

**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

## Filing at a Glance

Company: TVHP  
 Product Name: 3Q 2015 TVHP Large Group Rating Program Filing  
 State: VermontGMCB  
 TOI: ML02 Multi-Line - Other  
 Sub-TOI: ML02.000 Multi-Line - Other  
 Filing Type: GMCB Trend / Admin Charge  
 Date Submitted: 02/05/2015  
 SERFF Tr Num: BCVT-129912021  
 SERFF Status: Pending State Action  
 State Tr Num:  
 State Status:  
 Co Tr Num:  
  
 Implementation: On Approval  
 Date Requested:  
 Author(s): Vince Mace, Seth Abbene, Jude Daye, Martine Brisson-Lemieux, Andrew Proulx, Paul Shultz  
 Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:  
  
 State Filing Description:

**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile:  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Large  
Group Market Type: Other Explanation for Other Group Market Type: Trend/Admin/Factor  
Overall Rate Impact: Filing Status Changed: 03/13/2015  
State Status Changed:  
Deemer Date: Created By: Jude Daye  
Submitted By: Jude Daye Corresponding Filing Tracking Number:  
Filing Description:  
February 5, 2015

Judith Henkin, Esq.  
Health Policy Director  
Green Mountain Care Board  
89 Main Street, Third Floor, City Center  
Montpelier, Vermont 05620

Subject: The Vermont Health Plan - NAIC # 95696  
Q3 2015 Large Group Rating Program Filing

Dear Ms. Henkin:

Attached for the Green Mountain Care Board's review and approval is The Vermont Health Plan's Q3 2015 Large Group Rating Program Filing. As directed by the Board, this filing combines the various factor filings for large group rating components (trend, large claims, benefit relativity, administrative fees and contribution to reserve, and the formula itself) into a single filing.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Ruth Greene

cc: Tom Crompton/GMCB  
Kevin Goddard/BCBSVT  
Vince Mace/BCBSVT  
Paul Schultz/BCBSVT

## Company and Contact

### Filing Contact Information

Jude Daye, Executive Assistant

dayej@bcbsvt.com

**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

445 Industrial Lane 802-371-3244 [Phone]  
 Montpelier, VT 05601

**Filing Company Information**

TVHP	CoCode: 95696	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: HMO
Montpelier, VT 05601	Group Name:	State ID Number:
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0354356	

**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**SERFF Tracking #:**

BCVT-129912021

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

**State:** VermontGMCB  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

**Filing Company:** TVHP

## Correspondence Summary

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	03/11/2015	03/11/2015
Pending Response	Jacqueline Lee	03/06/2015	03/06/2015
Pending Response	Jacqueline Lee	02/20/2015	02/20/2015

#### Response Letters

Responded By	Created On	Date Submitted
Martine Brisson-Lemieux	03/13/2015	03/13/2015
Martine Brisson-Lemieux	03/11/2015	03/11/2015
Andrew Proulx	03/02/2015	03/02/2015

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**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/11/2015
Submitted Date	03/11/2015
Respond By Date	03/13/2015

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Dear Jude Daye,

**Introduction:**

Please see the attached inquiry letter and respond no later than the end of day on March 13th.

**Conclusion:**

Sincerely,  
Jacqueline Lee

**Dallas**

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

**Kansas City**

Gary L. Rose, F.S.A.  
Terry M. Long, F.S.A.  
David L. Batchelder, A.S.A.  
Leon L. Langlitz, F.S.A.  
Gary R. McElwain, FLMI  
Anthony G. Proulx, F.S.A.  
Thomas L. Handley, F.S.A.  
D. Patrick Glenn, A.S.A., A.C.A.S.  
Christopher H. Davis, F.S.A.  
Karen E. Elsom, F.S.A.  
Jill J. Humes, F.S.A.

**London / Kansas City**

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

**Baltimore**

David A. Palmer, C.F.E.

March 11, 2015

Jude Daye, Executive Assistant  
The Vermont Health Plan  
445 Industrial Lane  
Montpelier, VT 05601

Re: The Vermont Health Plan  
3Q 2015 LG Rating Program Filing  
SERFF Tracking #: BCVT-129912021

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/5/2015. The following additional information is required for this filing.

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. For each year of the previous 3 years, please provide quantitative support for the average increase for providers with GMCB oversight.
2. Please provide the projected unit cost trends for:
  - a. providers with GMCB oversight;
  - b. other providers within the BCBSVT service area; and
  - c. providers outside the BCBSVT service area.

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 13, 2015. 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,

A handwritten signature in black ink that reads "Josh Hammerquist". The signature is written in a cursive, slightly slanted style.

Josh Hammerquist A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.  
jhammerquist@lewisellis.com  
(972)850-0850

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**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/06/2015
Submitted Date	03/06/2015
Respond By Date	03/10/2015

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Dear Jude Daye,

**Introduction:**

Please see the attached inquiry letter and respond no later than the end of day on March 10th.

**Conclusion:**

Sincerely,  
Jacqueline Lee



**Dallas**

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

**Kansas City**

Gary L. Rose, F.S.A.  
Terry M. Long, F.S.A.  
David L. Batchelder, A.S.A.  
Leon L. Langlitz, F.S.A.  
Gary R. McElwain, FLMI  
Anthony G. Proulx, F.S.A.  
Thomas L. Handley, F.S.A.  
D. Patrick Glenn, A.S.A., A.C.A.S.  
Christopher H. Davis, F.S.A.  
Karen E. Elsom, F.S.A.  
Jill J. Humes, F.S.A.

**London / Kansas City**

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

**Baltimore**

David A. Palmer, C.F.E.

March 6, 2015

Jude Daye, Executive Assistant  
The Vermont Health Plan  
445 Industrial Lane  
Montpelier, VT 05601

Re: The Vermont Health Plan  
3Q 2015 LG Rating Program Filing  
SERFF Tracking #: BCVT-129912021

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/5/2015. The following additional information is required for this filing.

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. The projected hepatitis C treatment costs are projected to increase by 110% compared to the experience period, but the utilization is only expected to increase by 67%. Please provide quantitative support for the projected unit cost increase.
2. In the response to question #17 dated 2/27/15:
  - a. Provide a member weighted increase.
  - b. Provide a breakdown by component.

- c. What is the average projected increase for a fully manually rated group renewing 1/1/2016?
3. What adjustment was made for the expected future improvement in pricing guarantees for specialty drugs?
4. Please review the net cost of reinsurance for Q2 2016 on page 20 of the Actuarial Memorandum for reasonableness.
5. Please provide quantitative support for the 2.74% federal insurer fee. When do you expect to update this estimate with additional information?
6. We note that a 0% utilization and intensity trend was used because “we do not believe that a negative utilization trend is a reasonable representation of the longer-term outlook on the use of services.” Please provide additional qualitative and quantitative support for this given that the 24, 36 and 46 month regressions result in negative trends for the combined utilization and intensity metric. How will the 7.4% paid medical trend impact utilization and intensity?

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 10, 2015. 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,



Josh Hammerquist A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.  
jhammerquist@lewisellis.com  
(972)850-0850

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**State:** VermontGMCB **Filing Company:** TVHP  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	02/20/2015
Submitted Date	02/20/2015
Respond By Date	02/27/2015

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*Dear Jude Daye,*

**Introduction:**

*Please see the attached inquiry letter. Please respond no later than the end of day on February 27, 2014.*

**Conclusion:**

*Sincerely,  
Jacqueline Lee*

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.  
S. Scott Gibson, F.S.A.  
Cabe W. Chadick, F.S.A.  
Michael A. Mayberry, F.S.A.  
David M. Dillon, F.S.A.  
Gregory S. Wilson, F.C.A.S.  
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Christopher H. Davis, F.S.A.  
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Roger K. Annin, F.S.A.  
Timothy A. DeMars, F.S.A.  
Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

February 20, 2015

Jude Daye, Executive Assistant  
The Vermont Health Plan  
445 Industrial Lane  
Montpelier, VT 05601

Re: The Vermont Health Plan  
3Q 2015 LG Rating Program Filing  
SERFF Tracking #: BCVT-129912021

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/5/2015. The following additional information is required for this filing.

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 provide the Exhibits in Excel with working formulas.
2. Please elaborate on the comment in the Actuarial Memorandum that states that different unit cost increases were negotiated for each of the three contracts for marketing reasons.
3. We note that a unit cost trend comparison was provided using the same method in the most recent large group trend filing. Are the claims in Exhibit 3D only for the BCBSVT Managed Care contract? If so, why was this compared to the selected trend for the combined contracts?

4. Is there a significant difference in the usage of the BlueCard network providers for members of the OAP plans compared to members of the other plan designs? Was this accounted for when using the combined experience to model each plan design?
5. What is the total projected allowed trend for providers in the BCBSVT service area?
6. Is margin included in the completion factors or are they best estimates?
7. Please provide the combined medical and pharmacy experience for the prior five calendar years. Please include the following:
  - a. Incurred Claims
  - b. Earned Premium
  - c. Loss Ratio
  - d. Number of Groups
  - e. Number of Members
8. For each of the prior five calendar years, please provide the average paid-to-allowed ratio.
9. We note that ESI provided projections of potential claimants for the new treatments for hepatitis C.
  - a. When were these projections provided?
  - b. What were the estimates for CY 2014 and CY 2015?
  - c. Provide a qualitative description of the process used to project the potential costs.
  - d. Please describe how recent changes to ESI's formulary were accounted for in the projected costs for hepatitis C treatments in CY 2016. Is this expected to impact utilization?
10. How was the estimate of 171 members likely to receive the new PCSK9 treatment calculated?
11. Please provide support for the estimated cost of \$12,000 per year per patient for the PCSK9 treatment.
12. Please provide the ACA adjusted MLR for the most recent two years available.
13. Provide the calculation of the projected MLR for 2016. If this is not feasible, please state why and provide the calculation of the most recent MLR.
14. Provide the calculation of the projected 86.3% GDR.
15. What is the average impact of the benefit leveraging factors?
16. Update the plain language summary to include paid trends.
17. Please provide an estimated rate increase for renewal groups. This estimate should at least account for paid trends and changes in administrative costs.
18. Provide quantitative support for the statement in the plain language summary that administrative charges have decreased by nearly 5% from the previous filing.
19. Please provide quantitative and qualitative support for the following statement in the actuarial memorandum:

Should ESI's projection come to fruition rather than the projection we've built into our pharmacy trend, the impact to RBC would be approximately a 170% decline. Such an event would immediately bring us below our target RBC range.

