9,504.52	\$1,931.75	\$9,739.19	\$3,777.33	\$53,953.84
0.000035277	\$496,288.93	\$283,354.76	\$41,199.61	\$134,907.77	\$11,479.65	\$6,392.10	\$12,559.17	\$6,395.86	\$39,760.39
0.000026481	\$532,601.80	\$320,710.15	\$46,051.07	\$139,096.85	\$12,795.90	\$1,921.37	\$6,626.51	\$5,399.95	\$49,330.22
0.000022813	\$553,074.38	\$301,139.17	\$42,703.78	\$154,444.31	\$8,240.81	\$1,387.53	\$35,096.17	\$10,062.61	\$64,871.54
0.000017157	\$661,052.29	\$370,364.54	\$51,868.94	\$176,976.12	\$8,415.42	\$2,570.13	\$20,852.34	\$30,004.80	\$12,949.31
0.000012370	\$612,176.95	\$359,123.89	\$49,671.48	\$165,858.89	\$12,325.53	\$5,081.94	\$6,161.51	\$13,953.70	\$61,680.55
0.000009417	\$781,280.98	\$388,028.25	\$53,004.92	\$271,933.23	\$21,229.52	\$1,763.75	\$39,407.21	\$5,914.11	\$38,709.59
0.000004351	\$843,402.72	\$498,324.22	\$67,229.40	\$249,532.82	\$6,845.63	\$1,248.90	\$4,464.60	\$15,757.15	\$18,021.80
0.000004786	\$800,456.85	\$494,727.83	\$65,919.15	\$179,489.41	\$20,384.93	\$1,009.96	\$7,646.89	\$31,278.68	\$25,033.82
0.000006651	\$874,397.84	\$525,636.02	\$69,172.14	\$230,505.37	\$13,111.56	\$1,183.38	\$31,750.61	\$3,038.77	\$21,158.54
0.000007988	\$959,075.38	\$680,699.11	\$88,471.66	\$154,956.44	\$16,238.48	\$1,215.33	\$12,172.04	\$5,322.32	\$40,667.27
0.000008267	\$1,111,458.24	\$766,357.08	\$98,374.90	\$215,536.91	\$12,186.42	\$1,807.06	\$9,692.64	\$7,503.22	\$15,093.08
0.000005222	\$1,086,232.66	\$688,606.07	\$87,302.91	\$130,291.53	\$10,586.46	\$1,943.55	\$82,068.98	\$85,433.15	\$159,760.87
0.000002891	\$1,211,155.71	\$911,217.90	\$114,099.73	\$160,114.27	\$9,312.01	\$1,275.85	\$4,242.64	\$10,893.31	\$3,929.45
0.000003699	\$1,436,156.34	\$1,089,248.18	\$134,707.83	\$189,719.32	\$7,352.34	\$1,326.52	\$2,193.52	\$11,608.64	\$11,909.29
0.000005128	\$1,512,269.86	\$1,274,847.08	\$155,713.41	\$61,334.05	\$8,990.61	\$1,126.40	\$2,960.44	\$7,297.86	\$8,992.38
0.000001523	\$2,202,105.76	\$1,909,097.50	\$230,300.88	\$35,594.77	\$5,877.09	\$203.90	\$7,083.29	\$13,948.34	\$8,940.24
0.000002393	\$3,066,917.86	\$2,553,417.64	\$304,218.63	\$164,333.68	\$15,058.86	\$2,698.12	\$3,349.80	\$23,841.12	\$9,640.98

Table 10 – Preventive Care Cost-Share Weighting

Major Service Category	Weighting
PCP	75%
SCP	25%

Table 11 – Medical Utilization Dampening

	IP	OP	PCP Copay	PCP Ded/Coins	ER	SCP Copay	SCP Ded/Coins	Other
A	-2.8	-1.34	-0.45	-0.93	-0.31	-1.6	-2.33	-2
B	1.19	1.23	1.06	1.67	1.06	1.24	2.03	1.28
Applicable MSC	IP	OP	PCP	PCP	ER	SCP	SCP	Other
	Indemnity (NY/NJ metro)		Indemnity (NJ South)		Indemnity (all other areas)			
A	-0.10		-0.32		-0.32			
B	0.62-0.72		0.74		0.29			
Applicable MSC	These indemnity UD factors apply to the aggregate cost-share							
<p>Note: Utilization dampening has a floor of 0.20. There is a cap of 1.2 on PCP, 1.4 on SCP, and 1.25 on Other. The specified indemnity plans use a utilization dampening formula of Utilization Dampening = $e^{(A \times \text{Cost-Sharing} + B)}$</p>								

Table 12 – Effective Deductible - Collective Adjustment

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	0	1	1	1	2	5000	1	0.977	0.898
1	50	0.635	0.441	0.352	2	5500	1	0.983	0.906
1	100	0.63	0.437	0.335	2	6000	1	0.99	0.918
1	150	0.633	0.437	0.334	2	6500	1	0.99	0.925
1	200	0.633	0.439	0.335	2	6850	1	0.997	0.931
1	300	0.635	0.441	0.338	2	7000	1	1	0.933
1	400	0.639	0.444	0.339	2	7500	1	1	0.943
1	500	0.644	0.447	0.342	2	8000	1	1	0.949
1	750	0.657	0.459	0.349	2	8500	1	1	0.954
1	1000	0.663	0.47	0.358	2	9000	1	1	0.963
1	1500	0.688	0.489	0.369	2	9500	1	1	0.968
1	2000	0.708	0.508	0.389	2	10000	1	1	0.972
1	2250	0.714	0.518	0.396	2	10500	1	1	0.979
1	2500	0.719	0.528	0.404	2	11000	1	1	0.983
1	3000	0.731	0.54	0.421	2	11500	1	1	0.99
1	3500	0.744	0.552	0.431	2	12000	1	1	0.99
1	4000	0.754	0.565	0.441	2	12500	1	1	1
1	4500	0.762	0.577	0.452	2.25	0	1	1	1
1	5000	0.772	0.588	0.463	2.25	50	1	0.89	0.706
1	5500	0.78	0.597	0.474	2.25	100	1	0.89	0.719
1	6000	0.787	0.608	0.484	2.25	150	1	0.89	0.716
1	6500	0.795	0.616	0.492	2.25	200	1	0.89	0.726
1	6850	0.8	0.625	0.502	2.25	300	1	0.89	0.73
1	7000	0.807	0.632	0.511	2.25	400	1	0.894	0.741
1	7500	0.807	0.632	0.511	2.25	500	1	0.904	0.755
1	8000	0.813	0.641	0.519	2.25	750	1	0.919	0.781
1	8500	0.818	0.648	0.527	2.25	1000	1	0.933	0.803
1	9000	0.824	0.656	0.535	2.25	1500	1	0.952	0.838
1	9500	0.828	0.66	0.545	2.25	2000	1	0.967	0.866
1	10000	0.829	0.666	0.549	2.25	2250	1	0.972	0.878
1	10500	0.833	0.674	0.559	2.25	2500	1	0.977	0.89
1	11000	0.838	0.681	0.566	2.25	3000	1	0.99	0.905
1	11500	0.843	0.69	0.572	2.25	3500	1	0.99	0.917
1	12000	0.846	0.69	0.579	2.25	4000	1	1	0.936
1	12500	0.851	0.7	0.584	2.25	4500	1	1	0.946
1	13000	0.854	0.706	0.59	2.25	5000	1	1	0.953
1	13500	0.857	0.712	0.596	2.25	5500	1	1	0.963
1	14000	0.861	0.718	0.602	2.25	6000	1	1	0.971
1	14500	0.864	0.723	0.607	2.25	6500	1	1	0.977
1	15000	0.867	0.727	0.613	2.25	6850	1	1	0.981
1	17000	0.879	0.744	0.634	2.25	7000	1	1	0.983
1	20000	0.896	0.767	0.661	2.25	7500	1	1	0.99
1.25	0	1	1	1	2.25	8000	1	1	0.99
1.25	50	0.718	0.515	0.393	2.25	8500	1	1	1
1.25	100	0.729	0.529	0.407	2.25	9000	1	1	1
1.25	150	0.725	0.53	0.408	2.5	0	1	1	1
1.25	200	0.733	0.529	0.403	2.5	50	1	0.99	0.784
1.25	300	0.733	0.532	0.401	2.5	100	1	0.99	0.784
1.25	400	0.741	0.537	0.403	2.5	150	1	0.922	0.782
1.25	500	0.752	0.545	0.427	2.5	200	1	0.923	0.792
1.25	750	0.769	0.563	0.442	2.5	300	1	0.935	0.8
1.25	1000	0.782	0.579	0.455	2.5	400	1	0.944	0.812
1.25	1500	0.805	0.607	0.479	2.5	500	1	0.951	0.825
1.25	2000	0.823	0.63	0.501	2.5	750	1	0.962	0.85
1.25	2250	0.83	0.641	0.51	2.5	1000	1	0.972	0.869
1.25	2500	0.838	0.651	0.52	2.5	1500	1	0.986	0.897
1.25	3000	0.851	0.671	0.537	2.5	2000	1	1	0.922
1.25	3500	0.863	0.69	0.554	2.5	2250	1	1	0.931
1.25	4000	0.875	0.706	0.57	2.5	2500	1	1	0.939
1.25	4500	0.881	0.719	0.584	2.5	3000	1	1	0.955
1.25	5000	0.89	0.732	0.599	2.5	3500	1	1	0.965
1.25	5500	0.895	0.737	0.604	2.5	4000	1	1	0.977

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.25	6000	0.9	0.742	0.609
1.25	6500	0.907	0.762	0.635
1.25	6850	0.913	0.772	0.647
1.25	7000	0.913	0.772	0.647
1.25	7500	0.921	0.781	0.654
1.25	8000	0.924	0.789	0.664
1.25	8500	0.927	0.798	0.676
1.25	9000	0.935	0.805	0.69
1.25	9500	0.938	0.811	0.697
1.25	10000	0.94	0.819	0.706
1.25	10500	0.946	0.825	0.715
1.25	11000	0.949	0.831	0.723
1.25	11500	0.951	0.833	0.731
1.25	12000	0.955	0.839	0.738
1.25	12500	0.957	0.845	0.745
1.25	13000	0.96	0.851	0.752
1.25	13500	0.963	0.856	0.758
1.25	14000	0.965	0.861	0.765
1.25	14500	0.967	0.866	0.771
1.25	15000	0.97	0.871	0.777
1.25	17000	0.978	0.89	0.799
1.25	20000	0.99	0.904	0.828
1.5	0	1	1	1
1.5	50	0.834	0.629	0.489
1.5	100	0.834	0.629	0.489
1.5	150	0.834	0.629	0.489
1.5	200	0.834	0.629	0.489
1.5	300	0.839	0.636	0.491
1.5	400	0.848	0.645	0.496
1.5	500	0.856	0.654	0.503
1.5	750	0.87	0.674	0.521
1.5	1000	0.89	0.69	0.549
1.5	1500	0.896	0.721	0.578
1.5	2000	0.911	0.745	0.603
1.5	2250	0.916	0.755	0.615
1.5	2500	0.921	0.765	0.626
1.5	3000	0.933	0.783	0.643
1.5	3500	0.939	0.8	0.664
1.5	4000	0.95	0.81	0.684
1.5	4500	0.955	0.826	0.701
1.5	5000	0.959	0.834	0.717
1.5	5500	0.965	0.844	0.731
1.5	6000	0.97	0.853	0.744
1.5	6500	0.974	0.863	0.755
1.5	6850	0.977	0.871	0.767
1.5	7000	0.977	0.871	0.767
1.5	7500	0.982	0.88	0.777
1.5	8000	0.99	0.89	0.786
1.5	8500	0.99	0.89	0.797
1.5	9000	0.99	0.897	0.805
1.5	9500	0.99	0.901	0.813
1.5	10000	1	0.911	0.822
1.5	10500	1	0.914	0.83
1.5	11000	1	0.918	0.833
1.5	11500	1	0.923	0.842
1.5	12000	1	0.929	0.849
1.5	12500	1	0.932	0.856
1.5	13000	1	0.936	0.863
1.5	13500	1	0.941	0.869
1.5	14000	1	0.944	0.875
1.5	14500	1	0.947	0.881
1.5	15000	1	0.951	0.89
1.5	17000	1	0.962	0.905
1.5	20000	1	0.978	0.927

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
2.5	4500	1	1	0.99
2.5	5000	1	1	0.99
2.5	5500	1	1	1
2.75	0	1	1	1
2.75	50	1	1	0.89
2.75	100	1	1	0.89
2.75	150	1	1	0.89
2.75	200	1	1	0.89
2.75	300	1	1	0.89
2.75	400	1	1	0.89
2.75	500	1	1	0.89
2.75	750	1	1	0.906
2.75	1000	1	1	0.923
2.75	1500	1	1	0.947
2.75	2000	1	1	0.966
2.75	2250	1	1	0.972
2.75	2500	1	1	0.979
2.75	3000	1	1	0.99
2.75	3500	1	1	1
2.75	4000	1	1	1
2.75	4500	1	1	1
2.75	5000	1	1	1
2.75	5500	1	1	1
3	0	1	1	1
3	50	1	1	0.91
3	100	1	1	0.91
3	150	1	1	0.911
3	200	1	1	0.912
3	300	1	1	0.924
3	400	1	1	0.934
3	500	1	1	0.942
3	750	1	1	0.957
3	1000	1	1	0.969
3	1500	1	1	0.99
3	2000	1	1	1
3	2250	1	1	1
3	2500	1	1	1
3	3000	1	1	1
3	3500	1	1	1
3	4000	1	1	1
3	4500	1	1	1
3	5000	1	1	1
3	5500	1	1	1
3.25	0	1	1	1
3.25	50	1	1	0.945
3.25	100	1	1	0.945
3.25	150	1	1	0.945
3.25	200	1	1	0.945
3.25	300	1	1	0.956
3.25	400	1	1	0.965
3.25	500	1	1	0.99
3.25	750	1	1	1
3.25	1000	1	1	1
3.25	1500	1	1	1
3.25	2000	1	1	1
3.25	2250	1	1	1
3.25	2500	1	1	1
3.25	3000	1	1	1
3.25	3500	1	1	1
3.25	4000	1	1	1
3.25	4500	1	1	1
3.25	5000	1	1	1
3.25	5500	1	1	1
3.5	0	1	1	1