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 February 27, 2015. 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,



Josh Hammerquist A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.  
jhammerquist@lewisellis.com  
(972)850-0850

SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

**State:** VermontGMCB  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

**Filing Company:** TVHP

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/13/2015  
Submitted Date 03/13/2015

*Dear Thomas Crompton,*

**Introduction:**

*Our responses to the inquiry dated March 11, 2015 are confidential and will be provided under separate cover. We are revising our responses to question 2 from the inquiry dated March 6, 2015. These responses are attached below.*

**Response 1**

**Comments:**

*Responses attached below*

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response Letter for TVHP Q3 2015 Large Group Rating Program Filing - 03.13.2015
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 2 - Revised Question 2.pdf

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Sincerely,  
Martine Brisson-Lemieux*

SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

**State:** VermontGMCB  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

**Filing Company:** TVHP

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/11/2015  
Submitted Date 03/11/2015

*Dear Thomas Crompton,*

**Introduction:**

*ttach please find our response to the TVHP 3Q 2015 Large Group Rating Program Filing inquiry.*

**Response 1**

**Comments:**

*Resquested documentation for objection*

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response Letter for TVHP Q3 2015 Large Group Rating Program Filing
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 2.pdf Response 2 Calculations.xlsx

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Sincerely,*

*Martine Brisson-Lemieux*



SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

State: VermontGMCB Filing Company: TVHP  
 TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
 Product Name: 3Q 2015 TVHP Large Group Rating Program Filing  
 Project Name/Number: /

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 03/02/2015  
 Submitted Date 03/02/2015

Dear Thomas Crompton,

**Introduction:**

Please find attached our responses to the 3Q 2015 TVHP Large Group Rating Program filing.

**Response 1**

**Comments:**

See attached documentation.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to actuarial inquiries
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 1.pdf Plain Language Summary - Q3 2015 TVHP Large Group Rating Program Filing.pdf TVHP Exhibits and Calculations.xlsx

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Andrew Proulx

SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

**State:** VermontGMCB  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

**Filing Company:** TVHP

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Q3 2015 TVHP Large Group Rating Program Filing - Actuarial Memorandum.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Civil Union Rating Requirements
<b>Bypass Reason:</b>	Not required.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Filing Compliance Certification
<b>Comments:</b>	
<b>Attachment(s):</b>	Filing Compliance Certification.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Third Party Filing Authorization
<b>Bypass Reason:</b>	BCBSVT does not use a Third Party to submit filings.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Plain Language Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	Q3 2015 TVHP Large Group Rating Program Filing - Plain Language Summary.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Exhibits
<b>Comments:</b>	

SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

**State:** VermontGMCB  
**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other  
**Product Name:** 3Q 2015 TVHP Large Group Rating Program Filing  
**Project Name/Number:** /

**Filing Company:** TVHP

<b>Attachment(s):</b>	Q3 2015 TVHP Large Group Rating Program Filing - Exhibits 1A - 7A.pdf Q3 2015 TVHP Large Group Rating Program Filing - Exhibit 8A part 2.pdf Q3 2015 TVHP Large Group Rating Program Filing - Exhibit 8A part 4.pdf Q3 2015 TVHP Large Group Rating Program Filing - Exhibit 8A part 1.pdf Q3 2015 TVHP Large Group Rating Program Filing - Exhibit 8A part 3.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response to actuarial inquiries
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 1.pdf Plain Language Summary - Q3 2015 TVHP Large Group Rating Program Filing.pdf TVHP Exhibits and Calculations.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response Letter for TVHP Q3 2015 Large Group Rating Program Filing
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 2.pdf Response 2 Calculations.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response Letter for TVHP Q3 2015 Large Group Rating Program Filing - 03.13.2015
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to 3Q 2015 TVHP LG Rating Program Review Inquiry 2 - Revised Question 2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

BCVT-129912021

State Tracking #:

Company Tracking #:

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<b>State:</b>	VermontGMCB	<b>Filing Company:</b>	TVHP
<b>TOI/Sub-TOI:</b>	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
<b>Product Name:</b>	3Q 2015 TVHP Large Group Rating Program Filing		
<b>Project Name/Number:</b>	/		

***Attachment TVHP Exhibits and Calculations.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Response 2 Calculations.xlsx is not a PDF document and cannot be reproduced here.***

The Vermont Health Plan  
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**1. Purpose**

The Vermont Health Plan (TVHP) performs large group rating on a case-by-case basis. Rating is accomplished through a formulaic approach that blends recent group experience with a manual rate according to a credibility formula. Formula results may be adjusted for underwriting judgment and/or management decisions. This filing establishes the formula, manual rate and accompanying factors that will be used for renewals beginning upon approval of this filing, most notably January 2016 renewals.

Once approved, this filing will be used for large group renewals prepared for business under the jurisdiction of the Green Mountain Care Board (GMCB) until superseded by a subsequent filing. This filing will apply beginning with rates communicated 10 business days after the date of its approval, and continuing until 10 business days after the date of approval of the next TVHP Large Group Rating Program Filing. The term “communicated,” for this purpose, means a written proposal delivered to a large group account.

**2. Overview**

This filing includes a description of the renewal formula and the development of each of the factors used in it. . TVHP projects that about 7,670 members (3,980 subscribers) in 37 Fully Insured groups will be impacted by this filing.

We will describe in detail the formula used in the renewals. This formula was originally filed in February 2013 (BCVT-128888672).

We will then detail the factors applicable to all Fully Insured Large Groups. The factors included in the build-up of the projected claims cost include the Large Claims Factors, Trend Factors, Benefit Relativities and the Manual Rate. Previously, each of these factors were filed independently. In addition to the projected claims cost, we will explain the calculation of administrative charges, the net cost of reinsurance, contribution to reserve, and State and Federal Assessments, all of which are included in the rate development.

Finally, we also offer an Experience Refund Eligible product for which risk charges and settlement administration changes apply.

**3. Formula Description**

**Benefit-Adjusted Projected Single Claims Rate**

A sample calculation of this quantity can be found as Exhibit 1A. For each case, we start the rating with at least a twelve month experience period with two months of runoff<sup>1</sup>. The experience period claims (line A) are then split into amounts above a pooling point (line B) based on the size of the case during the experience period and amounts below the pooling point (referred to as Capped Claims, line C).

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<sup>1</sup> For first year renewals, where twelve months of experience is not available, we generally use incurred in nine months with no runoff.

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We apply completion factors (line D) developed from the monthly financial reporting process to Capped Claims to produce Completed Capped Claims (line E). We then add the expected claims above the pooling point (line H, using the factors, line G, described in section 4.1) to the Completed Capped Claims to produce large-claim-adjusted experience period claims. The expected claims above the pooling point (line H) are calculated by multiplying the pooling factor by the claims under the pooling point.. We then multiply these claims by an adjustment factor (line H) to reflect structural changes in the benefit plan from the experience period to the rating period. This is to adjust for such things as mandated benefit changes, contractual provision changes, etc., that, in the judgment of the underwriter, are necessary to make the experience appropriate for the estimation of the expected claims in the rating period. We divide the result (line I) by the number of member months during the experience period to produce Adjusted Experience Period Claims per member per month (line K).

The Adjusted Experience Period per member per month (PMPM) is then divided by a seasonally-adjusted benefit relativity value to neutralize any effect of seasonality and benefits on the paid claims. To determine this factor, we first determine a benefit relativity factor for each benefit plan (using the factors described in section 4.3) and contract tier type (single, 2-person, family, etc.). Based on the seasonal patterns observed as part of the reserving process for each calendar month, we determine seasonal factors for CDHPs and for non-CDHPs and normalize them so that they total to 12. We combine these factors to calculate seasonal benefit relativity factors for each combination of benefit plan, contract tier type and month. We apply these factors to the number of contracts for each benefit plan, contract tier type and month in the experience period. We total the results and divide the resultant sum by the number of member months in the experience period. This produces the Average Experience Period Seasonal Adjusted Benefit Relativity Factor (line L).

Dividing the Adjusted Experience Period Claims PMPM (line K) by the Average Experience Period Seasonal Adjusted Benefit Relativity Factor (line L) produces the Benefit-Adjusted Experience Period Single Claims Rate (line M), which is the expected cost for a single contract in the experience, neutral of benefit and seasonality. We then multiply this by a trend factor (line N, as calculated in section 4.2) to project the claims from the experience period to the rating period.

The resulting Projected Single Contract Rate (line O) is then blended (using the credibility formula described below) with the Adjusted Manual Rate (line P, as described in section 4.4).

The credibility factor (z) is calculated as follows:

Let  $NC = \{\text{average number of non-Medicare Primary subscribers in the experience period}\} + \{0.5 * \text{average number of Medicare Primary subscribers during the experience period}\}$ .

Let  $z = cf_1 * cf_2$  where:

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$$cf_1 = \begin{cases} (NC/500)^{0.75} & \text{for } NC < 500 \\ 1 & \text{for } NC \geq 500 \end{cases}$$

$$cf_2 = \min\{(Experience\ Member\ Months/12)^2, 1\}$$

To blend the Projected Single Contract Rate with the Adjusted Manual Rate, we use the following equation:

$$Benefit - Adjusted\ Projected\ Single\ Claims\ Rate = Projected\ Single\ Contract\ Rate \times (z) + Adjusted\ Manual\ Rate \times (1 - z)$$

### Required premium by Plan, Tier Type

A sample calculation of premium can be found as Exhibit 1B. For each plan and contract tier type anticipated in the rating period, we calculate projected claims (line B1) as the (Benefit Adjusted Projected Single Claims Rate)  $\times$  (BRV for the plan and contract tier)

The average number of members per contract tier during the experience period is the basis for the projected members per tier in the rating period. The underwriter will adjust this if, in their opinion, the result is not representative of the expected values in the rating period.<sup>2</sup>

The calculation for the total required premium by (plan, tier) is as follows:

{ Projected Claims by (plan, tier)	+
Expected Net Cost of Reinsurance (line B2, as described in section 4.6)	+
Projected Pharmacy Rebates (line B3, as described in section 4.7)	+
Administrative Charges (line E, as described in section 4.5)	+
State Mandates (line C1 to C3, as described in section 4.9)	+
Federal Mandates } (line D1 to D3, as described in section 4.10)	/
{ 1 - Contribution to Reserve (line G, as described in section 4.8) - Broker Commissions }	=
Required premium by (plan, tier)	

### Underwriting Judgment Adjustments

If, in the underwriter's professional judgment, the specific properties of the case being rated are such that the standard formula would not produce appropriate rates for the rating period, the underwriter will make such modifications as needed to produce appropriate rates. The underwriter will document in the case file the reason(s) for the adjustment(s) and the method of determining the appropriate adjustment(s).