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.75	0	1	1	1	3.5	50	1	1	1
1.75	50	0.927	0.721	0.57	3.5	100	1	1	1
1.75	100	0.927	0.721	0.57	3.5	150	1	1	1
1.75	150	0.927	0.718	0.572	3.5	200	1	1	1
1.75	200	0.926	0.727	0.573	3.5	300	1	1	1
1.75	300	0.934	0.729	0.579	3.5	400	1	1	1
1.75	400	0.94	0.738	0.587	3.5	500	1	1	1
1.75	500	0.945	0.749	0.596	3.5	750	1	1	1
1.75	750	0.953	0.769	0.618	3.5	1000	1	1	1
1.75	1000	0.96	0.786	0.639	3.5	1500	1	1	1
1.75	1500	0.969	0.814	0.673	3.5	2000	1	1	1
1.75	2000	0.978	0.837	0.702	3.5	2250	1	1	1
1.75	2250	0.984	0.847	0.714	3.5	2500	1	1	1
1.75	2500	0.99	0.857	0.727	3.5	3000	1	1	1
1.75	3000	0.99	0.873	0.748	3.5	3500	1	1	1
1.75	3500	1	0.89	0.769	3.5	4000	1	1	1
1.75	4000	1	0.899	0.786	3.5	4500	1	1	1
1.75	4500	1	0.907	0.802	3.5	5000	1	1	1
1.75	5000	1	0.912	0.811	3.5	5500	1	1	1
1.75	5500	1	0.923	0.824	3.75	0	1	1	1
1.75	6000	1	0.931	0.836	3.75	50	1	1	1
1.75	6500	1	0.936	0.849	3.75	100	1	1	1
1.75	6850	1	0.94	0.855	3.75	150	1	1	1
1.75	7000	1	0.942	0.858	3.75	200	1	1	1
1.75	7500	1	0.95	0.869	3.75	300	1	1	1
1.75	8000	1	0.953	0.878	3.75	400	1	1	1
1.75	8500	1	0.958	0.89	3.75	500	1	1	1
1.75	9000	1	0.964	0.892	3.75	750	1	1	1
1.75	9500	1	0.968	0.898	3.75	1000	1	1	1
1.75	10000	1	0.971	0.909	3.75	1500	1	1	1
1.75	10500	1	0.976	0.914	3.75	2000	1	1	1
1.75	11000	1	0.979	0.919	3.75	2250	1	1	1
1.75	11500	1	0.981	0.925	3.75	2500	1	1	1
1.75	12000	1	0.984	0.932	3.75	3000	1	1	1
1.75	12500	1	0.99	0.936	3.75	3500	1	1	1
1.75	13000	1	0.99	0.941	3.75	4000	1	1	1
1.75	13500	1	0.99	0.947	3.75	4500	1	1	1
1.75	14000	1	0.99	0.951	3.75	5000	1	1	1
1.75	14500	1	1	0.955	3.75	5500	1	1	1
1.75	15000	1	1	0.96	4	0	1	1	1
1.75	17000	1	1	0.975	4	50	1	1	1
1.75	20000	1	1	1	4	100	1	1	1
2	0	1	1	1	4	150	1	1	1
2	50	1	0.816	0.69	4	200	1	1	1
2	100	1	0.816	0.69	4	300	1	1	1
2	150	1	0.815	0.69	4	400	1	1	1
2	200	1	0.822	0.69	4	500	1	1	1
2	300	1	0.827	0.69	4	750	1	1	1
2	400	1	0.836	0.69	4	1000	1	1	1
2	500	1	0.846	0.69	4	1500	1	1	1
2	750	1	0.865	0.701	4	2000	1	1	1
2	1000	1	0.89	0.722	4	2250	1	1	1
2	1500	1	0.901	0.758	4	2500	1	1	1
2	2000	1	0.921	0.788	4	3000	1	1	1
2	2250	1	0.928	0.801	4	3500	1	1	1
2	2500	1	0.934	0.813	4	4000	1	1	1
2	3000	1	0.947	0.836	4	4500	1	1	1
2	3500	1	0.955	0.855	4	5000	1	1	1
2	4000	1	0.966	0.873	4	5500	1	1	1
2	4500	1	0.972	0.884					

Table 13 – Effective OOP Maximum - Collective Adjustment

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	500	0.675	0.498	0.382	2	5500	1.000	0.897	0.780
1	1000	0.675	0.498	0.382	2	6000	1.000	0.899	0.792
1	1500	0.675	0.498	0.382	2	6500	1.000	0.904	0.800
1	2000	0.700	0.520	0.404	2	7000	1.000	0.909	0.802
1	2500	0.725	0.542	0.424	2	8000	1.000	0.914	0.808
1	3000	0.767	0.588	0.444	2	9000	1.000	0.919	0.813
1	4000	0.778	0.609	0.464	2	10000	1.000	0.924	0.818
1	5000	0.784	0.612	0.484	2	11000	1.000	0.929	0.823
1	5500	0.790	0.615	0.504	2	12000	1.000	0.934	0.828
1	6000	0.801	0.623	0.524	2	13000	1.000	0.939	0.833
1	7000	0.811	0.632	0.524	2	14000	1.000	0.944	0.838
1	8000	0.818	0.632	0.524	2	15000	1.000	0.949	0.843
1	9000	0.824	0.632	0.524	2.25	500	1.000	0.880	0.801
1	10000	0.828	0.637	0.527	2.25	1000	1.000	0.880	0.806
1	11000	0.836	0.644	0.537	2.25	1500	1.000	0.880	0.812
1	12000	0.836	0.647	0.541	2.25	2000	1.000	0.888	0.828
1	13000	0.852	0.657	0.553	2.25	2500	1.000	0.892	0.845
1	14000	0.868	0.662	0.564	2.25	3000	1.000	0.895	0.862
1	15000	0.890	0.672	0.572	2.25	4000	1.000	0.898	0.875
1	16000	0.893	0.690	0.581	2.25	5000	1.000	0.903	0.883
1	17000	0.914	0.700	0.595	2.25	5500	1.000	0.908	0.887
1	18000	0.928	0.711	0.601	2.25	6000	1.000	0.913	0.894
1	19000	0.931	0.716	0.608	2.25	6500	1.000	0.918	0.899
1	20000	0.950	0.726	0.616	2.25	7000	1.000	0.923	0.904
1	25000	1.000	0.785	0.649	2.25	8000	1.000	0.928	0.909
1	30000	1.000	0.819	0.690	2.25	9000	1.000	0.933	0.914
1	35000	1.000	0.945	0.875	2.25	10000	1.000	0.938	0.919
1	40000	1.000	0.973	0.905	2.25	11000	1.000	0.943	0.924
1	45000	1.000	1.000	0.931	2.25	12000	1.000	0.948	0.929
1	50000	1.000	1.000	0.962	2.25	13000	1.000	0.953	0.934
1.25	500	0.738	0.565	0.406	2.25	14000	1.000	0.958	0.939
1.25	1000	0.738	0.565	0.406	2.25	15000	1.000	0.963	0.944
1.25	1500	0.738	0.565	0.406	2.5	500	1.000	0.896	0.845
1.25	2000	0.755	0.591	0.427	2.5	1000	1.000	0.896	0.853
1.25	2500	0.772	0.617	0.447	2.5	1500	1.000	0.896	0.861
1.25	3000	0.803	0.660	0.492	2.5	2000	1.000	0.897	0.865
1.25	4000	0.820	0.683	0.523	2.5	2500	1.000	0.897	0.870
1.25	5000	0.833	0.699	0.542	2.5	3000	1.000	1.000	0.878
1.25	5500	0.838	0.702	0.560	2.5	4000	1.000	1.000	0.885
1.25	6000	0.843	0.721	0.561	2.5	5000	1.000	1.000	0.891
1.25	7000	0.851	0.728	0.579	2.5	5500	1.000	1.000	0.893
1.25	8000	0.874	0.740	0.615	2.5	6000	1.000	1.000	0.899
1.25	9000	0.879	0.743	0.628	2.5	6500	1.000	1.000	0.919
1.25	10000	0.899	0.772	0.642	2.5	7000	1.000	1.000	0.939
1.25	11000	0.919	0.790	0.658	2.5	8000	1.000	1.000	0.959
1.25	12000	0.939	0.808	0.674	2.5	9000	1.000	1.000	0.979
1.25	13000	0.959	0.826	0.690	2.5	10000	1.000	1.000	0.999
1.25	14000	0.979	0.844	0.706	2.5	11000	1.000	1.000	1.000
1.25	15000	0.999	0.862	0.723	2.5	12000	1.000	1.000	1.000
1.25	16000	1.000	0.880	0.739	2.5	13000	1.000	1.000	1.000
1.25	17000	1.000	0.900	0.755	2.5	14000	1.000	1.000	1.000
1.25	18000	1.000	0.920	0.771	2.5	15000	1.000	1.000	1.000
1.25	19000	1.000	0.940	0.787	2.75	500	1.000	1.000	0.980
1.25	20000	1.000	0.960	0.804	2.75	1000	1.000	1.000	0.980
1.25	25000	1.000	1.000	0.834	2.75	1500	1.000	1.000	0.980
1.5	500	0.829	0.678	0.500	2.75	2000	1.000	1.000	0.983
1.5	1000	0.839	0.678	0.500	2.75	2500	1.000	1.000	0.986
1.5	1500	0.833	0.678	0.500	2.75	3000	1.000	1.000	0.987
1.5	2000	0.856	0.724	0.500	2.75	4000	1.000	1.000	0.991
1.5	2500	0.855	0.727	0.547	2.75	5000	1.000	1.000	0.994
1.5	3000	0.870	0.758	0.596	2.75	5500	1.000	1.000	0.995
1.5	4000	0.879	0.785	0.624	2.75	6000	1.000	1.000	0.998

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.5	5000	0.887	0.800	0.637	2.75	6500	1.000	1.000	1.000
1.5	5500	0.890	0.803	0.650	3	500	1.000	1.000	0.991
1.5	6000	0.896	0.822	0.680	3	1000	1.000	1.000	0.991
1.5	6500	0.906	0.828	0.691	3	1500	1.000	1.000	0.991
1.5	7000	0.916	0.834	0.692	3	2000	1.000	1.000	0.991
1.5	8000	0.926	0.844	0.696	3	2500	1.000	1.000	0.991
1.5	9000	0.936	0.856	0.711	3	3000	1.000	1.000	0.992
1.5	10000	0.946	0.869	0.718	3	4000	1.000	1.000	0.993
1.5	11000	0.956	0.878	0.725	3	5000	1.000	1.000	0.995
1.5	12000	0.966	0.884	0.727	3	5500	1.000	1.000	0.997
1.5	13000	0.976	0.891	0.747	3	6000	1.000	1.000	1.000
1.5	14000	0.986	0.901	0.761	3.5	500	1.000	1.000	0.992
1.5	15000	0.996	0.911	0.770	3.5	1000	1.000	1.000	0.992
1.75	500	1.000	0.772	0.576	3.5	1500	1.000	1.000	0.992
1.75	1000	1.000	0.772	0.581	3.5	2000	1.000	1.000	0.992
1.75	1500	1.000	0.772	0.586	3.5	2500	1.000	1.000	0.992
1.75	2000	1.000	0.791	0.617	3.5	3000	1.000	1.000	0.993
1.75	2500	1.000	0.811	0.648	3.5	4000	1.000	1.000	0.995
1.75	3000	1.000	0.832	0.684	3.5	5000	1.000	1.000	0.997
1.75	4000	1.000	0.851	0.709	3.5	5500	1.000	1.000	0.998
1.75	5000	1.000	0.865	0.730	3.5	6000	1.000	1.000	1.000
1.75	5500	1.000	0.870	0.732	3.75	500	1.000	1.000	0.997
1.75	6000	1.000	0.881	0.750	3.75	1000	1.000	1.000	0.997
1.75	6500	1.000	0.885	0.761	3.75	1500	1.000	1.000	0.997
1.75	7000	1.000	0.892	0.764	3.75	2000	1.000	1.000	0.997
1.75	8000	1.000	0.898	0.777	3.75	2500	1.000	1.000	0.997
1.75	9000	1.000	0.900	0.790	3.75	3000	1.000	1.000	0.997
1.75	10000	1.000	0.905	0.806	3.75	4000	1.000	1.000	0.997
1.75	11000	1.000	0.910	0.811	3.75	5000	1.000	1.000	0.997
1.75	12000	1.000	0.915	0.816	3.75	5500	1.000	1.000	0.997
1.75	13000	1.000	0.920	0.821	3.75	6000	1.000	1.000	1.000
1.75	14000	1.000	0.925	0.826	4	500	1.000	1.000	1.000
1.75	15000	1.000	0.930	0.831	4	1000	1.000	1.000	1.000
2	500	1.000	0.841	0.659	4	1500	1.000	1.000	1.000
2	1000	1.000	0.842	0.664	4	2000	1.000	1.000	1.000
2	1500	1.000	0.844	0.669	4	2500	1.000	1.000	1.000
2	2000	1.000	0.863	0.691	4	3000	1.000	1.000	1.000
2	2500	1.000	0.869	0.713	4	4000	1.000	1.000	1.000
2	3000	1.000	0.880	0.743	4	5000	1.000	1.000	1.000
2	4000	1.000	0.889	0.762	4	5500	1.000	1.000	1.000
2	5000	1.000	0.895	0.775	4	6000	1.000	1.000	1.000

Table 14 – Effective Coinsurance - Collective Adjustment

Plan Coinsurance	Average Family Size		
	2	3	4
0%	1	1	1
10%	0.95	0.96	0.97
20%	0.89	0.91	0.92
30%	0.85	0.88	0.9
40%	0.75	0.8	0.8
50%	0.65	0.7	0.7

Table 15 – Community Rate Loads

Category	Load	Detail
Modular Medical Management	1.013 to 1.023	Basic Medical Management
	0.973 to 0.993	Buy-up Medical Management
Telehealth Adjustment	1.01	
One Guide Adjustment	0.995	
Deductible Accumulation Adjustment		Accumulation Type (IN and OON)
	0.995	No Cross-Accumulation
	1.000	One-Way Accumulation (out-of-network to in-network)
	1.005	Cross-Accumulation
Gatekeeper Credit	0.99	
CarryOver Deductible Adjustment		Deductible
	1	0
	1.013	250
	1.019	500
	1.023	750
	1.030	1000
Office Surgery	The load is one plus the sum of the following applicable adjustments	
	0.0005	Waive deductible on PCP office surgery
	0.0005	Waive deductible on SCP office surgery
	0.0005	Waive coinsurance on PCP office surgery
	0.0005	Waive coinsurance on SCP office surgery
Consumerism Adjustment	0.985	
Breast Pump Supplies	1.0005	Covered at 100%
	1.0000	Covered at Deductible/Coinsurance
	0.998	Not Covered
Criteria-Based Network Adjustment	0.8550	Minimum
	0.9999	Maximum

Table 15 – Community Rate Loads (Continued)

ER/UC Steerage Adjustment

Using the applicable copay and/or coinsurance per the plan design and the average steerable visit cost below, calculate the average actual visit cost to a member for an ER visit and Urgent Care facility visit. Look up the load on the table based on visit cost differential and the Effective ER deductible from Step 2.4. No load is applied if Urgent Care is subject to the deductible or if the calculated Urgent Care facility visit cost is \$0.

Average Steerable visit cost					
ER	1150				
Urgent Care	180				
		Effective ER Deductible			
Visit Cost Difference	0	500	1000	3000	6000
0	1.0000	0.9987	0.9973	0.9933	0.9920
100	0.9987	0.9971	0.9957	0.9931	0.9920
200	0.9973	0.9957	0.9944	0.9928	0.9920
300	0.9960	0.9947	0.9933	0.9925	0.9920
400	0.9947	0.9936	0.9925	0.9923	0.9920
500	0.9933	0.9927	0.9920	0.9920	0.9920

Medical Specialty Drugs Steerage Adjustment

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

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

Independent Lab Steerage Adjustment

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

Deductible	Deductible Waiver by Place of Service		
	Outpatient Facility	Physician's Office	Both OP Facility and Physician's Office
0	1.0000	1.0000	1.0000
1000	0.9998	0.9998	0.9996
2000	0.9996	0.9996	0.9992
3000	0.9994	0.9994	0.9988
4000	0.9992	0.9992	0.9984
5000	0.9990	0.9990	0.9980

Enhanced Non-Par Claims Adjustment

See *Table 32 - Enhanced Non-Par. Claims Adjustment* and *Table 33 - Enhanced Non-Par. Claims Adjustment Summary* for appropriate loads.

Table 16 – Medical OON Program Savings Factors

	Percent	Factor	
		All Other Products	LocalPlus Product
Medicare Stacked	100	0.45	0.355
	110	0.5	0.4
	150	0.59	0.49
	200	0.65	0.6
	250	0.775	0.7075
	300	0.86	0.815
Medicare Only	100	0.1	0.077
	110	0.22	0.086
Average Contracted Rate	100	0.6	0.6
Usual & Customary (Percentile)	80 th	1	1
	90 th	1.05	1.1

Table 17 – Lifetime Maximum Adjustment

Lifetime Max (in dollars)	Factor
≤ 50,000	-2.00%
100,000	-1.50%
150,000	-1.25%
200,000	-1.00%
300,000	-0.83%
400,000	-0.67%
500,000	-0.50%
750,000	-0.40%
1,000,000	-0.25%
2,000,000	-0.10%
3,000,000	-0.05%
4,000,000	-0.02%
5,000,000	-0.01%
> 5,000,000	0.00%

Table 18 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.95	1.1	1.025
Mining	1	1.15	1.1
Construction	0.95	1.15	1.05
Manufacturing	0.9	1.1	1
Transportation, Communication, & Utilities	0.9	1.1	1
Wholesale Trade	0.9	1	0.95
Retail Trade	0.95	1.15	1.05
Finance, Insurance and Real Estate	0.9	1.1	1
Services	0.9	1.1	1.05
Public Administration	1	1.1	1

Table 19 – Medical Demographic Factors

Age Band	Male			Female			MT and MN Unisex
	Employee	Spouse	Child	Employee	Spouse	Child	All
00 - 19	0.560	0.560	0.560	0.528	0.528	0.528	0.544
20 - 24	0.403	0.448	0.536	0.724	1.353	0.771	0.659
25 - 29	0.433	0.438	0.623	0.910	1.451	0.890	0.769
30 - 34	0.500	0.528	0.581	1.205	1.460	1.606	0.843
35 - 39	0.575	0.707	0.778	1.272	1.293	1.422	0.861
40 - 44	0.753	0.953	1.049	1.283	1.283	1.411	0.957
45 - 49	0.938	1.203	1.324	1.394	1.497	1.647	1.107
50 - 54	1.256	1.593	1.752	1.601	1.746	1.921	1.331
55 - 59	1.737	2.007	2.208	1.759	1.896	2.086	1.596
60 - 64	2.276	2.772	3.050	2.113	2.307	2.537	1.942
65 - 69	3.766	3.766	4.142	2.895	2.895	3.184	3.330
70+	4.368	4.368	4.805	3.377	3.377	3.715	3.873

Table 20 – Demographic Aging Trend

Trend
0.004

Table 21 – Infertility Rider Demographic Factors

Age Band	Male	Female	Unisex
00 - 19	0	0	0
20 - 24	0	0.600	0.297
25 - 29	0.072	3.432	1.789
30 - 34	0.234	8.046	4.294
35 - 39	0.518	7.278	4.010
40 - 44	0.170	2.635	1.434
45 - 49	0.095	0.530	0.319
50 - 54	0.037	0.043	0.040
55 - 59	0.026	0.018	0.022
60 - 64	0	0.009	0.005
65 - 69	0	0	0
70+	0	0	0

Table 22 – Health Management Program Savings

Health Management Program	Savings
Your Health First	-1.00%
Healthy Pregnancies, Healthy Babies	-\$0.36
Comprehensive Oncology	-\$0.20
Personal Health Team – Non-CCF	-\$5.04
Personal Health Team – CCF	-\$2.19
Health-Advisor	-\$3.94

Table 23 – Medical Riders

Rider	Methodology
Bariatric Surgery	1.49 for lifetime maximums which are not unlimited 2.17 for unlimited coverage
Durable Medical Equipment (DME)	3.0359 base PMPM
Durable Medical Equipment OON Buy Up	IN PMPM multiplied by the POS Load
External Prosthetic Appliances (EPA)	0.9569 base PMPM
External Prosthetic Appliances OON Buy Up	IN PMPM multiplied by the POS Load
DME and EPA Combined	3.9928 Base PMPM
DME and EPA Combined OON Buy Up	IN PMPM multiplied by the POS Load
Routine Foot Disorders Buy Up	1.2687 for a maximum less than \$1000 1.4925 for a maximum \$1000 or greater
Routine Foot Disorders OON Buy Up	IN PMPM multiplied by the POS Load
Organ Transplants OON	0.2953 base PMPM
Home Health Care	-1.5522 when annual maximum days are set to zero. Slope of 0.0235 per day. 1.6866 cap on coverage.
Infertility Treatment – Buy Up #1	2.5 base PMPM
Infertility Treatment – Buy Up #1 OON	IN PMPM multiplied by the POS Load
Infertility Treatment – Buy Up #2	Base Cost PMPM = $2.94 \times \left[\frac{\text{Max}}{54362.57} \right]^{0.6}$ 4.9552 cap on coverage
Infertility Treatment – Buy Up #2 OON	IN PMPM multiplied by the POS Load
Infertility Only	Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1
Infertility Only OON	IN PMPM multiplied by the POS Load
Complex Psych Program Savings	-0.2239 base PMPM
TMJ	0.4627 base PMPM

Rider	Methodology			
Narcotics Therapy Program Savings	-0.2239 base PMPM			
Alternative Care (Acupuncture, Naturopathy, Massage)	Naturopathy and Acupuncture are available with or without massage at \$300 or \$600 limits. 1.8203 – Without massage, \$300 limit. 2.6573 – Without massage, \$600 limit 2.2463 – With massage, \$300 limit 4.1866 – With massage, \$600 limit			
Acupuncture	This doesn't apply if an Alternative Care election is made. 0 – Less than 10 visits 0.5845 – 10 to 11 visits 0.7015 – 12 to 14 visits 0.8330 – 15 to 19 visits 1.0522 – For 20 or more visits.			
Preventive Care OON Exclusion	If OON preventive care is not covered: -0.9339 base PMPM			
Family Planning Preventive Care Exemption	Apply a factor of 0.96 to the preventive care base rate in Step 2.1.			
<p>The following therapies riders use curves based on the number of visits. One slope (PMPM per visit) applies up to some number of visits ("Breakpoint") while another slope applies past that number of visits.</p> <p>For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:</p> $ST \text{ PMPM} = [1st \text{ Slope}] \times 20 + [2nd \text{ Slope}] \times 10 = 0.00591 \times 20 + 0.00148 \times 10 = 0.133$ <p>If Cardiac and Pulmonary Rehab is included with these benefits, it does not have a pricing impact.</p>				
Therapy	1 st slope	Breakpoint	2 nd slope	Cap
Speech Therapy (ST)	0.00678	20 days	0.00170	0.25441
Outpatient Speech, Hearing, and Occupational Therapy (OSHOT)	0.01357	20 days	0.00339	0.50882
Chiropractic Therapy (Chiro)	0.0678	60 days	0.01809	4.61326
Physical Therapy (PT)	0.12638	20 days	0.02967	4.30766
PT and Occupational Therapy (OT)	0.13316	20 days	0.03136	4.52304
PT and OSHOT	0.13995	20 days	0.03306	4.81647
PT, OSHOT, and Chiro	0.1722	30 days	0.06643	9.42973
<p>The following riders are not standardly offered but can be requested. If elected, they are multiplicative adjustments applied to total expected medical and pharmacy claims as calculated in Step 6 and Step 7.22. If the coverage is mandated, then the adjustment is already embedded in the rating area factor and does not apply separately.</p>				
Hearing Aids				1.001
Wigs				1.001
Varicose Veins				1.001
Power Prosthetic Devices				1.001
Macromastia				1.001
Abdominoplasty				1.001
Massage Therapy				1.002
Cryopreservation				1.003
Artificial Insemination				1.000
Skilled Nursing				1.000

Table 24 – Multiple Offering Load – Medical Load

Plan Cost		Medical Load
Lower Bound	Upper Bound	
0.0%	2.5%	1.00
2.5%	7.5%	1.005
7.5%	12.5%	1.010
12.5%	17.5%	1.015
17.5%	22.5%	1.020
22.5%	27.5%	1.025
27.5%	32.5%	1.030
32.5%	100.0%	1.035
The multiple offering load does not apply for Tennessee LocalPlus when offered with OAP or PPO		

Appendix D: Medical Tables by Rating Area

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

Table 25 – Medical Area Factors

Area Description	Rating Area	Product	Area Factor
VT, VERMONT	VTNWK1	NWK	0.72
VT, VERMONT	VTOAP1	OAP	0.72
VT, VERMONT	VTPPO1	PPO	0.74

Table 26 – Medical Area Factor Summary

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	1.32	1.32	NC	0.59	0.93
AL	0.53	0.77	ND	0.82	0.82
AR	0.59	0.73	NE	0.82	1.03
AZ	0.48	0.90	NH	0.78	0.93
CA*	0.00	1.13	NJ	0.66	0.77
CO	0.62	1.03	NM	0.61	0.97
CT	0.71	1.02	NV	0.61	0.75
DC	0.52	0.62	NY	0.57	1.07
DE	0.77	0.77	OH	0.68	1.04
FL	0.69	1.30	OK	0.77	0.88
GA	0.58	1.02	OR	0.67	0.79
HI	0.54	0.54	PA	0.69	0.93
IA	0.87	0.87	PR	0.61	0.61
ID	0.82	0.82	RI	0.62	0.67
IL	0.51	1.09	SC	0.69	1.16
IN	0.66	1.08	SD	1.00	1.00
KS	0.64	0.95	TN	0.49	0.94
KY	0.68	1.00	TX	0.68	1.16
LA	0.74	0.89	UT	0.62	0.81
MA	0.54	0.79	VA	0.52	0.96
MD	0.55	0.61	VI	0.54	0.61
ME	0.70	0.86	VT	0.72	0.74
MI	0.70	0.95	WA	0.64	0.79
MN	0.70	0.88	WI	0.85	1.25
MO	0.65	1.04	WV	0.74	0.96
MS	0.61	0.81	WY	0.94	0.94
MT	0.72	0.72			