### Management Discretionary Adjustments

For marketing or other reasons, management may decide to modify the rates on a specific case or block of cases. The underwriter will document in the case file the adjustment(s) made, along with a description of the nature of the adjustment(s).

## 4. Factors applicable to all Large Groups

<sup>2</sup> E.g., the number of contracts in a particular tier may be small (or even 0). In such instances, the underwriter should use appropriate values based on total block of business or other appropriate source.

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#### 4.1. Large Claims Factors

As described in section 3, experience claims above a certain pooling level are removed from the calculation and replaced by the expected claims above the pooling level. The source of the data is BCBSVT's<sup>3</sup> data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment, and other financial reports. In order to develop the large claims factors used to calculate the expected claims above a pooling level, allowed charges and paid claims through September 30, 2014 were analyzed for the experience years ending December 31, 2012 and December 31, 2013. The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, and TVHP Insured Large Groups. Capitated services and claims incurred by Medicare-eligible members were excluded. Any groups that do not include prescription drugs as a covered expense under their BCBSVT/TVHP benefit plan were also excluded.

For each experience year, allowed charges and paid claim amounts were totaled for each claimant. These were then sorted into categories by the amount of allowed charges. The categories used were:

- \$0 up to \$50
- \$50 up to \$100
- \$100 up to \$200...\$1,900 up to \$2,000
- \$2,000 up to \$2,500...\$9,500 up to \$10,000
- \$10,000 up to \$15,000..

For each category, paid-to-allowed ratios were calculated. The ratios for each year were averaged for each category, while the resulting ratios at allowed amounts greater than \$1,000 were smoothed. The high-to-low-to-high pattern of the ratios observed at allowed amounts less than \$1,000 was maintained; presumably this pattern is due to the increased provision and use of preventive benefits covered at no charge.

We calculated the charge factors assuming experience periods begin on the first day of the quarter. To project the charges for future experience periods, the allowed amounts by claimant for 2012 were trended by the observed trend from 2012 to 2013, and then by 7.2% per annum (see section 4.2 for details). The allowed amounts for 2013 were also trended forward at 7.2% per annum. For each claimant record, a claim amount was calculated by applying the appropriate factor from the paid/allowed amount factor table. A projected claim file was built by combining the trended 2012 records with two copies of the trended 2013 records (thus weighting the 2013 experience twice as heavily as the 2012 experience). For a set of limits (in increments of \$5,000) the amounts in excess of the limit for each claim and the amounts under the limit for each claim were totaled, and the ratio of these calculated. This produced a factor, for each limit value, expressing claims above the limit in terms of claims below the limit.

A distribution of claims by amount was also generated from the 2014 Milliman Health Cost Guidelines distribution of allowed charges (adjusted for Vermont), by trending the distribution to produce the same expected average annual allowed charge per member as the trended BCBSVT/TVHP distribution, and then applying the paid-to-allowed factors calculated above.

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<sup>3</sup> For purposes of this filing, "BCBSVT" refers to both BlueCross BlueShield of Vermont and TVHP, since the data warehouse and accounting systems involved span both entities.



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Factors for claims above the limit as a percentage of those below the limit were calculated from this distribution.

The development of credibility factors to be applied to the BCBSVT/TVHP factors (versus the Milliman factors) is based on classical credibility theory. Using the distribution of claimants by limits from the claim file described above, we assumed that the frequency of claims in each category followed a Poisson distribution with mean equal to the number of claimant divided by the total of claimants. The total number of claims at which full credibility ( $\lambda_0$ ) is assigned was calculated as  $\lambda_0 = (y_p/r)^2$ , where  $y_p$  is the  $(1+p)/2$  percentile of the standard normal distribution and  $r$  is the accepted deviation from the mean. Using  $p=0.95$  and  $r=0.10$ , we calculate  $\lambda_0$  to equal 384. We then calculate the credibility factor ( $z$ ) at each point using the following formula:

$$z = \sqrt{\frac{n}{\lambda_0}}$$

To ensure a smooth credibility formula, we set the limits \$70,000 and below to 100% credibility and \$400,000 and above to 0% credibility for the experience period starting in Q1 2014. We trended these limits, using the same overall trend, for all other quarters. We used a polynomial curve to smooth the credibility factors between the limits.

For each limit, factors expressing the expected claims over the limit as a percentage of claims below the limit were developed by applying the credibility factor ( $z$ ) to the factor based on BCBSVT/TVHP experience and applying  $(1-z)$  to the factors from the Milliman data. This calculation is demonstrated in Exhibit 2A.

Exhibit 2B shows the factors that will be applied to the experience claims under the pooling limit to calculate the expected claims above the limit. These factors are calculated for each experience period starting quarter expected to be covered by this filing.

## 4.2. Trend Factors

### Medical Trend Development

The source of the data is BCBSVT's data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment, and other financial reports. Claims incurred between December 1, 2010 and September 30, 2014, paid through November 30, 2014, were used in the analysis. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits.

The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, and TVHP Insured Large Groups. CDHP and Non-CDHP claims are combined. Medicare Primary claims are excluded. The data from two large groups has been excluded from the medical analysis because they were not active for the entire experience period.

We combined both BCBSVT and TVHP for multiple reasons. BCBSVT and TVHP cover substantially similar populations under similar benefit packages. Combining these homogeneous

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populations creates greater consistency and credibility within the trend factor development. Using the historical contracted reimbursement schedules, we calculate network factors that represent the different contracts and modify the claims to reflect a single contract. By making these adjustments we can observe the historical cost increases using all large group claims information.

Medical trend is composed of three pieces: cost, utilization and intensity. In our analysis, we combine utilization and intensity within the utilization metric and analyze the unit cost separately. Historical experience is normalized for contract changes and then analyzed to derive a utilization trend in the absence of unit cost changes. Future unit cost trends are developed on a discrete basis, using the most recent round of contract negotiations as a starting point. The overall trend is the product of these two components.

#### Utilization

Contract changes for the entirety of the experience period were measured explicitly for each facility within our service area, as well as the three largest physician groups.

Increases were measured for fee schedules and other Chargemasters by applying each schedule to a market basket of services. The market basket was defined by using Current Procedural Terminology (CPT) codes & CPT modifier combinations that were present in each of the effective periods the schedules covered. Using the same experience period data used throughout the trend analysis, total allowed costs for the selected CPT & CPT modifier combinations were compared under each schedule to estimate the percentage increase. For contracts under DRG arrangements, we compared the charge for the 1.000 DRG service for each period. Finally, for services under a discount of charge arrangement, we used the contracted chargemaster increase provided by our Provider Contracting department.

This accounted for over 75 percent of allowed claims dollars during the experience period. Costs for other claims are primarily for out-of-area services. Contracting changes for these claims were derived from the Fall 2014 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

Claims were normalized to the November 2014 contract at each unique provider by applying a factor equal to the product of the impact of each contracting change from the experience month through November 2014. The derived trend for other claims was assumed to be continuous. Please see Exhibit 3A for an illustration of this approach.

Shown on Exhibit 3B is the resulting array of allowed PMPM claims costs, before and after normalization for contract changes. We performed regressions on a number of periods, including 24, 36 and 48 months of monthly PMPM costs. Results vary from -1.0 percent to -1.8 percent.

As a check and for further information, we also performed our analysis in the same way we calculated utilization trend in our prior recent large group trend filing (see BCVT-129403770, which was approved without amendment by the GMCB). It is important to note that this methodology includes intensity as a component of the unit cost trend rather than the utilization trend. Nonetheless, results tracked very closely to those produced by the technique described above. This indicates that intensity has been essentially flat over the length of the experience period. Results for this alternate viewpoint can be seen in Exhibit 3C.

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The alternate methodology addresses trend by provider type. Inpatient utilization is observed by modeling the number of admissions per thousand members per month. Since inpatient admissions are very volatile, using a long range regression will reduce the impact of this volatility. The three year regression on monthly admissions is 0.9 percent increase on Inpatient Utilization. While there is a national trend toward fewer inpatient admissions, that does not appear to be the case in Vermont. We conjecture that the rural nature of the state and relative unavailability of alternative outpatient services may be leading to an absence of declining inpatient trends in the state.

Outpatient utilization is observed by modeling the number of services per thousand members per month. The three year regression on monthly visits yields a 1.7 percent decrease in Outpatient utilization trend. This result seems more intuitive when observed in conjunction with the positive trend in inpatient admissions, and appears to represent a subtle shift from outpatient to inpatient services.

“Professional and Other” claims include all claims that are on a HCFA form, such as professional visits, DME, Ancillary, Labs, etc. Professional utilization is observed by modeling the number of visits per thousand members per month. The number of professional visits has been stable but declining over the past three years. The three year regression on monthly claims results in a 1.5 percent decrease in professional utilization trend.

Each of the above results, with details shown on Exhibit 3C, is calculated on a 36-month regression of monthly data through September 2014. The overall utilization trend for this period is -1.1 percent. This result is very close to those produced for these time periods using our preferred methodology.

We do not believe that a negative utilization trend is a reasonable representation of the longer-term outlook on the use of services; we have therefore chosen zero percent as our utilization trend.

#### Unit Cost

Unit cost trends were largely derived from observations of recent contracting and provider budgetary changes.

During the year ending August 2014, roughly 54 percent of total claims dollars were provided by Vermont facilities and providers impacted by the hospital budget review process of the Green Mountain Care Board (GMCB). We have assumed that the GMCB would approve hospital budgets for October 1, 2015 and October 1, 2016 that support identical commercial increases as that approved for October 1, 2014. While the GMCB, through increased oversight, has limited the overall increase of hospital budgets in recent years, the cost shift from Medicare and Medicaid has accelerated, driving commercial increases higher. Potential solutions are being discussed in the current legislative session, but unless or until such relief is enacted we have little reason to believe that the cost shift will not continue at current levels. Based upon that assumption, Provider Contracting and Actuarial worked together to assess the impact such an increase would have on contract negotiations for BCBSVT Managed Care, BCBSVT Unmanaged Care and TVHP Managed Care contracts.