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

Table 27 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend	
				2018/2017	2019+/2018
VT, VERMONT	VTNWK1	NWK	3.82%	5.23%	6.04%
VT, VERMONT	VTOAP1	OAP	-	5.23%	6.04%
VT, VERMONT	VTPPO1	PPO	-	5.23%	6.04%

Table 28 – Medical Trend Summary

State	2018/2017		2019+/2018		State	2018/2017		2019+/2018	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	7.24%	7.24%	6.99%	6.99%	NC	4.92%	6.10%	5.43%	6.02%
AL	5.65%	6.37%	6.43%	6.96%	ND	9.17%	9.17%	9.02%	9.02%
AR	5.33%	5.50%	4.07%	6.04%	NE	9.22%	9.34%	9.08%	9.19%
AZ	5.56%	7.88%	5.65%	5.80%	NH	6.52%	6.52%	6.42%	6.42%
CA	5.34%	6.03%	5.46%	5.91%	NJ	4.83%	5.49%	4.71%	5.27%
CO	5.90%	6.05%	5.74%	5.89%	NM	5.95%	5.95%	5.43%	5.43%
CT	6.31%	6.31%	5.91%	5.91%	NV	5.89%	6.04%	5.78%	5.93%
DC	6.47%	6.62%	6.50%	6.65%	NY	5.62%	8.74%	5.26%	8.61%
DE	6.70%	6.70%	6.62%	6.62%	OH	5.41%	7.29%	6.10%	7.38%
FL	4.74%	7.29%	4.85%	7.09%	OK	6.01%	6.01%	6.07%	6.07%
GA	5.96%	8.14%	5.91%	7.87%	OR	5.22%	5.22%	5.41%	5.41%
HI	8.21%	8.21%	8.10%	8.10%	PA	3.80%	9.11%	4.99%	8.97%
IA	9.34%	9.34%	9.19%	9.19%	PR	8.31%	8.31%	8.16%	8.16%
ID	8.46%	8.46%	8.33%	8.33%	RI	3.38%	3.53%	3.56%	3.71%
IL	5.20%	9.48%	4.61%	9.33%	SC	6.05%	6.37%	6.23%	6.96%
IN	5.20%	6.86%	4.61%	7.43%	SD	9.34%	9.34%	9.19%	9.19%
KS	6.74%	6.89%	6.57%	6.72%	TN	5.33%	6.91%	4.07%	6.47%
KY	6.55%	9.48%	6.20%	9.33%	TX	4.62%	6.17%	5.33%	6.30%
LA	6.45%	6.45%	6.38%	6.38%	UT	6.44%	6.44%	6.40%	6.40%
MA	5.68%	6.91%	5.61%	6.21%	VA	5.32%	6.98%	6.18%	6.95%
MD	5.96%	5.96%	6.00%	6.00%	VI	8.31%	8.31%	8.16%	8.16%
ME	6.86%	6.86%	6.87%	6.87%	VT	5.23%	5.23%	6.04%	6.04%
MI	7.72%	9.35%	8.07%	9.21%	WA	4.49%	4.64%	4.96%	5.11%
MN	9.17%	9.17%	9.02%	9.02%	WI	7.23%	9.17%	7.15%	9.02%
MO	6.00%	6.89%	6.34%	6.72%	WV	6.64%	6.64%	6.97%	6.97%
MS	5.33%	6.47%	4.07%	6.77%	WY	5.64%	5.64%	5.83%	5.83%
MT	8.83%	8.83%	8.68%	8.68%					
OON and Indemnity trend is 6.25% for 2018/2017 and 6.25% for 2019+/2018 for all rating areas									

Table 29 – NWK Percent Capitated Summary

State	Minimum	Maximum
AL	5.27%	5.27%
AR	4.27%	5.25%
AZ	5.10%	7.45%
CA	30.00%	30.00%
CO	4.70%	4.70%
CT	18.84%	18.84%
DC	8.72%	8.72%
DE	6.18%	6.18%
FL	5.97%	5.97%
GA	10.31%	10.31%
IL	4.21%	5.80%
IN	4.21%	5.03%
KS	0.00%	0.00%
KY	4.21%	5.03%
LA	5.19%	5.19%
MA	4.42%	4.42%
MD	8.72%	8.72%
ME	5.58%	5.58%
MI	5.02%	5.02%
MO	6.69%	6.69%
MS	5.25%	5.25%
NC	1.96%	1.96%
NJ	15.08%	15.08%
NV	0.90%	0.90%
NY	14.03%	14.03%
OH	2.90%	5.03%
OK	7.04%	7.04%
OR	2.43%	2.43%
PA	6.18%	6.68%
RI	4.39%	4.39%
SC	5.91%	10.31%
TN	5.25%	5.25%
TU	0.00%	0.00%
TX	8.15%	21.85%
VA	8.72%	8.72%
VT	3.82%	3.82%
WA	2.43%	4.12%
WI	2.40%	2.40%
WV	2.90%	2.90%

Table 30 – POS Load Coefficients

Area Description	Rating Area	Product	Equation Coefficients		
			A	B	C
VT, VERMONT	VTNWK1	NWK	0.25	-0.24	0.09
VT, VERMONT	VTOAP1	OAP	0.25	-0.24	0.09
VT, VERMONT	VTPPO1	PPO	0.25	-0.24	0.09

Table 31 – POS Load Coefficients Summary

Region/Market	Product	Equation Coefficients			
		A	B	C	
				Min	Max
Northeast and Midwest	OAP/PPO/NWK	0.25	-0.24	0.08	0.3
AZ	OAP/PPO/NWK	0.30	-0.31	0.2	0.2
NorCal/CO	OAP/PPO/NWK	0.45	-0.40	0.1	0.16
Mid-Atlantic	OAP/PPO/NWK	0.55	-0.50	0.18	0.18
South/USVI	OAP/PPO/NWK	0.65	-0.43	0.08	0.09
SoCal	OAP/PPO/NWK	0.78	-0.70	0.27	0.27
NY/NJ Metro	OAP/PPO/NWK	0.80	-1.10	0.36	0.36
West/TX	OAP/PPO/NWK	0.80	-0.50	0.17	0.17
CO	LCP	0.71	-0.60	0.12	0.12
WA	LCP	0.80	-0.50	0.17	0.17
NorCal	LCP	1.13	-1.01	0.28	0.28
KS	LCP	1.16	-0.76	0.16	0.16
NV	LCP	1.32	-1.06	0.32	0.32
AZ	LCP	1.33	-1.07	0.25	0.25
SoCal	LCP	1.70	-1.40	0.3	0.3
MA/RI	LCP	1.80	-1.40	0.3	0.3
Southeast	LCP	1.89	-1.19	0.19	0.19
TN	LCP	2.00	-1.17	0.19	0.19
TX	LCP	2.02	-1.27	0.3	0.3
FL	LCP	2.25	-1.41	0.19	0.2
IL	LCP	3.70	-2.38	0.16	0.16
Midwest/VA	V2V	0.25	-0.24	0.09	0.09
Phoenix	V2V	0.30	-0.31	0.2	0.2
CO	V2V	0.45	-0.40	0.1	0.1
Mid-atlantic	V2V	0.55	-0.50	0.18	0.18
South	V2V	0.65	-0.43	0.08	0.08
SoCal	V2V	0.78	-0.70	0.27	0.27

Table 32 - Enhanced Non-Par. Claims Adjustment

Area Description	Rating Area	Product	Adjustment
VT, VERMONT	VTNWK1	NWK	0
VT, VERMONT	VTOAP1	OAP	0
VT, VERMONT	VTPPO1	PPO	0

Table 33 - Enhanced Non-Par. Claims Adjustment Summary

State	Minimum	Maximum	State	Minimum	Maximum
AK	0.996	0.996	NC	0.965	0.997
AL	0.964	0.989	ND	1.000	1.000
AR	0.964	0.994	NE	1.000	1.000
AZ	0.933	0.995	NH	0.998	0.998
CA	0.965	0.996	NJ	0.987	0.987
CO	0.962	0.999	NM	0.996	0.996
CT	0.997	0.997	NV	0.956	0.995
DC	0.966	0.990	NY	0.996	0.996
DE	1.000	1.000	OH	0.995	0.998
FL	0.958	0.983	OK	0.993	0.993
GA	0.917	0.989	OR	1.000	1.000
HI	1.000	1.000	PA	0.993	0.993
IA	1.000	1.000	PR	1.000	1.000
ID	1.000	1.000	RI	0.997	0.999
IL	0.927	0.997	SC	0.964	0.992
IN	0.966	0.998	SD	1.000	1.000
KS	0.909	0.995	TN	0.875	1.000
KY	0.993	0.997	UT	0.994	0.994
LA	0.991	0.991	TX	0.959	0.984
MA	0.997	0.999	VA	0.896	0.990
MD	0.990	0.990	VI	1.000	1.000
ME	1.000	1.000	VT	1.000	1.000
MI	0.998	0.998	WA	0.997	1.000
MN	1.000	1.000	WI	0.999	0.999
MO	0.909	0.995	WV	0.990	0.995
MS	0.924	0.985	WY	0.995	0.995
MT	1.000	1.000			

Table 34 - Multiple Offering Load – Medical Savings

State	Minimum	Maximum	State	Minimum	Maximum
AK	1.00	1.00	NC	0.75	1.03
AL	0.94	1.00	ND	1.00	1.00
AR	0.93	1.17	NE	1.00	1.00
AZ	0.80	1.01	NH	1.00	1.09
CA	0.74	1.16	NJ	1.00	1.04
CO	0.80	1.00	NM	1.00	1.00
CT	1.00	1.09	NV	0.84	1.00
DC	0.89	1.03	NY	1.00	1.04
DE	1.00	1.00	OH	1.00	1.03
FL	0.92	1.35	OK	0.95	1.00
GA	0.79	1.09	OR	1.00	1.00
HI	1.00	1.00	PA	1.00	1.03
IA	1.00	1.00	PR	1.13	1.14
ID	1.00	1.00	RI	0.99	1.00
IL	0.71	1.06	SC	0.95	1.02
IN	0.71	1.05	SD	1.00	1.00
KS	0.83	1.19	TN	0.79	1.17
KY	1.00	1.04	TX	0.90	1.19
LA	1.00	1.00	UT	1.00	1.27
MA	0.85	1.00	VA	0.75	1.05
MD	1.00	1.03	VI	1.13	1.14
ME	1.00	1.03	VT	1.00	1.04
MI	1.00	1.01	WA	1.00	1.00
MN	1.00	1.01	WI	1.00	1.08
MO	0.77	1.19	WV	1.00	1.03
MS	0.89	1.17	WY	1.00	1.00
MT	1.00	1.00			

Appendix E: Mental Health/Substance Use Disorders

Table 35 – MH/SUD: Trend and Adjustments

MH/SUD Trend	9.40%
FFS Adjustment (if applicable)	1%

Table 36 – MH/SUD: OAP/PPO Rates

State	Proclaim Cap. Rate		Facets Rate		State	Proclaim Cap. Rate		Facets Rate	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	\$13.96	\$24.84	\$7.84	\$13.95	MT	\$15.00	\$26.67	\$8.90	\$15.82
AL	\$12.64	\$22.48	\$5.52	\$9.81	NC	\$12.69	\$22.56	\$7.46	\$13.28
AR	\$11.85	\$21.07	\$4.68	\$8.32	ND	\$13.84	\$24.62	\$7.16	\$12.74
AZ	\$13.42	\$23.88	\$6.34	\$11.28	NE	\$14.66	\$26.07	\$7.94	\$14.12
CA	\$0.00	\$0.00	\$6.87	\$12.21	NH	\$16.42	\$29.21	\$9.36	\$16.64
CO	\$14.19	\$25.24	\$7.12	\$12.67	NJ	\$15.40	\$27.39	\$8.13	\$14.46
CT	\$17.86	\$31.77	\$10.82	\$19.25	NM	\$12.27	\$21.82	\$5.14	\$9.15
DC	\$13.85	\$24.63	\$6.49	\$11.54	NV	\$12.49	\$22.21	\$4.66	\$8.30
DE	\$13.77	\$24.49	\$6.50	\$11.55	NY	\$15.92	\$28.31	\$8.88	\$15.79
FL	\$13.27	\$23.61	\$6.19	\$11.01	OH	\$12.77	\$22.72	\$5.66	\$10.07
GA	\$12.04	\$21.42	\$4.94	\$8.78	OK	\$12.80	\$22.77	\$6.19	\$11.02
GU	\$15.93	\$28.33	\$6.87	\$12.21	OR	\$13.83	\$24.61	\$6.36	\$11.30
HI	\$13.04	\$23.18	\$6.48	\$11.53	PA	\$13.32	\$23.70	\$6.21	\$11.05
IA	\$13.76	\$24.48	\$6.68	\$11.89	PR	\$13.87	\$24.67	\$6.48	\$11.53
ID	\$13.21	\$23.49	\$5.93	\$10.54	RI	\$16.17	\$28.76	\$9.47	\$16.85
IL	\$14.63	\$26.02	\$7.57	\$13.46	SC	\$12.08	\$21.48	\$4.97	\$8.85
IN	\$12.33	\$21.93	\$5.21	\$9.26	SD	\$14.00	\$24.90	\$9.26	\$16.46
KS	\$13.17	\$23.42	\$6.05	\$10.77	TN	\$12.79	\$22.76	\$5.70	\$10.14
KY	\$12.01	\$21.36	\$4.89	\$8.70	TX	\$12.97	\$23.06	\$5.88	\$10.45
LA	\$12.80	\$22.77	\$5.40	\$9.61	UT	\$13.84	\$24.62	\$7.03	\$12.51
MA	\$15.53	\$27.62	\$8.48	\$15.08	VA	\$13.68	\$24.33	\$6.60	\$11.75
MD	\$15.26	\$27.15	\$8.18	\$14.55	VI	\$13.34	\$23.73	\$7.73	\$13.75
ME	\$16.53	\$29.40	\$9.50	\$16.90	VT	\$15.68	\$27.88	\$8.60	\$15.30
MI	\$13.10	\$23.29	\$5.06	\$9.01	WA	\$13.45	\$23.92	\$6.34	\$11.28
MN	\$15.98	\$28.42	\$13.93	\$24.77	WI	\$14.35	\$25.52	\$7.68	\$13.66
MO	\$12.54	\$22.30	\$5.35	\$9.52	WV	\$12.92	\$22.99	\$5.70	\$10.14
MS	\$12.19	\$21.68	\$5.06	\$9.00	WY	\$14.17	\$25.21	\$7.10	\$12.64