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Similarly, we assumed for other providers within the BCBSVT service area that overall 2015 and 2016 budget increases would be identical to those implemented during calendar 2014. Again, Provider Contracting and Actuarial worked together to assess the impact these increases would have on contracts for BCBSVT Managed Care, BCBSVT Unmanaged Care and TVHP Managed Care contracts.

Finally, unit cost increases for providers outside the BCBSVT service area were derived from the Fall 2014 Blue Trend Survey, which is a proprietary and confidential dissemination of the BlueCross BlueShield Association.

For marketing reasons, Provider Contracting has been negotiating different unit cost increases for each of the three contracts. To reflect this, we calculated three different cost trends, one for each contract.

The results of the analysis are summarized in the below chart:

	Annual Unit Cost Trend Assumption		
	BCBSVT Managed Care	BCBSVT Unmanaged Care	TVHP Managed Care
Vermont facilities and providers impacted by GMCB's Hospital Budget Review	6.6%	11.2%	6.7%
Other facilities and providers	3.6%	4.1%	4.1%
Total	5.3%	8.0%	5.5%

To calculate the overall medical total trend to be applied in the renewal formula, we trended the manual rate (see section 4.4) experience medical claims based on the network to calendar year 2016. We then divided the projected claims cost by the experience claims cost to get the overall medical trend.

	BCBSVT Managed Care	BCBSVT Unmanaged Care	TVHP Managed Care	Total
Experience Allowed Claims (Medical Only)	\$41,488,111	\$67,938,743	\$38,740,953	\$148,167,806
Trend Factors for 27 months	1.12233	1.18803	1.12782	
Trended Claims	\$46,563,235	\$80,712,891	\$43,692,817	\$170,968,944
Annual Trend				6.57%

As a check and for further information, we also performed our analysis in the same way we calculated cost trend in our most recent large group trend filing (see BCVT-129403770, which was approved without amendment by the GMCB). It is important to note that this methodology includes intensity as a component of the unit cost trend, rather than the utilization trend. This comparison was only done for the BCBSVT Managed Care contract. Results can be seen in Exhibit 3D.

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For inpatient claims, we assessed the cost per admission and the cost per day. The monthly costs per admission and per day are very dependent on the type of inpatient claim. Using regressions on a longer period will help reduce the effect of high claims, as well as short-term oscillations due to the low-frequency, high-intensity nature of the services. The 36-month regression on monthly admissions results in an Inpatient cost increase of 7.0 percent. For outpatient claims, we looked at the cost per service. The 36-month regression on monthly claims yields an Outpatient cost increase of 4.0 percent.

We examined the cost per visit for Professional and Other claims, with a visit being defined as a unique combination of member, date, and provider. The majority of these services are on fee schedules, and BCBSVT has been able to control cost efficiently. The 36-month regression on monthly claims results in a 4.4 percent increase on Professional cost.

Combined, using the year ending September 30, 2014 PMPMs as weights, the overall cost trend would be 4.8%. This result is significantly influenced by the timing of contract increases: a significant facility increase in 2013 for the BCBSVT managed network was followed by a smaller than typical increase in 2014. The average increase for the previous three calendar years for providers with GMCB oversight is 6.9%, which is far better aligned with our new, discrete approach to unit cost trend. We have selected 6.57% as our unit cost trend.

### **Pharmacy Trend Development**

The source of the data is BCBSVT's data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment and other financial reports. The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, and TVHP Insured Large Groups. CDHP and Non-CDHP claims are combined. Medicare Primary claims are excluded. The data from two large groups has been excluded from the analysis because they were not active for the entire experience period. We used claims incurred from December 1, 2012 to October 31, 2014, paid through November 30, 2014. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits.

ESI has been the pharmacy benefits manager for BCBSVT and TVHP since July 2009. The initial ESI contract was for a period of 3 years; a new contract became effective July 2012. We have adjusted the historical pharmacy claims data, as well as the projected pharmacy claims, to normalize for the various guarantees within these contracts. Specifically, all historical experience has been restated to the provisions for the contract year ending in 2015. The initial selections of brand and generic cost trends based on historical analysis are then reduced by a factor equal to the contracted future improvement in pricing guarantees.

With the emergence of new and expensive specialty drugs, as well as the increasing shift to generics as more brand drugs come off patent, we analyzed the components of trend (cost and utilization) separately for brands, generics, and specialty drugs. We have projected the generic dispensing rate (GDR) based on the brand drugs that are scheduled to lose patent in the projection period. Specialty drugs are very high cost drugs with low utilization. Because of their relative infrequency, it is more appropriate to look at the overall PMPM trends for these drugs rather than separate cost and utilization components. The overall pharmacy trend is calculated by combining the separate projections.

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Exhibit 3E provides the monthly and the 12-month rolling data, along with the corresponding year-over-year and exponential regression trends, for non-specialty drugs. These are shown separately for the generic cost, brand cost, and overall non-specialty utilization categories. The number of days supply, rather than the number of scripts, is used to normalize for changes in the days supply per script (e.g. increased use of 90-day fills). Because there are several popular brand drugs that have become generic during the experience period, or will become generic during the projection period, we have combined the data for generic and brand drugs for the purpose of analyzing utilization patterns (the separate GDR projection is applied to the total projected utilization to arrive at brand and generic components). The regressions use 24 data points on the monthly data, in order to best capture an adequate amount of the most recent history of drug costs.

Based on our current distribution of days supply and a list of brands expected to move to generic in the period during which these trend rates will be in effect, as provided by ESI, we estimate that GDR will reach 86.3 percent in the projected period. It is important to note that care must be taken in projecting the GDR to avoid the simplistic assumption that generic shift will continue at historical levels. Generic conversion is a very discrete function - while specific dates for generic launches may be impacted by ongoing litigation, the list of brand drugs losing their patent protection is well-recognized in the industry. Furthermore, generic substitution protocols have increased generic substitution rates to well over 99 percent where such switches are clinically viable. For the above reasons, it would be actuarially inappropriate to base a future GDR assumption on a linear projection of past increases, which is why we have chosen to take a far more detailed, and more discrete, approach. Exhibit 3F shows the calculation of the 86.3 percent GDR in the projection period. Utilization for brand drugs losing or expected to lose their patent protection from calendar year 2013 through the projection period is summarized by month. Because Average Wholesale Price (AWP) and effective discounts do not change significantly for most new generic drugs until the six-month exclusivity period has closed (that is, when the generic becomes "multi-source"), average utilization for the year ending November 2014 is projected through six months following each generic launch date. After that time, all utilization is expected to shift to generic.

Exhibit 3G summarizes the trends for non-specialty drugs and calculates our total non-specialty allowed drug trend as 6.0 percent.

Exhibit 3H provides the monthly and the 12-month rolling data, along with the corresponding year-over-year trend and exponential regression trends, for Specialty drugs. These regression criteria were chosen in order to best capture the most recent history of drug costs. Rolling 12-months regression is more appropriate for Specialty Drugs because of the low-frequency, high-cost nature of these drugs. We made a further adjustment to specialty trends to reflect the expected future improvement in pricing guarantees.

Beginning in January 2014, a new treatment for hepatitis C was introduced to the market. Because this drug is skewing the specialty trend, we modified our approach to calculate the projected trend. First, we recalculated the specialty drug trend after excluding the new hepatitis C drugs (Sovaldi and Olysio). This reduced the 24 points regression on monthly data from 22.0% to 12.9% (as shown on Exhibit 3I). Then, to project the expected cost of hepatitis C treatment in the rating period, we used the actual claimant year to date November 2014 as a

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starting point. The experience had 18 claimants that started a treatment for hepatitis C in the last eleven months. These claimants utilized the available treatments in these proportions:

Treatment	Number of Claimants	Average Cost of Complete Treatment
SOVALDI Treatment for 3 months	9	\$89,772
SOVALDI + OLYSIO Treatment for 3 months	3	\$179,545
SOVALDI Treatment for 6 months	6	\$156,946
Incomplete Treatment (due to insufficient runout)	2	

ESI provided projections of potential claimants for these therapies who would receive treatment in 2014, 2015 and 2016, along with anticipated utilization for each therapy. For each therapy we assumed the same average cost of treatment as for the claimants who have completed treatment in 2014. For the anticipated new therapy, we used the projected cost of these new therapies provided by ESI. This produced an estimate of \$4,630,449 for CY 2016, based on assumptions of 30 new claimants at an average cost of therapy of \$154,348.

To calculate the effective trend, we started with the pharmacy claims from the year ending October 31, 2014 experience period and removed the new hepatitis C drugs. We then trended those claims at a 12.9% rate for 26 months and add the incremental cost of hepatitis C treatment for a total restated projected claims. Using this method, the restated effective specialty drug trend is 15.7%.

Pharmacy Specialty Claims in the Experience	\$24,260,180
Hepatitis C Drugs in the Experience	\$2,205,308
Pharmacy Specialty Claims without Hepatitis C drugs	\$22,054,873
Projected Specialty Claims using a 12.9% trend for 26 months	\$28,661,025
Adding incremental cost of Hepatitis C treatment for the projection period	\$4,630,449
Restated Projected Specialty Claims	\$33,291,474
Restated Specialty Trend	15.7%

#### Hyperlipidemia Specialty Drugs

A new type of drug that treats patients with high cholesterol currently under review by the FDA, known as PCSK9 inhibitors, is anticipated to be approved in August 2015. The initial indication for these drugs is to treat Familial Hypercholesterolemia (FH), a genetic disease characterized by very high levels of cholesterol in the blood.

Current incidence studies suggest that 200 persons per 100,000 lives are diagnosed with FH. ESI estimates that these new drugs will cost \$12,000 per year per patient. Using our most recent membership counts, we estimate that 171 of our members are likely to receive this new treatment. We included this additional cost in our specialty trend calculation.

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Pharmacy Specialty Claims in the Experience	\$24,260,180
Hepatitis C Drugs in the Experience	\$2,205,308
Pharmacy Specialty Claims without Hepatitis C drugs	\$22,054,873
Projected Specialty Claims using a 12.9% trend for 26 months	\$28,661,025
Adding incremental cost of Hepatitis C treatment for the projection period	\$4,630,449
Adding incremental cost of PCSK9 treatment for the projection period	\$2,052,000
Restated Projected Specialty Claims	\$35,343,474
Restated Specialty Trend	19.0%

ESI has opined that PCSK9 inhibitors have a profound impact on lowering cholesterol as compared to statins, and that the utilization of these new drugs may far exceed that attributable only to familial hypercholesterolemia. They estimate that 10% or more of the population currently taking statins would switch to a PCSK9 inhibitor, while an additional 3-6% of the total population may currently have untreated issues with high cholesterol due to intolerance to or lack of results from statins. Using the lower end of these ranges leads to the following results:

Restated Projected Specialty Trend	\$33,291,474
Added incremental cost of PCSK9 for Familial hypercholesterolemia	\$2,052,000
Added incremental cost of PCSK9 for members currently on statins switching to PCSK9	\$10,890,213
Added incremental cost of PCSK9 for members not currently on statins	\$27,336,000
Restated Projected Specialty Claims	\$73,569,687
Restated Specialty Trend	66.9%
Overall Restated Pharmacy Trend	27.3%

Due to the potentially massive impact of these drugs, we reached out to key cardiologists in the State to better understand how they are likely to prescribe the inhibitors. There appears to be a preference to wait until more clinical studies are available on these new drugs before a wholesale move away from statins is likely to take place. Furthermore, we will implement clinical programs to ensure that this very expensive treatment is used appropriately. Because of this, we have chosen not to include the full potential cost of PCSK9 inhibitors in our trend projection to 2016, but instead to only include the portion related to familial hypercholesterolemia, for which we understand the treatment is very likely to be available and prescribed in 2016.

Using the PMPM claims as weights between Non-Specialty and Specialty claims for the 12 months ending October 2014, adjusted to the contract in place as of November 2014, we calculate the following:

Category	PMPM	Overall Trend
Generic	\$22.29	1.0%
Brand	\$35.04	9.1%
Specialty	\$23.59	19.0%
Total	\$80.92	10.0%



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**Overall Total Trend**

Using the year ending September 2014 for the groups included in the manual rate (see section 4.4), the overall allowed trend is

Category	Allowed PMPM	Trend
Medical	\$ 370.78	6.6%
Pharmacy	\$ 82.83	10.0%
Total	\$ 453.61	7.2%

Governor Shumlin's recent Medicaid funding proposal and the impending approval of PCSK9 introduce a greater degree of uncertainty in short-term trend projections than may be typical. While we have included no implicit or explicit margin in our trend picks, we recognize that an environmental change may create a significant shift in either direction. As we have suggested in past years, we would submit an interim trend filing should information become available that meaningfully differs from the underpinnings of the trend analysis in this filing.

**Leveraged Trends**

The above trends are based on allowed charges and do not account for the leveraging effect of deductibles and copays. In past filings, Leverage factors were developed from claims distributions data from BCBSVT and TVHP data and Milliman Health Cost Guidelines®. For this filing, we utilized our Benefit Relativity models (see section 4.3 for a description of the methodology) to calculate the impact of leveraging on each benefit. To do so, we calculated the Paid PMPM with and without the trend (as described above). The difference between the two paid PMPMs is the leverage factor for that benefit. See exhibit 3J and 3K for example of leverage factors.

**4.3. Benefit Relativity Factors**

**Overview**

To determine standardized premium rate relationships, also called relativities, we have created models that simulate the impact of member benefits for all types of plans. The models determine the allowed charges for the completed 12 months of claims included in the study, and "re-adjudicate" the claims, thereby simulating the impact of member cost sharing for a given benefit plan.

Claims data is from BCBSVT's data warehouse. All claim and enrollment data comes from the BCBSVT's data warehouse except where noted below. To ensure accuracy, the claims data used has been reconciled against internal reserving, enrollment and other financial reports. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance).

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For each benefit plan of interest, the models produced the simulated PMPM values of the benefits. The PMPM for each plan was then divided by the manual rate, as calculated in section 4.4, to produce its relativity. Relativities are included for medical only plans, Rx only plans, and integrated CDHP plans.

**Details about the Medical Benefit Relativity Model**

Incurred allowed charges from July 2013 to June 2014, paid through September 2014, were used. The allowed charges were trended to July 1, 2016. This date is the midpoint of the 12-month period that begins January 1, 2016. The majority of the business that will be renewed using these relativity factors has a January 1 renewal date; the Group Merit Rating Program formula adjusts the trend for non-January renewals.

The trends used were the cost trend, by type of service, as calculated by the discrete unit cost trend method above (section 4.2).

The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, and TVHP Insured Large Groups. CDHP and Non-CDHP claims are combined. Medicare Primary claims are excluded. We also excluded groups that have special benefits. This predominantly refers to groups that have specific reimbursement with particular providers outside of BCBSVT's contracts and/or claims processing function. We also exclude groups with a geographical distribution (e.g. a predominantly non-Vermont population) that would skew the average.

Using the contracted reimbursement schedule, we calculated network factors that represent the different network contracts. Using these factors, we can include all claims in each of the three networks by adjusting each claim to the basis of a single network. This enables us to combine all the experience for each plan design.

The claims were categorized according to how benefits are paid, and one record was generated for each member, date of service, and type of service. Each record was then assigned a cost share (deductible/coinsurance, copay, covered in full) for each plan available.

The plan designs modeled are:

- BlueCare Lo Options (BCLO)
- Open Access (OAP)
- BlueCare (HMO)
- Consumer Driven Health Plan (CDHP)

For all products, claims for preventive mandated benefits were assigned a "covered in full" cost share, independently of the product that is being modeled.

The model tested one benefit design at a time. It determined the member portion of the allowed charges, and from this, a total simulated paid PMPM for each benefit design. The impact of the office copay, deductible, coinsurance, out-of-pocket maximum, and preventive mandated benefits were all considered. If the average allowed cost of a category was less than the copay being examined, it was assumed that the member paid the full cost of the service.

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OAP plans have two levels of benefits, preferred and non-preferred. The Preferred benefit levels are applied to providers in the BlueCard® network and the non-preferred benefits are applied to non-participating providers. In the administration of this benefit, there is no overlap between the preferred and non-preferred deductible and coinsurance.

For CDHP, BCLO, and HMO plans, the same overall benefits are applied to the preferred and non preferred networks. The underlying benefits in the experience have different splits between preferred and non-preferred networks as part of the “freedom” of the benefit. The “freedom” represents the portion of providers in the service area that participate in the network.

The relativities for the medical products currently in our book of business are displayed on exhibits 4A and 4B.

**Benefit Induced Utilization: Medical**

An independent analysis was performed to measure the correlation between the benefit design and the overall health care spending. The correlation used the paid-to-allowed ratio as the independent variable and the total allowed charges as the dependent variable. A 2<sup>nd</sup> order polynomial was found to best fit the data. The polynomial was then normalized such that the average paid-to-allowed (PA) ratio underlying the base BRV experience returned a utilization adjustment of 1.00. In other words, if a simulated benefit has a paid-to-allowed ratio less than that of the average, then utilization will be reduced (i.e. factor < 1.00). If a simulated benefit has a paid-to-allowed ratio greater than the average, then the benefit will have induced utilization (i.e. factor > 1.00). The resulting formula is *Medical Utilization* :  $0.4571 \times (PA)^2 + 0.4517 \times (PA) + 0.2544$ , with a minimum set at 0.73 and a maximum of 1.20.

**Details about the Pharmacy Benefit Relativity Model**

As with medical claims described above, incurred allowed charges from July 2013 to June 2014, paid through September 2014, were used. The allowed charges were trended to July 1, 2016. This date is the midpoint of the 12-month period that begins January 1, 2016. The majority of the business that will be renewed using these relativity factors has a January 1 renewal date; the Group Merit Rating Program formula adjusts the trend for non-January renewals.

The trends used were the cost trend, by type of service, as described above (section 4.2) for Brand and Generic drugs. For Specialty drugs, we backed out the utilization trend calculated using regression and applied the remaining cost trend, of 11.1 percent.

The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, and TVHP Insured Large Groups. CDHP and Non-CDHP claims are combined. Medicare Primary claims are excluded. We also excluded groups that have special benefits. This predominantly refers to groups that have specific reimbursement with particular providers outside of BCBSVT's contracts and/or claims processing function. We also exclude groups with a geographical distribution (e.g. a predominantly non-Vermont population) that would skew the average.

Within the model, pharmacy scripts are assigned to one of six categories:

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- Retail Generic
- Retail Preferred Brand
- Retail non-Preferred Brand
- Mail Generic
- Mail Preferred Brand
- Mail non-Preferred Brand

Specialty medications are allocated into one of the categories above, as appropriate, as a specific specialty tier is not allowed in Vermont.

The experience period data was adjusted to reflect the major brands that are expected to become generic during 2015 and 2016. The list was based on a report provided by ESI.

For these brands, the following adjustments were made:

- For the first 6 months (exclusivity period), we reduced the Average Wholesale Price (AWP) by 10% and kept the brand discount.
- For the months after the exclusivity period, we reduced the AWP by 10% and changed the discount to the generic discount. The 10% reductions in AWP are based upon industry standard assumptions, supported by our own analysis of AWP changes for drugs that have moved from brand to generic over the past several years.

One record was created for each member and date of service combination. One record can have more than one script category. The model tested one benefit design at a time. It determined the member portion of the allowed charges and a total simulated paid PMPM for each benefit design. The impact of the deductible, coinsurance, copays and out-of-pocket maximum (OOPM) were considered. Following the ACA, contraceptives were excluded from the cost sharing. If the average allowed cost of a category is less than the copay being examined, it is assumed that the member pays the full cost of the script. With Vermont Act 171, all pharmacy benefits effective January 1, 2015 or later will have an OOPM of \$1,300. It is expected that this limit will increase effective January 1, 2016, following the IRC rules for Health Savings Account and High Deductible Plans. The exhibits include the \$1,250 OOPM benefit on pharmacy for benefits effective January 1, 2014 or later, which comprise our current experience period.