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

Table 37 – MH/SUD: NWK Rates

Rider	Outpatient Copay										
Mental Health	0	5	10	15	20	25	30	35	40	45	50
	\$25.92	\$24.72	\$23.59	\$22.50	\$21.37	\$20.23	\$19.10	\$17.92	\$16.83	\$15.70	\$14.56
Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$4.91	\$4.82	\$4.74	\$4.66	\$4.58	\$4.49	\$4.41	\$4.32	\$4.23	\$4.15	\$4.06
Mental Health and Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$29.21	\$27.91	\$26.67	\$25.49	\$24.25	\$23.01	\$21.78	\$20.49	\$19.30	\$18.07	\$16.83
Non-Standard	Base Cost										
	\$25.49										

Appendix F: Vision Riders

Table 38 – Vision: Average Costs

State	Exam	Lenses					Frames	Contact Lenses		Materials
		Single Vision	Bifocal	Trifocal	Lenticular	Progressive		Elective	Therapeutic	
National	\$ 157.00	\$ 84.34	\$ 122.50	\$ 154.40	\$215.00	\$ 335.81	\$ 196.47	\$ 221.86	\$596.14	\$150.00
AK	\$ 258.48	\$ 99.42	\$ 137.00	\$ 152.66	\$215.00	\$ 327.27	\$ 192.93	\$ 166.57	\$596.14	\$150.00
AL	\$ 137.53	\$ 85.87	\$ 102.13	\$ 139.02	\$215.00	\$ 322.66	\$ 182.82	\$ 180.83	\$596.14	\$150.00
AR	\$ 162.93	\$ 74.30	\$ 87.00	\$ 137.69	\$215.00	\$ 276.82	\$ 167.01	\$ 162.24	\$596.14	\$150.00
AZ	\$ 192.89	\$ 79.43	\$ 115.30	\$ 143.28	\$215.00	\$ 335.84	\$ 192.17	\$ 217.60	\$596.14	\$150.00
CA	\$ 154.70	\$ 80.50	\$ 120.42	\$ 146.95	\$215.00	\$ 342.63	\$ 194.72	\$ 256.00	\$596.14	\$150.00
CO	\$ 161.30	\$ 89.95	\$ 138.88	\$ 158.77	\$215.00	\$ 355.99	\$ 200.21	\$ 233.47	\$596.14	\$150.00
CT	\$ 187.98	\$ 101.75	\$ 147.57	\$ 179.88	\$215.00	\$ 349.07	\$ 211.53	\$ 254.34	\$596.14	\$150.00
DC	\$ 179.67	\$ 112.85	\$ 153.10	\$ 166.28	\$215.00	\$ 406.83	\$ 261.52	\$ 290.66	\$596.14	\$150.00
DE	\$ 161.66	\$ 96.72	\$ 129.68	\$ 161.43	\$215.00	\$ 338.61	\$ 188.59	\$ 239.25	\$596.14	\$150.00
FL	\$ 147.24	\$ 80.27	\$ 116.76	\$ 143.05	\$215.00	\$ 348.94	\$ 196.56	\$ 208.94	\$596.14	\$150.00
GA	\$ 153.20	\$ 87.84	\$ 130.92	\$ 155.52	\$215.00	\$ 342.75	\$ 197.12	\$ 208.86	\$596.14	\$150.00
HI	\$ 154.73	\$ 77.64	\$ 129.75	\$ 168.62	\$215.00	\$ 321.76	\$ 173.93	\$ 211.59	\$596.14	\$150.00
IA	\$ 165.51	\$ 84.26	\$ 138.17	\$ 159.87	\$215.00	\$ 313.84	\$ 190.75	\$ 235.73	\$596.14	\$150.00
ID	\$ 162.87	\$ 83.37	\$ 128.14	\$ 160.31	\$215.00	\$ 309.87	\$ 177.18	\$ 216.08	\$596.14	\$150.00
IL	\$ 138.23	\$ 90.51	\$ 131.09	\$ 154.21	\$215.00	\$ 328.29	\$ 207.19	\$ 234.12	\$596.14	\$150.00
IN	\$ 140.55	\$ 83.73	\$ 123.04	\$ 151.53	\$215.00	\$ 313.68	\$ 185.90	\$ 209.64	\$596.14	\$150.00
KS	\$ 160.00	\$ 82.27	\$ 117.55	\$ 151.66	\$215.00	\$ 313.92	\$ 182.09	\$ 217.54	\$596.14	\$150.00
KY	\$ 118.35	\$ 87.94	\$ 122.35	\$ 168.43	\$215.00	\$ 303.80	\$ 162.00	\$ 210.01	\$596.14	\$150.00
LA	\$ 155.27	\$ 75.31	\$ 109.42	\$ 133.96	\$215.00	\$ 339.66	\$ 179.56	\$ 187.02	\$596.14	\$150.00
MA	\$ 189.96	\$ 105.37	\$ 151.55	\$ 168.82	\$215.00	\$ 392.83	\$ 227.07	\$ 236.99	\$596.14	\$150.00
MD	\$ 163.64	\$ 97.10	\$ 142.15	\$ 164.59	\$215.00	\$ 371.40	\$ 214.35	\$ 237.73	\$596.14	\$150.00
ME	\$ 170.50	\$ 85.55	\$ 121.48	\$ 143.76	\$215.00	\$ 333.44	\$ 190.57	\$ 194.91	\$596.14	\$150.00
MI	\$ 107.52	\$ 86.90	\$ 125.94	\$ 158.54	\$215.00	\$ 327.15	\$ 202.70	\$ 229.69	\$596.14	\$150.00
MN	\$ 220.64	\$ 104.67	\$ 148.89	\$ 169.67	\$215.00	\$ 342.11	\$ 211.25	\$ 221.36	\$596.14	\$150.00
MO	\$ 149.43	\$ 82.91	\$ 116.84	\$ 149.31	\$215.00	\$ 324.04	\$ 181.01	\$ 220.74	\$596.14	\$150.00
MS	\$ 152.56	\$ 66.02	\$ 95.47	\$ 128.80	\$215.00	\$ 253.46	\$ 160.40	\$ 179.30	\$596.14	\$150.00
MT	\$ 146.36	\$ 79.97	\$ 133.60	\$ 164.06	\$215.00	\$ 276.11	\$ 169.53	\$ 162.97	\$596.14	\$150.00
NC	\$ 171.67	\$ 88.56	\$ 133.70	\$ 163.60	\$215.00	\$ 340.51	\$ 190.60	\$ 230.79	\$596.14	\$150.00
ND	\$ 158.11	\$ 85.54	\$ 135.98	\$ 165.02	\$215.00	\$ 303.18	\$ 179.00	\$ 212.01	\$596.14	\$150.00
NE	\$ 159.26	\$ 81.98	\$ 147.95	\$ 163.16	\$215.00	\$ 341.42	\$ 192.79	\$ 245.10	\$596.14	\$150.00
NH	\$ 169.79	\$ 96.57	\$ 128.92	\$ 187.65	\$215.00	\$ 341.04	\$ 205.80	\$ 223.12	\$596.14	\$150.00

NJ	\$ 170.40	\$ 90.09	\$ 138.12	\$ 155.44	\$215.00	\$ 341.47	\$ 210.46	\$ 232.89	\$596.14	\$150.00
NM	\$ 170.04	\$ 78.33	\$ 126.19	\$ 148.10	\$215.00	\$ 334.14	\$ 190.82	\$ 198.76	\$596.14	\$150.00
NV	\$ 164.14	\$ 79.23	\$ 124.89	\$ 165.03	\$215.00	\$ 333.18	\$ 193.18	\$ 228.50	\$596.14	\$150.00
NY	\$ 156.41	\$ 89.03	\$ 132.32	\$ 162.07	\$215.00	\$ 373.91	\$ 230.06	\$ 240.97	\$596.14	\$150.00
OH	\$ 131.20	\$ 86.87	\$ 126.65	\$ 156.89	\$215.00	\$ 307.25	\$ 186.33	\$ 208.61	\$596.14	\$150.00
OK	\$ 142.76	\$ 72.16	\$ 108.88	\$ 135.16	\$215.00	\$ 284.04	\$ 168.14	\$ 193.82	\$596.14	\$150.00
OR	\$ 196.00	\$ 94.74	\$ 131.55	\$ 162.04	\$215.00	\$ 343.11	\$ 213.91	\$ 211.85	\$596.14	\$150.00
PA	\$ 121.59	\$ 83.48	\$ 116.18	\$ 151.05	\$215.00	\$ 301.18	\$ 195.35	\$ 217.80	\$596.14	\$150.00
PR	\$ 96.18	\$ 105.63	\$ 84.06	\$ 139.77	\$215.00	\$ 239.44	\$ 217.12	\$ 125.56	\$596.14	\$150.00
RI	\$ 193.45	\$ 88.84	\$ 123.22	\$ 170.02	\$215.00	\$ 317.47	\$ 180.43	\$ 222.42	\$596.14	\$150.00
SC	\$ 156.66	\$ 83.57	\$ 118.14	\$ 159.18	\$215.00	\$ 316.70	\$ 174.11	\$ 187.43	\$596.14	\$150.00
SD	\$ 149.87	\$ 85.61	\$ 122.07	\$ 195.65	\$215.00	\$ 311.97	\$ 182.32	\$ 207.97	\$596.14	\$150.00
TN	\$ 141.25	\$ 78.01	\$ 106.95	\$ 150.94	\$215.00	\$ 299.77	\$ 182.40	\$ 207.76	\$596.14	\$150.00
TX	\$ 155.27	\$ 80.83	\$ 122.64	\$ 155.76	\$215.00	\$ 378.22	\$ 200.39	\$ 214.39	\$596.14	\$150.00
UT	\$ 156.16	\$ 75.48	\$ 113.97	\$ 142.47	\$215.00	\$ 323.83	\$ 177.07	\$ 215.86	\$596.14	\$150.00
VA	\$ 173.20	\$ 91.80	\$ 136.63	\$ 164.11	\$215.00	\$ 351.30	\$ 224.97	\$ 259.05	\$596.14	\$150.00
VT	\$ 153.33	\$ 86.72	\$ 135.65	\$ 162.30	\$215.00	\$ 295.53	\$ 188.06	\$ 204.92	\$596.14	\$150.00
WA	\$ 214.83	\$ 97.95	\$ 146.23	\$ 163.06	\$215.00	\$ 342.51	\$ 207.38	\$ 211.19	\$596.14	\$150.00
WI	\$ 142.59	\$ 86.67	\$ 124.89	\$ 155.47	\$215.00	\$ 309.77	\$ 189.00	\$ 217.91	\$596.14	\$150.00
WV	\$ 135.29	\$ 76.98	\$ 126.13	\$ 129.64	\$215.00	\$ 276.22	\$ 169.05	\$ 197.08	\$596.14	\$150.00
WY	\$ 143.90	\$ 83.94	\$ 122.86	\$ 150.70	\$215.00	\$ 301.60	\$ 173.09	\$ 206.85	\$596.14	\$150.00

Table 39 – Vision: Frequency Factors

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

Table 40 – Vision: Service Utilization

Service	Utilization
Exam (Exam Only Plans)	33.00%
Exam (Comprehensive Plans)	57.75%
Lenses: Single Vision	17.88%
Lenses: Bifocal	2.23%
Lenses: Trifocal	0.23%
Lenses: Lenticular	0.00%
Lenses: Progressive	11.12%
Frames	37.00%
Contact Lenses: Elective	11.90%
Contact Lenses: Therapeutic	0.20%
Materials	48.90%

Table 41 – Vision: Trend and Adjustments

Industry Factor		Case Size Adjustment		Vision Trend
SIC Code	Factor	Number of Employees	Factor	Annual
0	0.983	Less than 50	1.20	3.00%
1000	1.016	Greater than or equal to 50	1.00	
1500	0.979			
2000	1.032			
4000	1.015			
5000	1.008			
5200	0.945			
6000	0.993			
7000	0.966			
7200	0.961			
7300	1.043			
7500	1.010			
7600	1.003			
7800	1.013			
7900	0.985			
8000	1.019			
8100	1.011			
8200	0.986			
8300	0.996			
8400	1.015			
8600	1.028			
8900	1.005			
9100	0.952			
9999	0.989			

Appendix G: General Pharmacy Tables

Table 42 – Retail AWP per Script Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
Specialty	0.00	765.48	5917.65	4778.97	
AdvantageDRT	All else	92.09	119.46	461.46	317.79
	Antihistamines	0.00	75.33	0.00	116.15
	Contraceptives	0.00	49.47	152.34	166.63
	Fertility	0.00	93.39	0.00	734.37
	Lifestyle, drugs w/OTC options	0.00	0.00	355.18	387.01
	PPIs	0.00	183.25	0.00	566.65
	Smoking Cessation	0.00	0.00	0.00	430.25
	Diet Drugs	0.00	44.09	0.00	550.13
	Vitamins	0.00	10.04	18.25	257.60
Specialty	192.88	622.16	5706.25	3543.46	
Performance	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
Specialty	86.59	660.13	5094.19	3930.14	