TVHP also offers different riders for pharmacy benefits. These riders will be modeled in the same way described above.

The relativities for the pharmacy products currently in our book of business are displayed on exhibit 4D.

#### **Benefit Induced Utilization: Pharmacy**

Independent analysis was performed to measure the correlation between the benefit design and the quantity of pharmacy prescriptions consumed. The pharmacy benefits are adjusted in two ways. First, the generic utilization varies with the benefit designs. Claims and membership data from January 2010 through July 2014 were examined, and a table was created to adjust the base generic utilization up or down depending on the difference in the Generic and Brand copays of the member's drug plan.

Second, a separate analysis was done to adjust for the overall pharmacy benefit. A modeled paid-to-allowed (PA) ratio was assigned to every benefit in the experience period. The

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correlation used the paid-to-allowed ratio as the independent variable and total allowed charges as the dependent variable. A line was found to best fit the data. The line was then normalized such that the paid-to-allowed ratio underlying the base BRV benefit (manual rate) returned a utilization adjustment of 1.00. The resulting formula is *Pharmacy Utilization* :  $1.2397 \times (PA) - 0.0761$ , with a minimum set at 0.50 and a maximum of 1.50.

Although we use two steps to calculate the induced utilization, we are not adjusting the data twice. The adjustment for difference in Generic/Brand copays changes the mixture of scripts (i.e. generic dispensing rate) without adjusting the overall frequency of scripts. The richness or leanness of the plan, as measured by the paid to allowed ratio, drives an adjustment to the overall frequency of scripts without changing the mixture of scripts.

**Details about the Integrated Benefit Relativity Model (CDHP)**

The CDHP model combines both the medical and pharmacy models described above. One record was created for each member, date of service and type of service combination. A separate medical and pharmacy paid-to-allowed ratio was calculated, and the appropriate utilization adjustment was made.

The relativities for the CDHP products currently in our book of business are displayed on exhibit 4C.

**4.4. Manual Rate**

The Manual Rate is the experience paid claims PMPM from the groups impacted by this filing, trended to calendar year 2016 using the trends described in section 4.2.

Calculation of the Manual Rate

Experience Paid Claims, capped at \$700,000 and completed	A	\$ 157,732,100
Medical Paid Trend factor (8.1 for 27 months)	B	1.1914
Projected Medical Paid Claims	C = A x B	\$ 187,917,575
Total Member Months	D	405,574
<b>Manual Rate</b>	<b>E = C / D</b>	<b>\$ 463.34</b>

The Manual Rate is adjusted to reflect a group's particular characteristics, as demonstrated in Exhibit 5A. An adjustment is made for the average age/gender factor (line B) as derived from the 2014 Milliman Health Cost Guidelines, normalized such that the Manual Rate has an age/gender factor of one. The case's industry factor (line C) is developed based on the SIC and a standard table that has been in use for many years. We intend to undertake a complete study of industry factors during 2015. See Exhibit 5B for the schedule of industry factors. These have also been normalized such that the Manual Rate has a factor of one.

For groups with a projection period other than calendar year 2016, the manual rate will be adjusted for trend to reflect the group's projection period (line D). Finally, a contract conversion factor (line E) is calculated based on member distribution and tier factors in order to convert from a PMPM to a single rate basis (necessary because the Adjusted Manual Rate is blended with the Projected Single Contract Rate, which is not on a PMPM basis).

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#### 4.5. Administrative Charges

The sources of actual expense data in this filing are BCBSVT's data warehouse and accounting records. The Experience Base period for this filing is December 2013 to November 2014. Actual administrative expenses for the Experience Base period are compiled on a GAAP reporting basis. Exhibit 6A provides a reconciliation of the Experience Base period to GAAP financial report data.

##### Experience Base of Actual Expenses

Administrative expenses are allocated under BCBSVT's cost accounting system to lines of business. For the Group business segment (Insured and Cost Plus combined), this cost accounting data by cost center is then allocated into Cost Categories for purposes of determining administrative charges for each specific group account, given that account's characteristics.<sup>4</sup> The Group Cost Categories include:

**Account** – those expenses that are allocated to specific group accounts on a per group account basis.

**Billing Group** – those expenses that are allocated on a per billing group basis (i.e., reflecting the number of separate billing entities within a group account).

**Member** – allocated on a per member basis.

**DM Member** – allocated on a per member basis, for those members in group accounts with disease management in place.

**Special Cost Plus** – those special financing expenses applicable to Cost Plus accounts, allocated on a per account basis (to Cost Plus accounts only).

For each of the Group Cost Categories described above, the respective number of unit months during the Experience Base period is tabulated for the Group business segment. This includes the number of account months, number of billing group months, number of member months and number of member months with disease management. For each of the Individual/Other business segments, the respective number of member months for each is used as the units.

Fees paid to GHI for the electronic processing of Medicare Supplement claims are being assigned correctly to all members whose claims go through the GHI system. These members are in the following product categories: Individual Medicare Supplement, Group Medicare Secondary, Cost Plus Medicare Supplement, Cost Plus Medicare Secondary, and TVHP MediGap Blue.

Using the Experience Base administrative expenses and unit months, per unit per month (PUPM) values are calculated. For Group, there are five such PUPM values – one for each of the Cost Categories indicated above.

The Experience Base administrative expenses PUPM are shown in Exhibit 6C.

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<sup>4</sup> PUPM costs for Cost Plus members having Medicare Supplement plans are set equal to the corresponding values for conventionally funded Medicare Supplement members. The resulting costs are removed from the Cost Plus cost accounting charges before dividing by the (non-Medicare Supplement) Cost Plus units.

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**Projection Factors**

Actual administrative costs PUPM from the Experience Base period are projected to each of the rating periods. Projection factors are based on a 2.5 percent annual trend and are shown in Exhibit 6B. These projection factors are intended to make reasonable but modest provision for increases in overall operating costs PUPM. Note that there are no known extraordinary or mandate-related costs at this time which require separate provision for the rating periods involved in this filing.

An examination of historical administrative charges will show a decreasing trend in recent years, driven primarily by membership increases. TVHP projects that membership will remain at current levels over the projection period. The projection of administrative charges is therefore assumed to not be impacted by membership changes.

We are assuming that human costs (wages and benefits) will increase by 3 percent, the budgeted wage increase for 2015, over the projection period. Other operating costs are assumed to remain flat. We have calculated that 82.4% of our administrative costs are for salaries and benefits. We are therefore increasing our projected administrative expenses by the weighted average of 2.5 percent per annum.

**Charges for Group Accounts**

The Administrative Charge PUPM figures shown in Exhibit 6C are the values to be applied on an account by account basis, along with each group account's corresponding unit count, to produce account-specific administrative charges. These amounts will then be expressed as equivalent PMPM amounts for each group account.

Amounts for special items or unique services not part of TVHP's standard scope of administrative services (e.g., special booklets, certificates, or reports) are to be determined and applied separately on an account-specific basis. Commissions based on the commission scale applicable to the account are not reflected in the schedule of admin charges in Exhibit 6C; they are to be calculated and applied separately.

**4.6. Net Cost of Reinsurance**

TVHP has purchased reinsurance for claims in excess of \$700,000 for 2015, and expects to purchase similar reinsurance in future years with limits approximately equal to the 2015 limit increased by trend. We estimate that the target loss ratio for the reinsurance is approximately 75%, which implies a cost of reinsurance of approximately 33% of claims above the reinsurance limit. For each pricing period starting quarter, we determined an annual cost of reinsurance for the trended reinsurance limit by multiplying the expected annual claims cost above the limit by 33%. Dividing this by 12 produces the PMPM cost of reinsurance. The table of these PMPM's, based on pricing period starting quarter, is shown in the table below.

Pricing Period Starting Quarter

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<u>Q2 2015</u>	<u>Q3 2015</u>	<u>Q4 2015</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>
\$0.97	\$0.99	\$1.01	\$1.02	\$1.903	\$1.05

**4.7. Pharmacy Rebates**

Pharmacy rebates are calculated by taking the experience period rebates and trending them using the Brand Cost trend (from Exhibit 3G). Pharmacy rebates are paid with an average six-month delay from the time of the original claims. For months in the experience for which we do not have detailed rebate information, an estimated rebate amount is included in the calculation.

**4.8. Contribution to Reserve**

The administrative charges developed are for administrative expenses only, and contain no provision for reserve contribution. A contribution to reserves is required in order to maintain an adequate level of surplus. Surplus is a critical consumer protection that allows providers to continue to receive payments and subscribers to receive needed care in the event of unforeseen adverse events that may otherwise impact TVHP's ability to pay claims. We believe that the levels established in the table below represent an adequate, yet not excessive, contribution to reserves. Furthermore, they allow us to maintain Risk-Based Capital (RBC) levels that are within our established, moderate target range.

Line of Business	Contribution to Reserve
TVHP Insured Groups	2% of premium

Exhibit 7A provides support for our filed contribution to reserves. A contribution to reserves of 1.34 percent is required merely to maintain RBC levels in light of medical trend. In other words, should all other assumptions in this and subsequent filings come to fruition and medical trend hold constant at current levels, the company would eventually become insolvent due to medical trend alone with a contribution to reserves of less than 1.34 percent.

There are many reasons why an adequate contribution to reserves should exceed the minimum required to keep pace with trend. While best estimate assumptions are by definition expected to lead to equal likelihood of gains and losses, unexpected events or periods of sustained losses may lead to financial deterioration of sufficient magnitude to render a company insolvent. This is the basic tenet of classical ruin theory.

There are many examples of risk to surplus. The underwriting cycle is typically 24-30 months in duration, meaning that rate deficiencies may persist for an extended period in an increasing trend environment. Regulatory action can have a meaningful impact on surplus when required rate increases are not approved. Membership growth creates a need for additional RBC, much in the same way as trend. Finally, unusual events such as a flu epidemic or new technology may create a one-time shock to capital. A relevant example of the latter is the class of PCSK9 inhibitors discussed in section 4.2. Should ESI's projection come to fruition rather than the projection we've built into our pharmacy trend, the impact to RBC would be approximately a 170% decline. Such an event would immediately bring us below our target RBC range.