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Performance_4Tier	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
Specialty	86.59	660.13	5094.19	3930.14	
Advantage_4Tier	All else	100.61	124.45	464.74	
	Antihistamines	0.00	69.29	0.00	
	Contraceptives	0.00	48.70	150.80	
	Fertility	0.00	207.60	0.00	
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	
	PPIs	0.00	184.70	0.00	
	Smoking Cessation	0.00	0.00	0.00	
	Diet Drugs	0.00	45.58	0.00	
	Vitamins	0.00	12.78	0.00	
Specialty	0.00	765.48	5917.65		
Generics Only	All else	100.61	124.45		
	Antihistamines	0.00	69.29		
	Contraceptives	0.00	48.70		
	Fertility	0.00	207.60		
	PPIs	0.00	184.70		
	Smoking Cessation	0.00	0.00		
	Diet Drugs	0.00	45.58		
	Vitamins	0.00	12.78		
	Specialty	0.00	765.48		
Legacy	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
Specialty	0.00	765.48	5917.65	4778.97	

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Standard	All else	97.32	119.27	346.19	393.06
	Antihistamines	0.00	89.97	0.00	173.01
	Contraceptives	0.00	49.61	160.56	157.86
	Fertility	0.00	89.41	722.71	616.30
	Lifestyle, drugs w/OTC options	0.00	0.00	389.02	434.39
	PPIs	0.00	206.88	317.63	1618.56
	Smoking Cessation	0.00	0.00	431.34	297.32
	Diet Drugs	0.00	45.21	0.00	578.87
	Vitamins	0.00	10.05	132.02	258.07
	Specialty	86.59	660.13	5094.19	3930.14
Value	All else	100.61	124.45	464.74	295.00
	Antihistamines	0.00	69.29	0.00	0.00
	Contraceptives	0.00	48.70	150.80	162.65
	Fertility	0.00	207.60	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	359.81	529.95
	PPIs	0.00	184.70	0.00	323.48
	Smoking Cessation	0.00	0.00	0.00	435.19
	Diet Drugs	0.00	45.58	0.00	233.59
	Vitamins	0.00	12.78	0.00	220.04
	Specialty	0.00	765.48	5917.65	4778.97
ValueDRT	All else	92.09	119.46	461.46	317.79
	Antihistamines	0.00	75.33	0.00	116.15
	Contraceptives	0.00	49.47	152.34	166.63
	Fertility	0.00	93.39	0.00	734.37
	Lifestyle, drugs w/OTC options	0.00	0.00	355.18	387.01
	PPIs	0.00	183.25	0.00	566.65
	Smoking Cessation	0.00	0.00	0.00	430.25
	Diet Drugs	0.00	44.09	0.00	550.13
	Vitamins	0.00	10.04	18.25	257.60
	Specialty	192.88	622.16	5706.25	3543.46

Table 43 – Retail Script Count PMPY Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
Specialty	0.00	0.04	0.04	0.05	
AdvantageDRT	All else	3.11	5.70	0.41	0.72
	Antihistamines	0.00	0.03	0.00	0.00
	Contraceptives	0.00	0.29	0.02	0.02
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.01
	PPIs	0.00	0.16	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.06	0.06
Performance	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
	Specialty	0.00	0.05	0.07	0.05

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Performance_4Tier	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
Specialty	0.00	0.05	0.07	0.05	
Advantage_4Tier	All else	2.57	6.44	0.26	
	Antihistamines	0.00	0.00	0.00	
	Contraceptives	0.00	1.01	0.11	
	Fertility	0.00	0.00	0.00	
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	
	PPIs	0.00	0.02	0.00	
	Smoking Cessation	0.00	0.00	0.00	
	Diet Drugs	0.00	0.00	0.00	
	Vitamins	0.00	0.00	0.00	
Specialty	0.00	0.04	0.04		
Generics Only	All else	2.57	6.44		
	Antihistamines	0.00	0.00		
	Contraceptives	0.00	1.01		
	Fertility	0.00	0.00		
	PPIs	0.00	0.02		
	Diet Drugs	0.00	0.00		
	Vitamins	0.00	0.00		
	Specialty	0.00	0.04		

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Legacy	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
	Specialty	0.00	0.04	0.04	0.05
Standard	All else	2.73	5.80	0.77	0.54
	Antihistamines	0.00	0.02	0.00	0.00
	Contraceptives	0.00	0.54	0.07	0.02
	Fertility	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.04	0.03
	PPIs	0.00	0.22	0.02	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.02
	Vitamins	0.00	0.02	0.00	0.00
	Specialty	0.00	0.05	0.07	0.05
Value	All else	2.57	6.44	0.26	0.86
	Antihistamines	0.00	0.00	0.00	0.00
	Contraceptives	0.00	1.01	0.11	0.09
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.00
	PPIs	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.02
	Diet Drugs	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.00	0.00	0.00
	Specialty	0.00	0.04	0.04	0.05
ValueDRT	All else	3.11	5.70	0.41	0.72
	Antihistamines	0.00	0.03	0.00	0.00
	Contraceptives	0.00	0.29	0.02	0.02
	Fertility	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	0.01	0.01
	PPIs	0.00	0.16	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.06	0.06

Table 44 – Script Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	35%	70%	55%	63%	35%
		M1	29%	68%	47%	55%	25%
		M2	32%	70%	47%	55%	25%
		M3	35%	71%	47%	55%	25%
		M0	29%	68%	47%	55%	25%
	Narrow	N	50%	77%	62%	71%	26%
		M1	29%	68%	47%	55%	25%
		M2	32%	70%	47%	55%	25%
		M3	35%	71%	47%	55%	25%
		M0	29%	68%	47%	55%	25%
NONE	Broad	N	76%	89%	52%	70%	40%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	52%	24%	27%	27%	0%
		M1	54%	25%	29%	34%	0%
		M2	52%	24%	29%	34%	0%
		M3	50%	23%	29%	34%	0%
		M0	54%	25%	29%	34%	0%
	Narrow	N	37%	17%	18%	21%	0%
		M1	54%	25%	29%	34%	0%
		M2	52%	24%	29%	34%	0%
		M3	50%	23%	29%	34%	0%
		M0	54%	25%	29%	34%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	13%	6%	18%	10%	65%
		M1	17%	7%	24%	11%	75%
		M2	16%	6%	24%	11%	75%
		M3	15%	6%	24%	11%	75%
		M0	17%	7%	24%	11%	75%
	Narrow	N	13%	6%	20%	8%	74%
		M1	17%	7%	24%	11%	75%
		M2	16%	6%	24%	11%	75%
		M3	15%	6%	24%	11%	75%
		M0	17%	7%	24%	11%	75%
NONE	Broad	N	24%	11%	48%	30%	60%

Table 45 – AWP Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	35%	71%	36%	57%	29%
		M1	29%	67%	28%	46%	19%
		M2	32%	69%	28%	46%	19%
		M3	35%	70%	28%	46%	19%
		M0	29%	67%	28%	46%	19%
	Narrow	N	49%	77%	34%	61%	22%
		M1	29%	67%	28%	46%	19%
		M2	32%	69%	28%	46%	19%
		M3	35%	70%	28%	46%	19%
		M0	29%	67%	28%	46%	19%
NONE	Broad	N	76%	89%	52%	70%	40%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	50%	20%	11%	15%	0%
		M1	52%	23%	12%	21%	0%
		M2	50%	22%	12%	21%	0%
		M3	48%	21%	12%	21%	0%
		M0	52%	23%	12%	21%	0%
	Narrow	N	36%	14%	7%	12%	0%
		M1	52%	23%	12%	21%	0%
		M2	50%	22%	12%	21%	0%
		M3	48%	21%	12%	21%	0%
		M0	52%	23%	12%	21%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	14%	9%	53%	29%	71%
		M1	19%	10%	61%	33%	81%
		M2	18%	9%	61%	33%	81%
		M3	17%	9%	61%	33%	81%
		M0	19%	10%	61%	33%	81%
	Narrow	N	15%	9%	60%	27%	78%
		M1	19%	10%	61%	33%	81%
		M2	18%	9%	61%	33%	81%
		M3	17%	9%	61%	33%	81%
		M0	19%	10%	61%	33%	81%
NONE	Broad	N	24%	11%	48%	30%	60%

Table 46 – Intra-Channel Non-Preferred Brand Shift Assumptions

Type	Program	Adjustment
Generic Requirement	Mandatory Generic	-8.0%
	Dispense as Written	-4.0%
Global Step Therapy	High Cholesterol	-0.8%
	Stomach Acid	-1.0%
	High Blood Pressure	-0.8%
	Overactive Bladder	-0.3%
	Bone Loss	-0.3%
	Sleep Disorders	-0.4%
	Allergy	-0.3%
	Anti Depressants	-0.5%
	Skin Treatment	-1.3%
	Non-Narcotic Pain Relievers	-0.5%
	Hyperactivity Disorder	-0.5%
	Mental Health	-0.6%
Asthma	-0.4%	

Table 47 – Intra-Channel Distribution Assumptions

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

Table 48 – Pharmacy: Cost Trend

Drug List	Generic/Brand/ Specialty	2017/2016	2018/2017	2019/2018	2020/2019	2021+/2020
Legacy	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Standard	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Value	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
ValueDRT	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Advantage	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
AdvantageDRT	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Performance	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Performance_4Tier	G	4.7%	3.6%	4.8%	5.3%	4.7%
	B	7.1%	9.0%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Generics Only	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%
Advantage_4Tier	G	5.5%	4.4%	4.8%	5.3%	4.7%
	B	7.9%	9.8%	8.8%	9.4%	8.7%
	S	10.1%	9.9%	8.8%	9.3%	8.7%

Table 49 – Pharmacy: Utilization Trend

Drug List	Generic/Brand/ Specialty	2017/2016	2018/2017	2019/2018	2020/2019	2021+/2020
Legacy	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Standard	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Value	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
ValueDRT	G	4.6%	2.7%	1.5%	2.0%	1.4%
	B	-12.1%	-9.3%	-11.6%	-11.2%	-11.7%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Advantage	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
AdvantageDRT	G	4.6%	2.7%	1.5%	2.0%	1.4%
	B	-12.1%	-9.3%	-11.6%	-11.2%	-11.7%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Performance	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Performance_4Tier	G	5.1%	2.9%	1.7%	2.2%	1.6%
	B	-11.7%	-7.3%	-9.1%	-8.6%	-9.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Generics Only	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%
Advantage_4Tier	G	6.0%	3.8%	2.7%	3.2%	2.6%
	B	-10.9%	-8.0%	-10.1%	-9.7%	-10.2%
	S	2.4%	6.8%	8.3%	8.8%	8.2%

Table 50 – Pharmacy: Area Factor

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	0.68	0.68	NC	0.93	0.93
AL	0.94	0.94	ND	0.72	0.72
AR	0.78	0.78	NE	0.71	0.71
AZ	0.78	0.78	NH	0.86	0.86
CA	0.74	0.78	NJ	1.01	1.01
CO	0.76	0.76	NM	0.65	0.65
CT	1.01	1.01	NV	0.68	0.68
DC	1.03	1.03	NY	1.13	1.13
DE	0.96	0.96	OH	0.84	0.84
FL	0.84	0.96	OK	0.95	0.95
GA	0.97	0.97	OR	0.62	0.62
GU	1.05	1.05	PA	0.96	0.96
HI	0.69	0.69	PR	1.05	1.05
IA	0.71	0.71	RI	0.78	0.78
ID	0.74	0.74	SC	0.97	0.97
IL	0.81	0.81	SD	0.71	0.71
IN	0.83	0.83	TX	0.86	0.99
KS	0.89	0.89	TN	0.97	0.97
KY	0.97	0.97	UN	1.05	1.05
LA	1.05	1.05	UT	0.74	0.74
MA	0.83	0.83	VA	0.93	0.93
MD	1.01	1.01	VI	0.85	0.85
ME	0.79	0.79	VT	0.71	0.71
MI	0.79	0.79	WA	0.69	0.69
MN	0.76	0.76	WI	0.79	0.79
MO	0.91	0.91	WV	0.93	0.93
MS	0.81	0.81	WY	0.66	0.66
MT	0.72	0.72			