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Maintaining an adequate RBC level is critical for any insurer. Consequences of low RBC include reduced flexibility in responding to customer needs, a need for greater conservatism and higher margins in rates in order to avoid further deterioration, and a reduced ability to attract or retain business or to handle membership growth. Stability is particularly important in times of unprecedented change, such as the continuing evolution of Vermont Health Connect and the health care reform environment.

TVHP must remain financially strong in order to continue to provide Vermonters with outstanding member experiences, responsible cost management and access to high value care. We are therefore filing for a 2 percent contribution to reserve for Insured Groups which provides appropriate margin above the minimum needed to keep pace with trend to help ensure continued financial stability should a significant adverse event occur.

#### **4.9. State Mandates and Assessments**

##### **Vermont Vaccine Purchasing Program Payments**

The Vermont Vaccine Purchasing Program<sup>5</sup> offers health care providers state-supplied vaccines at no charge by collecting payments from Health plans, insurers and other payers. The program's assessment is a PMPM for each Vermont resident. The approved assessment for 2015 is \$0.84 for Adults and \$11.61 for Children. We will use these rates until new rates are approved.

##### **Health Care Claims Tax**

The Health Care Claims Tax of 0.999 percent applies to all claims or capitations incurred by members with Vermont zip codes. We used the percentage of current members with Vermont zip codes to estimate the percentage of rating period claims expected to be incurred by Vermont members.

##### **Blueprint**

TVHP participates in the Vermont Blueprint for Health program. The experience period expense for each group will be added into the premium. We do not expect this expense to change in the rating period.

#### **4.10. Federal Assessments**

##### **Patient-Centered Outcomes Research Institute Fee:**

This fee is part of the Affordable Care Act and applies to all plan years ending after September 30, 2012. We estimate the fee to be \$2.31 annually and therefore, we will include a \$0.1925 PMPM charge in the rate calculation. This estimate will be updated once additional information is received.

##### **Transitional Reinsurance Fee**

Under the federal Affordable Care Act, health plans are subject to certain mandatory assessments that will be calculated by the U.S. government including the transitional reinsurance program assessment. Health plans are permitted to pass on or recoup these assessments from their customers. The Proposed Notice of Benefit and Payment Parameters for

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<sup>5</sup> <http://healthvermont.info/hc/imm/VaccinePurchasingPoolPilotProgram.aspx>

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2016 (Published on November 21, 2014) established the uniform contribution to \$27 annually per member. 2016 will be the last year of this program. We have been adjusting the rates on January 1 of each year to reflect the change in this fee. Starting on January 1, 2017, this fee will be \$0 and the rates will reflect that change.

**Federal Insurer Fee**

The Federal Insurer Fee is intended to help pay for some provisions in the Affordable Care Act. This fee is only applicable to Fully Insured Groups. It is currently estimated at 2.74 percent of premium. This estimate will be updated once additional information is received.

**5. Factors applicable only to specific Products**

**5.1. Risk and Administrative Charges for Experience Refund Eligible products**

The TVHP Experience Refund Eligible products involve pricing margins of 10% or 5% (i.e. expected claims below the ISL limit will be increased by 10% or 5% in the determination of the premium). These factors are applied to total expected claims (before adjustment for pricing margin) and the retention is increased by the risk charge (both in the prospective pricing and in the refund calculation).

The tables of factors are contained in Exhibit 8A.

The method used is based on VFN 41126, Method of Determination of Aggregate Stop Loss Charge Factors.

**Distribution of Individual Claims by Amount**

The distribution of individual claims by amount was generated from the 2014 Milliman Health Cost Guidelines distribution of allowed charges (adjusted for VT) by trending the distribution to produce the same expected average annual allowed charge per member as the trended TVHP distribution for Q1 2016 and then applying paid/allowed factors (as described in section 4.1).

For each specific stop loss level, the expected claims amount and standard deviation of the distribution of claims less than the specific stop loss level are calculated.

**Expected Claims Factors**

For each number of members (N) 100 to 1000 (at 100 increments), 1,500, 2,000 to 5,000 (by 1,000 increments) and 10,000 to 40,000 (by 10,000 increments) and for each ISL limit, a preliminary expected fraction of aggregate claims in excess of 90%, 95%, 100%, 105%, 110%, 115%, 120%, 125%, 130%, 135%, and 140% of expected aggregate claims was calculated. These were then adjusted for uncertainty in the projection of expected claims as described in the table below:

Expected to projected expected	>107.5%	107.5%	102.5%	97.5%	< 92.5%
		-	-	-	
		102.5%	97.5%	92.5%	

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Fraction of projections	F <sub>1</sub> *	F <sub>2</sub> *	F <sub>3</sub> *	F <sub>4</sub> *	F <sub>5</sub> *
Assumed (actual expected) / (projected expected) factor	1.10	1.05	1.00	0.95	0.90
Weighting Factor for averaging	F <sub>1</sub> /1.10	F <sub>2</sub> /1.05	F <sub>3</sub>	F <sub>4</sub> /0.95	F <sub>5</sub> /0.9

\* Estimated for distribution

If the expected number of members (N) in the rating period is not one of the values in either table, the value is determined by interpolating linearly between the entries in the table for the numbers of members immediately below and above N.

## 5.2.

### Settlement Administration Charge

An administration charge equal to a settlement administration charge, offset by an investment income credit, will be added to the group's administrative charges (described in section 4.5).

1. Settlement Administration Charge: An additional administrative charge of **\$1,665** will be included to offset the costs of administering the retrospective arrangement. This amount is based on the 2014 settlement administration charge of \$1,625 increased by 2.5 percent trend to reflect the assumed increase for the direct staff cost.
2. Investment Income Adjustment: A credit of 0.2 percent of the margin will be applied to the settlement administrative charge to reflect investment income earned on the margin.

## 6. Actuarial Opinion

The purpose of this filing is to establish the formula, manual rate and accompanying factors that will be used for renewals of The Vermont Health Plan large group plans. This filing is not intended to be used for other purposes.

The data used in this analysis has been reviewed for reasonableness and consistency; however, it has not been audited.

It is my opinion that the rating formula and factors presented in this filing are reasonable, and have been prepared in accordance with applicable Actuarial Standards of Practice. The formula and factors will produce premium rates that are reasonable in relation to the benefits provided, and will not be excessive, deficient or unfairly discriminatory.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.

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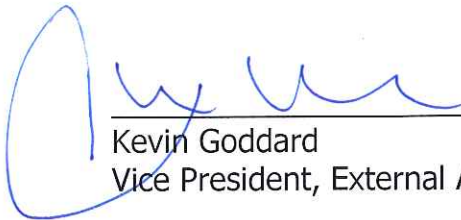
A handwritten signature in black ink, appearing to read "Paul Schultz", with a long, sweeping underline.

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Paul Schultz, F.S.A., M.A.A.A.

February 5, 2015

**I HEREBY CERTIFY** that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the State of Vermont.

  
\_\_\_\_\_  
Kevin Goddard  
Vice President, External Affairs and Sales

2/5/15  
\_\_\_\_\_  
Date

## The Vermont Health Plan Q3 2015 Large Group Rating Program Filing Plain Language Summary

The Vermont Health Plan (TVHP) is committed to the health of Vermonters, outstanding member experiences and responsible cost management for all of the people whose lives we touch. By pooling the populations covered by our products, we protect individuals from the unaffordable and potentially ruinous costs associated with significant illnesses or injuries. Our products promote preventive care, health maintenance and health improvement, and we have in place strong utilization management programs that support members who require medical care and assure that they have access to high value care while avoiding unnecessary costs.

TVHP also works with providers to dampen cost increases through reimbursement strategies that include incentives to both provide and properly manage care. TVHP's vision is a transformed health care system in which every Vermonter has health care coverage, and receives timely, effective, affordable care. None of this work is possible unless TVHP remains financially strong, and that requires that we be allowed to charge rates that cover the medical expenses of the populations it serves.

TVHP performs large group premium rating on a case-by-case basis. Rating is accomplished through a formulaic approach that blends recent group claims experience with a manual rate according to a credibility formula. This filing establishes the rating formula, manual rate and accompanying factors that will be used for large group renewals beginning upon approval of this filing, most notably January 2016 renewals.

The filing describes in detail the formula used in the renewals, along with each of the factors included in that formula. These include large claims pooling factors, medical and pharmacy trends, and benefit relativities, along with the development of the manual rate. In addition, the filing details the calculation of administrative charges, the net cost of reinsurance, contribution to reserve and state and federal assessments, all of which are included in the rate development. Finally, the filing discusses certain factors applicable only to specific products.

Key results include the following:

- TVHP is proposing allowed trends of 6.6 percent for medical claims and 10.0 percent for pharmacy claims, for a total combined trend of 7.2 percent.
- Administrative charges have decreased by nearly 5 percent from the previous filing.
- We are proposing a contribution to member reserves of 2 percent for insured groups.
- Our proposed manual rate, the projected average calendar year 2016 paid claims per member per month for groups impacted by this filing, is \$463.34.
- There are an estimated 4,000 contracts (7,700 members) currently enrolled in one of 37 TVHP large group plans.

Our proposed medical and pharmacy trends are higher than those approved in our most recent large group trend filing. Medical trends continue to accelerate due to increases in the amounts providers are paid, particularly in light of the "cost shift" that results from the underfunding of Medicaid and Medicare. Pharmacy trends are increasingly impacted by the emergence of high-cost specialty medications that are available for an ever-broadening range of conditions.

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We are very pleased that continued operational efficiencies have allowed us to propose administrative expenses that are lower than those in the previous filing.

A contribution to reserves is required in order to maintain an adequate level of surplus. Surplus is a critical consumer protection that allows subscribers to receive needed care and providers to continue to receive payments in the event of unforeseen adverse events that may otherwise impact TVHP's ability to pay claims. We believe that the levels established in this filing represent an adequate, yet not excessive, contribution to reserves.

In previous years, TVHP filed each factor separately, and did not calculate an explicit manual rate. Therefore, a specific manual rate increase cannot be calculated with this initial rating program filing.

We have made no material changes to our large group rating formula from the time of previous filing. Other factors, including large claim pooling charges and benefit relativities, have been updated but by their nature have neither an inflationary nor deflationary impact on rates across our entire book of business.