Table 51 – Pharmacy: CPD (% Preventive)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
0	0	31.76%	0.00%	0.00%	0.00%
0	1	16.61%	7.61%	79.66%	8.33%
1	50	7.15%	12.05%	80.29%	22.77%
50	100	4.73%	14.39%	30.46%	17.26%
100	150	3.60%	15.66%	23.37%	12.02%
150	200	2.92%	16.21%	23.65%	10.73%
200	250	2.44%	15.99%	24.63%	11.54%
250	300	2.04%	16.35%	26.70%	11.26%
300	350	1.69%	17.38%	27.57%	9.04%
350	400	1.46%	18.22%	25.72%	8.40%
400	450	1.34%	18.78%	21.07%	8.32%
450	500	1.12%	19.22%	24.93%	9.48%
500	550	0.97%	18.57%	27.23%	9.69%
550	600	0.89%	18.31%	29.07%	9.77%
600	650	0.84%	18.05%	28.32%	9.20%
650	700	0.76%	17.92%	30.26%	7.97%
700	750	0.68%	18.80%	29.61%	8.47%
750	800	0.64%	18.24%	30.20%	8.76%
800	850	0.62%	17.75%	27.35%	9.66%
850	900	0.58%	18.32%	24.71%	8.85%
900	950	0.53%	18.26%	28.76%	9.23%
950	1,000	0.97%	18.68%	28.71%	9.66%
1,000	1,100	0.88%	19.43%	28.67%	9.89%
1,100	1,200	0.79%	19.52%	30.42%	10.24%
1,200	1,300	0.74%	19.79%	28.81%	11.27%
1,300	1,400	0.67%	20.25%	29.64%	10.22%
1,400	1,500	0.62%	20.84%	32.39%	11.80%
1,500	1,600	0.53%	20.99%	35.38%	13.48%
1,600	1,700	0.50%	20.75%	38.13%	14.46%
1,700	1,800	0.46%	21.30%	39.32%	15.66%
1,800	1,900	0.44%	20.73%	40.73%	16.72%
1,900	2,000	1.81%	21.69%	42.14%	18.43%
2,000	2,500	1.32%	21.10%	45.02%	19.36%
2,500	3,000	0.97%	21.50%	49.04%	19.93%
3,000	3,500	0.77%	21.91%	51.79%	21.19%
3,500	4,000	0.62%	22.27%	52.44%	21.29%
4,000	4,500	0.50%	22.38%	51.43%	19.92%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
4,500	5,000	0.41%	22.32%	51.73%	19.05%
5,000	5,500	0.34%	22.19%	53.15%	18.94%
5,500	6,000	0.30%	21.97%	53.32%	17.84%
6,000	6,500	0.25%	21.51%	53.71%	18.15%
6,500	7,000	0.22%	21.30%	54.58%	17.83%
7,000	7,500	0.19%	20.44%	53.43%	18.13%
7,500	8,000	0.16%	19.98%	53.00%	18.29%
8,000	8,500	0.15%	19.69%	53.27%	16.40%
8,500	9,000	0.13%	19.63%	53.68%	15.34%
9,000	9,500	0.11%	20.47%	51.78%	15.77%
9,500	10,000	0.10%	19.38%	51.57%	15.59%
10,000	10,500	0.09%	18.56%	50.15%	15.11%
10,500	11,000	0.08%	18.64%	50.06%	16.61%
11,000	11,500	0.07%	17.89%	47.57%	15.45%
11,500	12,000	0.06%	17.96%	50.10%	15.22%
12,000	12,500	0.06%	19.06%	49.88%	13.13%
12,500	13,000	0.05%	18.27%	48.84%	14.27%
13,000	13,500	0.05%	16.99%	49.91%	14.04%
13,500	14,000	0.04%	16.24%	49.00%	12.86%
14,000	14,500	0.04%	15.68%	47.19%	13.57%
14,500	15,000	0.03%	15.83%	45.08%	12.11%
15,000	15,500	0.03%	16.79%	45.20%	12.81%
15,500	16,000	0.03%	15.80%	45.70%	11.80%
16,000	16,500	0.03%	16.22%	42.04%	12.12%
16,500	17,000	0.03%	15.68%	43.02%	12.20%
17,000	17,500	0.02%	16.14%	43.91%	13.66%
17,500	18,000	0.02%	16.33%	41.25%	11.77%
18,000	18,500	0.02%	12.75%	40.57%	12.30%
18,500	19,000	0.02%	14.81%	35.43%	11.16%
19,000	19,500	0.02%	14.49%	32.08%	10.51%
19,500	20,000	0.04%	14.33%	30.92%	9.44%
20,000	21,000	0.03%	12.52%	30.58%	9.80%
21,000	22,000	0.03%	11.93%	31.24%	8.65%
22,000	23,000	0.03%	12.69%	29.18%	8.05%
23,000	24,000	0.03%	13.62%	31.35%	7.94%
24,000	25,000	0.03%	13.66%	28.19%	7.34%
25,000	26,000	0.03%	10.75%	25.45%	6.49%
26,000	27,000	0.03%	9.78%	17.88%	4.58%
27,000	28,000	0.02%	9.81%	19.49%	5.83%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
28,000	29,000	0.02%	11.83%	14.68%	6.03%
29,000	30,000	0.19%	10.05%	8.85%	8.07%
30,000	40,000	0.11%	9.66%	5.20%	7.77%
40,000	50,000	0.06%	7.73%	6.88%	4.44%
50,000	60,000	0.06%	6.51%	2.02%	1.26%
60,000	70,000	0.03%	8.32%	3.68%	0.80%
70,000	80,000	0.02%	9.19%	2.34%	0.69%
80,000	90,000	0.00%	10.35%	4.09%	0.29%
90,000	91,000	0.00%	6.85%	1.23%	0.57%
91,000	92,000	0.00%	3.14%	0.88%	0.03%
92,000	93,000	0.00%	5.32%	1.54%	0.16%
93,000	94,000	0.00%	15.33%	0.42%	0.51%
94,000	95,000	0.00%	12.02%	0.44%	5.70%
95,000	96,000	0.00%	13.21%	0.49%	0.05%
96,000	97,000	0.00%	7.79%	0.72%	0.04%
97,000	98,000	0.00%	18.11%	0.81%	0.30%
98,000	99,000	0.00%	15.73%	0.62%	0.21%
99,000	100,000	0.05%	7.69%	1.17%	0.32%

Table 52 – Pharmacy: CPD (Cost per Script)

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	\$0.00	\$0.00	\$0.00	\$0.00
0	1	16.61%	\$8.59	\$31.68	\$17.89	\$20.74
1	50	7.15%	\$13.19	\$45.66	\$56.88	\$33.59
50	100	4.73%	\$15.39	\$74.98	\$70.66	\$61.23
100	150	3.60%	\$17.45	\$90.67	\$90.17	\$77.98
150	200	2.92%	\$19.17	\$104.25	\$102.99	\$76.17
200	250	2.44%	\$20.77	\$100.58	\$119.94	\$77.68
250	300	2.04%	\$22.16	\$91.12	\$125.84	\$85.40
300	350	1.69%	\$23.16	\$99.08	\$152.31	\$95.51
350	400	1.46%	\$23.95	\$115.16	\$172.85	\$90.92
400	450	1.34%	\$25.13	\$144.29	\$166.43	\$94.93
450	500	1.12%	\$26.83	\$129.69	\$172.82	\$94.15
500	550	0.97%	\$27.67	\$133.66	\$180.89	\$105.14
550	600	0.89%	\$28.94	\$139.16	\$184.97	\$116.69
600	650	0.84%	\$30.76	\$146.55	\$205.07	\$121.70
650	700	0.76%	\$31.23	\$148.80	\$229.33	\$150.26
700	750	0.68%	\$31.55	\$151.46	\$232.16	\$137.65
750	800	0.64%	\$32.97	\$160.06	\$228.22	\$143.31
800	850	0.62%	\$34.23	\$165.81	\$240.46	\$211.59
850	900	0.58%	\$33.84	\$184.62	\$245.92	\$165.57
900	950	0.53%	\$34.77	\$170.77	\$237.25	\$165.24
950	1,000	0.97%	\$35.90	\$171.84	\$248.67	\$158.73
1,000	1,100	0.88%	\$36.95	\$174.59	\$241.62	\$152.20
1,100	1,200	0.79%	\$38.18	\$177.37	\$243.04	\$147.43
1,200	1,300	0.74%	\$39.72	\$186.08	\$248.74	\$154.11
1,300	1,400	0.67%	\$40.62	\$194.47	\$290.12	\$184.93
1,400	1,500	0.62%	\$41.43	\$197.89	\$290.25	\$182.17
1,500	1,600	0.53%	\$42.78	\$204.28	\$281.48	\$170.55
1,600	1,700	0.50%	\$43.36	\$217.35	\$282.33	\$166.81
1,700	1,800	0.46%	\$44.08	\$229.57	\$292.63	\$179.90
1,800	1,900	0.44%	\$45.03	\$236.68	\$296.15	\$208.90
1,900	2,000	1.81%	\$45.58	\$245.34	\$305.05	\$202.20
2,000	2,500	1.32%	\$46.78	\$269.92	\$329.37	\$284.82
2,500	3,000	0.97%	\$49.02	\$290.40	\$355.56	\$310.94
3,000	3,500	0.77%	\$51.07	\$311.28	\$368.62	\$349.61
3,500	4,000	0.62%	\$52.46	\$330.88	\$386.50	\$384.83
4,000	4,500	0.50%	\$53.98	\$344.60	\$405.48	\$392.83
4,500	5,000	0.41%	\$55.90	\$360.48	\$421.36	\$444.52

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	\$57.82	\$376.24	\$437.10	\$578.30
5,500	6,000	0.30%	\$58.53	\$395.64	\$467.53	\$640.22
6,000	6,500	0.25%	\$59.24	\$408.33	\$470.07	\$697.18
6,500	7,000	0.22%	\$60.20	\$425.94	\$485.27	\$764.19
7,000	7,500	0.19%	\$62.08	\$438.35	\$510.58	\$822.95
7,500	8,000	0.16%	\$64.28	\$445.75	\$524.62	\$856.01
8,000	8,500	0.15%	\$64.87	\$471.18	\$538.33	\$1,021.51
8,500	9,000	0.13%	\$66.00	\$479.27	\$559.41	\$1,123.38
9,000	9,500	0.11%	\$70.80	\$493.26	\$564.16	\$1,126.92
9,500	10,000	0.10%	\$68.19	\$507.64	\$577.28	\$1,251.19
10,000	10,500	0.09%	\$72.75	\$525.48	\$611.31	\$1,303.97
10,500	11,000	0.08%	\$70.02	\$550.46	\$603.37	\$1,411.65
11,000	11,500	0.07%	\$73.68	\$556.51	\$623.79	\$1,503.27
11,500	12,000	0.06%	\$73.79	\$563.80	\$623.57	\$1,398.44
12,000	12,500	0.06%	\$72.67	\$573.24	\$629.04	\$1,331.17
12,500	13,000	0.05%	\$73.88	\$591.53	\$671.84	\$1,571.85
13,000	13,500	0.05%	\$78.03	\$609.54	\$685.08	\$1,754.91
13,500	14,000	0.04%	\$72.97	\$610.02	\$700.11	\$1,712.73
14,000	14,500	0.04%	\$84.48	\$634.09	\$711.13	\$1,573.76
14,500	15,000	0.03%	\$80.68	\$658.39	\$770.01	\$1,689.66
15,000	15,500	0.03%	\$86.85	\$659.23	\$772.11	\$1,754.02
15,500	16,000	0.03%	\$84.55	\$703.80	\$833.36	\$2,054.74
16,000	16,500	0.03%	\$83.39	\$736.55	\$816.97	\$2,048.87
16,500	17,000	0.03%	\$82.90	\$715.16	\$808.90	\$1,742.22
17,000	17,500	0.02%	\$85.08	\$745.43	\$901.21	\$1,987.46
17,500	18,000	0.02%	\$85.28	\$798.57	\$904.09	\$2,213.44
18,000	18,500	0.02%	\$88.04	\$821.93	\$972.63	\$2,282.43
18,500	19,000	0.02%	\$83.13	\$885.51	\$993.11	\$2,495.66
19,000	19,500	0.02%	\$92.67	\$951.03	\$1,044.17	\$2,686.76
19,500	20,000	0.04%	\$90.23	\$967.37	\$1,267.95	\$2,863.17
20,000	21,000	0.03%	\$97.32	\$1,047.95	\$1,221.26	\$2,697.53
21,000	22,000	0.03%	\$83.66	\$1,105.27	\$1,314.27	\$2,549.93
22,000	23,000	0.03%	\$92.74	\$1,086.38	\$1,484.12	\$2,664.16
23,000	24,000	0.03%	\$92.22	\$1,115.72	\$1,481.16	\$2,546.71
24,000	25,000	0.03%	\$87.55	\$1,085.64	\$1,695.76	\$2,659.79
25,000	26,000	0.03%	\$91.91	\$1,221.25	\$2,020.07	\$2,802.45
26,000	27,000	0.03%	\$92.30	\$1,333.81	\$2,368.93	\$3,046.63
27,000	28,000	0.02%	\$99.35	\$1,314.97	\$2,022.47	\$2,851.24
28,000	29,000	0.02%	\$88.06	\$1,771.19	\$2,162.11	\$3,291.95

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	\$88.60	\$2,148.66	\$2,308.93	\$3,688.90
30,000	40,000	0.11%	\$83.19	\$3,162.33	\$2,527.06	\$4,794.57
40,000	50,000	0.06%	\$95.82	\$3,841.60	\$3,572.55	\$6,754.76
50,000	60,000	0.06%	\$86.72	\$6,992.45	\$5,360.84	\$10,941.08
60,000	70,000	0.03%	\$89.57	\$5,208.04	\$6,356.82	\$9,991.76
70,000	80,000	0.02%	\$97.94	\$6,662.97	\$5,815.56	\$10,404.61
80,000	90,000	0.00%	\$92.38	\$7,063.58	\$7,513.73	\$10,619.99
90,000	91,000	0.00%	\$134.86	\$7,354.22	\$6,199.40	\$12,131.01
91,000	92,000	0.00%	\$137.05	\$7,832.35	\$6,923.17	\$10,002.50
92,000	93,000	0.00%	\$90.10	\$7,062.53	\$7,578.90	\$11,010.31
93,000	94,000	0.00%	\$67.77	\$8,838.90	\$5,397.97	\$11,328.74
94,000	95,000	0.00%	\$61.65	\$12,488.58	\$7,397.71	\$17,622.25
95,000	96,000	0.00%	\$50.15	\$14,624.22	\$7,453.11	\$18,513.11
96,000	97,000	0.00%	\$70.17	\$13,446.79	\$6,129.71	\$18,161.28
97,000	98,000	0.00%	\$35.24	\$19,233.92	\$8,649.60	\$22,692.88
98,000	99,000	0.00%	\$44.80	\$11,693.75	\$8,998.11	\$18,341.89
99,000	100,000	0.05%	\$105.15	\$9,398.84	\$8,965.70	\$14,548.35

Table 53 – Pharmacy: CPD (Scripts PMPY)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	0.000	0.000	0.000	0.000
0	1	16.61%	2.319	0.012	0.006	0.000
1	50	7.15%	4.698	0.128	0.043	0.001
50	100	4.73%	6.225	0.256	0.064	0.004
100	150	3.60%	7.456	0.332	0.087	0.007
150	200	2.92%	8.370	0.436	0.102	0.010
200	250	2.44%	9.346	0.550	0.124	0.015
250	300	2.04%	10.273	0.719	0.153	0.018
300	350	1.69%	10.942	0.792	0.190	0.026
350	400	1.46%	11.285	0.866	0.224	0.031
400	450	1.34%	11.297	0.921	0.245	0.034
450	500	1.12%	12.110	1.026	0.269	0.044
500	550	0.97%	12.842	1.086	0.290	0.045
550	600	0.89%	13.214	1.151	0.319	0.050
600	650	0.84%	13.000	1.252	0.335	0.054
650	700	0.76%	13.410	1.276	0.397	0.058
700	750	0.68%	13.761	1.418	0.423	0.060
750	800	0.64%	13.715	1.481	0.469	0.064
800	850	0.62%	13.557	1.645	0.453	0.071
850	900	0.58%	13.623	1.713	0.471	0.069
900	950	0.53%	14.055	1.905	0.536	0.072
950	1,000	0.97%	14.203	2.068	0.594	0.078
1,000	1,100	0.88%	14.228	2.391	0.680	0.078
1,100	1,200	0.79%	14.810	2.589	0.730	0.087
1,200	1,300	0.74%	14.522	2.836	0.794	0.078
1,300	1,400	0.67%	14.949	2.807	0.853	0.078
1,400	1,500	0.62%	15.111	3.042	0.925	0.084
1,500	1,600	0.53%	16.078	3.096	0.965	0.093
1,600	1,700	0.50%	16.125	3.251	1.002	0.090
1,700	1,800	0.46%	16.540	3.285	1.038	0.087
1,800	1,900	0.44%	16.567	3.462	1.073	0.088
1,900	2,000	1.81%	17.559	4.055	1.213	0.107
2,000	2,500	1.32%	19.509	4.677	1.440	0.131
2,500	3,000	0.97%	21.212	5.118	1.698	0.156
3,000	3,500	0.77%	22.512	5.689	1.861	0.164
3,500	4,000	0.62%	23.854	6.198	2.053	0.200
4,000	4,500	0.50%	24.946	6.745	2.225	0.234
4,500	5,000	0.41%	25.413	7.292	2.387	0.255

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	26.110	7.740	2.536	0.274
5,500	6,000	0.30%	26.450	8.060	2.716	0.300
6,000	6,500	0.25%	27.332	8.542	2.900	0.326
6,500	7,000	0.22%	28.369	8.974	2.949	0.382
7,000	7,500	0.19%	28.458	9.321	3.130	0.410
7,500	8,000	0.16%	29.480	9.703	3.259	0.451
8,000	8,500	0.15%	29.510	9.861	3.386	0.499
8,500	9,000	0.13%	30.329	10.092	3.600	0.602
9,000	9,500	0.11%	30.752	10.591	3.501	0.683
9,500	10,000	0.10%	31.296	10.775	3.825	0.698
10,000	10,500	0.09%	32.427	10.718	3.748	0.823
10,500	11,000	0.08%	32.199	11.228	3.844	0.977
11,000	11,500	0.07%	33.630	10.949	4.184	1.064
11,500	12,000	0.06%	33.402	11.670	4.157	1.051
12,000	12,500	0.06%	34.593	12.102	4.367	1.256
12,500	13,000	0.05%	34.735	12.331	4.169	1.255
13,000	13,500	0.05%	34.489	12.152	4.583	1.306
13,500	14,000	0.04%	35.616	12.893	4.485	1.375
14,000	14,500	0.04%	35.768	12.388	4.371	1.777
14,500	15,000	0.03%	35.068	12.321	4.507	1.905
15,000	15,500	0.03%	34.776	12.260	5.005	1.917
15,500	16,000	0.03%	34.788	12.261	4.742	1.948
16,000	16,500	0.03%	35.956	12.355	4.743	2.228
16,500	17,000	0.03%	38.136	13.096	4.955	2.638
17,000	17,500	0.02%	35.058	12.302	5.122	2.451
17,500	18,000	0.02%	35.086	12.245	4.908	2.496
18,000	18,500	0.02%	34.754	12.071	4.980	2.711
18,500	19,000	0.02%	34.852	11.533	4.871	2.817
19,000	19,500	0.02%	32.828	10.879	4.844	3.087
19,500	20,000	0.04%	31.527	10.808	4.524	3.394
20,000	21,000	0.03%	31.856	10.753	4.814	3.834
21,000	22,000	0.03%	32.427	10.520	4.947	4.616
22,000	23,000	0.03%	30.150	10.655	4.954	4.865
23,000	24,000	0.03%	31.839	10.728	5.177	5.537
24,000	25,000	0.03%	29.079	10.463	5.738	5.804
25,000	26,000	0.03%	26.162	9.061	5.457	6.270
26,000	27,000	0.03%	25.365	8.366	5.092	6.258
27,000	28,000	0.02%	26.857	9.305	5.638	6.673
28,000	29,000	0.02%	23.945	8.567	4.626	6.768

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	25.003	9.099	3.941	7.410
30,000	40,000	0.11%	24.547	8.987	3.335	7.850
40,000	50,000	0.06%	24.663	8.573	3.721	6.981
50,000	60,000	0.06%	19.336	6.255	2.497	5.589
60,000	70,000	0.03%	25.156	8.288	3.631	6.766
70,000	80,000	0.02%	25.007	8.217	3.856	7.575
80,000	90,000	0.00%	29.954	7.400	4.077	7.815
90,000	91,000	0.00%	24.938	7.396	4.625	7.188
91,000	92,000	0.00%	25.911	6.339	4.964	8.714
92,000	93,000	0.00%	24.365	7.500	4.385	7.865
93,000	94,000	0.00%	21.250	7.125	3.953	7.938
94,000	95,000	0.00%	17.663	4.916	2.916	5.108
95,000	96,000	0.00%	15.435	4.885	1.893	5.130
96,000	97,000	0.00%	19.878	5.740	2.415	5.203
97,000	98,000	0.00%	14.646	4.243	1.660	4.267
98,000	99,000	0.00%	18.888	6.103	2.430	5.196
99,000	100,000	0.05%	25.650	9.091	5.475	8.980

Table 54 – Pharmacy: Clinical Management Programs

Clinical Module B	0.50%
Clinical Module C	1.50%

Table 55 – Pharmacy: Demographic Factors

Age Band	Employee		Spouse		Child		Unisex
	Male	Female	Male	Female	Male	Female	
< 20	0.1797	0.4445	0.2568	0.5014	0.4438	0.3656	0.3589
20-24	0.2881	0.4205	0.2412	0.4487	0.5001	0.7074	0.4881
25-29	0.5075	0.7029	0.5091	0.6203	0.5600	0.6823	0.5823
30-34	0.6476	0.8341	0.6630	0.8109	0.7293	0.8920	0.7161
35-39	0.8539	1.0318	0.9494	1.0329	1.0444	1.1362	0.9070
40-44	1.0324	1.1969	1.1209	1.3856	1.2330	1.5242	1.1347
45-49	1.3335	1.4214	1.4927	1.6727	1.6420	1.8399	1.4360
50-54	1.6645	1.6754	2.0053	2.0193	2.2058	2.2213	1.8439
55-59	2.0382	1.9776	2.5687	2.4820	2.8256	2.7301	2.2691
60-64	2.5327	2.3216	3.0760	2.9814	3.3836	3.2796	2.7501
65-69	2.9689	2.4999	3.8573	3.6212	4.2431	3.9833	3.0846
70+	3.8407	3.0742	3.7376	3.5141	4.1114	3.8655	3.5014

Table 56 – Industry Load

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

Table 57 – Pharmacy: Utilization Dampening Factors

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

Table 58 – Pharmacy: Multiple Offering Load

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

Table 59 – Pharmacy: Exclusive Specialty Home Delivery (ESHD) Adjustment

ESHD Program	Fills	Adjustment
Y	0	-0.5%
Y	1	-0.3%
Y	2	-0.2%
Y	3+	-0.1%
N	N/A	0.0%

Table 60 – Pharmacy: Clinical Management Adjustment Assumption

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

Supporting Information for Trend Assumptions:

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

Pricing Trend Assumptions

Below provides detail into the buildup of our Vermont pricing trend assumptions for 2018/2017 and 2019/2018.

Vermont In-Network Trend		
2018	Weight	Unit
IP 1	16.7%	3.9%
OP 2	44.6%	4.3%
Pro 3	24.2%	-4.1%
OMS 3	14.5%	7.2%
Unit Cost	100.0%	2.6%
Util		1.7%
Mix		2.2%
Total Trend		6.7%

Vermont In-Network Trend		
2019	Weight	Unit
IP 1	15.0%	3.6%
OP 2	45.5%	2.8%
Pro 3	24.5%	2.3%
OMS 3	15.0%	6.8%
Unit Cost	100.0%	3.4%
Util		1.7%
Mix		2.2%
Total Trend		7.5%

Notes:

¹ IP (Inpatient) unit trends are created using a weighted average of IP cost per day by facility with that facilities %weight in the market. Weights are calculated using Vermont customers \$ FFS spend . The IP unit cost trend is the year over year comparison of the weighted average IP cost per day . For example: 2018 IP unit cost trend= 2018 IP cost per day/2017 IP cost per day.

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

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

Historical claims experience for Vermont

Vermont Monthly Medical Claims Experience		
Incurred Month (YYYYMM)	Incurred Claims	Members
FY2014	\$226,791,487	50,961
FY2015	\$239,773,640	50,329
201601	\$18,163,156	52,083
201602	\$18,772,798	52,010
201603	\$21,082,341	51,805
201604	\$18,446,153	51,657
201605	\$20,036,026	51,554
201606	\$21,455,988	51,681
201607	\$19,610,767	51,499
201608	\$20,840,618	51,513
201609	\$20,551,144	51,305
201610	\$21,879,580	51,574
201611	\$21,717,572	51,622
201612	\$22,788,131	51,715
201701	\$19,687,058	51,703
201702	\$18,964,877	51,744
201703	\$22,790,217	51,593
201704	\$19,156,206	51,576
201705	\$23,768,127	51,841
201706	\$22,358,381	51,648
201707	\$20,791,349	51,514
201708	\$23,253,741	51,547
201709	\$21,569,780	51,561
201710	\$23,997,300	51,591
201711	\$23,550,708	51,433
201712	\$23,998,595	51,335
201801	\$20,849,118	51,026
201802	\$20,494,379	51,109
201803	\$22,084,475	51,093
201804	\$24,125,260	51,011
201805	\$24,259,001	50,898
201806	\$23,568,182	50,878
201807	\$24,199,001	50,203
201808	\$24,795,430	50,002
201809	\$22,865,008	49,974
201810	\$0	0
201811	\$0	0
201812	\$0	0

The table above represents five years of historical claims experience for Vermont. We've also provided the monthly view of membership. The membership displayed here will not agree with the membership provided in the SERFF because this membership represents members who reside in VT for all funding types and the membership displayed in the SERFF represents the members who are situated in VT for fully insured products only. This information is not normalized for demographics or plan design. Note: the source for the experience above is different than in previous filings because the legacy claims database is no longer available.

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

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

Vermont Medical Trends	FY 2014	FY 2015	15/14	FY 2016	16/15	FY 2017	17/16	3Q17 YTD	3Q18 YTD	18/17
	PMPM	PMPM	Trend	PMPM	Trend	PMPM	Trend	PMPM	PMPM	Trend
Total Observed (Net) Trend	\$370.86	\$397.01	7.1%	\$395.71	-0.3%	\$426.25	7.7%	\$ 414	\$ 454	9.8%
Normalization Factor			-0.6%		0.7%		-3.1%			0.4%
Total Normalized (Gross) Trend			7.6%		-1.0%		11.1%			9.4%

Pharmacy Trend Assumptions

	2018/2017	2019/2018
Cost Trend	6.38%	7.46%
Utilization Trend	1.53%	0.44%
Total Trend	8.00%	7.93%

Pharmacy trends are composed of several pieces:

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

Pharmacy trends are at a lower level than the previous filing due to lower expected non-specialty and specialty inflation. The chart below outlines our expectations for specialty and non-specialty trends.

Trend Category	2018/2017	2019/2018
Specialty	17.40%	17.78%
Non-Specialty	4.74%	4.03%
Total Trend	8.00%	7.93%

Specialty medications are anticipated to trend in the double digits, at a higher rate than previous projections due to increased utilization. Non-specialty trends are projected to be at lower levels, but they are still expected to increase year-over-year reflecting a limited reversion towards historical pharmacy trends. This is offset by Cigna's continued efforts to better manage our drug lists to steer customers to the lowest cost drug.

Actual observed trend for 2017, and YTD 2018 was 4.4% and 6.1% respectively. Observed trends vary from pricing trends due to a variety of reasons including but not limited to changes in benefits and/or plan designs, demographics, and geographies. We believe these recently observed results support the requested pricing trend factors submitted in this filing.

Observed (raw and/or normalized) historical trends are not directly comparable to prospective pricing trend. We rely heavily on our knowledge of our unit cost position and forecasting the components mentioned above to set an appropriate prospective trend.