Sample Calculation

Benefit-Adjusted Projected Single Claims Rate:

Experience Period Paid Claims	\$987,000	A
Experience Period Claims Amount above \$70,000 Pooling Limit	\$53,000	B
Capped Claims	\$934,000	$C = A - B$
Completion Factor	1.011	D
Completed Capped Claims	\$940,000	$E = C \times D$
Pooling Charge Factor	0.185	F
Expected Claims above \$70,000 Pooling Limit	\$170,000	$G = E \times F$
Experience Adjustment Factor	1.000	H
Adjusted Experience Period Claims	\$1,110,000	$I = (E + G) \times H$
Experience Period Member Months	3,270	J
<b>Adjusted Experience Period Claims PMPM</b>	<b>\$339.45</b>	$K = I \div J$
Average Experience Period Seasonal Adjusted Benefit Relativity Factor	0.770	L
Benefit-Adjusted Experience Period Single Claims Rate	\$440.96	$M = K \div L$
Trend 8.1% per annum for 18 months	1.124	N
Projected Single Contract Rate	\$495.61	$O = M \times N$
Adjusted Manual Rate	\$686.52	P
Credibility factor	29%	Q
<b>Benefit-Adjusted Projected Single Claims Rate</b>	<b>\$630.72</b>	$R = (O \times Q) + \{P \times (1 - Q)\}$

Credibility Calculation

Active Contract Months	1,164	a
Months of Experience	12	b
NC	97	$c = a / b$
CF1	0.29232	$d = (c / 500) ^ 0.75$
CF2	1	$e = (b / 12) ^ 2$
Z	0.29232	$f = d * e$



The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing

Exhibit 1B

Example Calculation of Required Premium by Product and Tier  
Illustrative Only

*From Exhibit 1A : Benefit-Adjusted Projected Single Claims Rate (S)*

**\$630.72**

Plan A		Single	2-Person	Family
Members per contract		1.000	2.000	3.938
BRV:	A	0.929	1.859	2.593
Projected Claims:	B1 = A x S	\$586.13	\$1,172.25	\$1,635.29
Net Cost of Reinsurance:	B2	\$1.50	\$3.00	\$5.91
Projected Rx Rebate:	B3	-\$4.00	-\$8.00	-\$15.75
State Mandates and Assessments				
Vaccines for Vermonters	C1	\$2.50	\$5.00	\$9.85
Blue Print for Health	C2	\$2.50	\$5.00	\$9.85
Health Care Claims Tax	C3 = 0.999% * [ Σ(B <sub>i</sub> ) + C1 ]	\$5.86	\$11.71	\$16.34
Federal Mandates and Assessments				
PCORI	D1	\$0.19	\$0.39	\$0.76
Transitional Reinsurance Fee	D2	\$2.25	\$4.50	\$8.86
Federal Insurer Fee	D3	2.74%		
Administrative Charge	E	\$25.00	\$50.00	\$98.45
Commission (% premium)	F	6.25%		
Contribution to Reserve	G	2.00%		
Required Premium:	H = [ Σ(B <sub>i</sub> ) + Σ(C <sub>i</sub> ) + D1 + D2 + E ] / (1 - F - G - D3)	\$698.71	\$1,397.42	\$1,988.02
Plan B		Single	2-Person	Family
Members per contract		1.000	2.000	3.938
BRV:	A	1.023	2.046	2.854
Projected Claims:	B1 = A x S	\$645.22	\$1,290.45	\$1,800.17
Net Cost of Reinsurance:	B2	\$1.50	\$3.00	\$5.91
Projected Rx Rebate:	B3	-\$4.00	-\$8.00	-\$15.75
State Mandates and Assessments				
Vaccines for Vermonters	C1	\$2.50	\$5.00	\$9.85
Blue Print for Health	C2	\$2.50	\$5.00	\$9.85
Health Care Claims Tax	C3 = 0.999% * [ Σ(B <sub>i</sub> ) + C1 ]	\$6.45	\$12.89	\$17.98
Federal Mandates and Assessments				
PCORI	D1	\$0.19	\$0.39	\$0.76
Transitional Reinsurance Fee	D2	\$2.25	\$4.50	\$8.86
Federal Insurer Fee	D3	2.74%		
Administrative Charge	E	\$25.00	\$50.00	\$98.45
Commission (% premium)	F	6.25%		
Contribution to Reserve	G	2.00%		
Required Premium:	H = [ Σ(B <sub>i</sub> ) + Σ(C <sub>i</sub> ) + D1 + D2 + E ] / (1 - F - G - D3)	\$765.77	\$1,531.54	\$2,175.12

**The Vermont Health Plan**  
**Q3 2015 Large Group Rating Program Filing**  
**Expected Large Claims Factor Development**  
**Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$30,000	41.3%	38.4%	100.0%	41.3%
\$35,000	36.0%	33.7%	100.0%	36.0%
\$40,000	31.9%	30.0%	100.0%	31.9%
\$45,000	28.6%	27.0%	100.0%	28.6%
\$50,000	25.8%	24.5%	100.0%	25.8%
\$55,000	23.6%	22.4%	100.0%	23.6%
\$60,000	21.6%	20.6%	100.0%	21.6%
\$65,000	19.9%	19.0%	100.0%	19.9%
\$70,000	18.5%	17.8%	98.8%	18.5%
\$75,000	17.2%	16.6%	93.8%	17.2%
\$80,000	16.1%	15.5%	89.0%	16.0%
\$85,000	15.1%	14.6%	84.5%	15.0%
\$90,000	14.2%	13.7%	80.1%	14.1%
\$95,000	13.4%	13.0%	76.0%	13.3%
\$100,000	12.7%	12.3%	72.1%	12.6%
\$105,000	12.0%	11.7%	68.3%	11.9%
\$110,000	11.4%	11.1%	64.8%	11.3%
\$115,000	10.8%	10.6%	61.4%	10.7%
\$120,000	10.3%	10.1%	58.2%	10.2%
\$125,000	9.8%	9.6%	55.2%	9.7%
\$130,000	9.4%	9.2%	52.4%	9.3%
\$135,000	9.0%	8.8%	49.7%	8.9%
\$140,000	8.6%	8.5%	47.2%	8.5%
\$145,000	8.3%	8.1%	44.8%	8.2%
\$150,000	7.9%	7.8%	42.6%	7.8%
\$155,000	7.6%	7.5%	40.5%	7.5%
\$160,000	7.3%	7.2%	38.5%	7.3%
\$165,000	7.1%	6.9%	36.7%	7.0%
\$170,000	6.8%	6.7%	35.0%	6.7%
\$175,000	6.6%	6.4%	33.5%	6.5%
\$180,000	6.3%	6.2%	32.0%	6.2%
\$185,000	6.1%	6.0%	30.7%	6.0%
\$190,000	5.9%	5.8%	29.4%	5.8%
\$195,000	5.7%	5.6%	28.3%	5.7%
\$200,000	5.6%	5.4%	27.2%	5.5%

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Expected Large Claims Factor Development  
Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$205,000	5.4%	5.2%	26.3%	5.3%
\$210,000	5.2%	5.1%	25.4%	5.1%
\$215,000	5.1%	4.9%	24.6%	5.0%
\$220,000	4.9%	4.8%	23.9%	4.8%
\$225,000	4.7%	4.6%	23.2%	4.7%
\$230,000	4.6%	4.5%	22.6%	4.5%
\$235,000	4.5%	4.4%	22.1%	4.4%
\$240,000	4.3%	4.2%	21.6%	4.3%
\$245,000	4.2%	4.1%	21.2%	4.1%
\$250,000	4.1%	4.0%	20.8%	4.0%
\$255,000	4.0%	3.9%	20.4%	3.9%
\$260,000	3.9%	3.8%	20.1%	3.8%
\$265,000	3.8%	3.7%	19.8%	3.7%
\$270,000	3.7%	3.6%	19.5%	3.6%
\$275,000	3.6%	3.5%	19.3%	3.5%
\$280,000	3.5%	3.4%	19.0%	3.4%
\$285,000	3.4%	3.3%	18.7%	3.3%
\$290,000	3.4%	3.2%	18.5%	3.2%
\$295,000	3.3%	3.1%	18.2%	3.2%
\$300,000	3.2%	3.0%	18.0%	3.1%
\$305,000	3.1%	3.0%	17.7%	3.0%
\$310,000	3.1%	2.9%	17.4%	2.9%
\$315,000	3.0%	2.8%	17.1%	2.9%
\$320,000	2.9%	2.8%	16.7%	2.8%
\$325,000	2.9%	2.7%	16.3%	2.7%
\$330,000	2.8%	2.6%	15.9%	2.7%
\$335,000	2.7%	2.6%	15.4%	2.6%
\$340,000	2.7%	2.5%	14.8%	2.5%
\$345,000	2.6%	2.4%	14.2%	2.5%
\$350,000	2.6%	2.4%	13.6%	2.4%
\$355,000	2.5%	2.3%	12.9%	2.3%
\$360,000	2.5%	2.3%	12.1%	2.3%
\$365,000	2.4%	2.2%	11.2%	2.2%
\$370,000	2.4%	2.2%	10.2%	2.2%
\$375,000	2.3%	2.1%	9.1%	2.1%

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Expected Large Claims Factor Development  
Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$380,000	2.3%	2.1%	8.0%	2.1%
\$385,000	2.2%	2.0%	6.7%	2.0%
\$390,000	2.2%	2.0%	5.4%	2.0%
\$395,000	2.1%	1.9%	0.0%	1.9%
\$400,000	2.1%	1.9%	0.0%	1.9%
\$405,000	2.1%	1.8%	0.0%	1.8%
\$410,000	2.0%	1.8%	0.0%	1.8%
\$415,000	2.0%	1.7%	0.0%	1.7%
\$420,000	1.9%	1.7%	0.0%	1.7%
\$425,000	1.9%	1.7%	0.0%	1.7%
\$430,000	1.9%	1.6%	0.0%	1.6%
\$435,000	1.8%	1.6%	0.0%	1.6%
\$440,000	1.8%	1.6%	0.0%	1.6%
\$445,000	1.8%	1.5%	0.0%	1.5%
\$450,000	1.7%	1.5%	0.0%	1.5%
\$455,000	1.7%	1.5%	0.0%	1.5%
\$460,000	1.7%	1.4%	0.0%	1.4%
\$465,000	1.7%	1.4%	0.0%	1.4%
\$470,000	1.6%	1.4%	0.0%	1.4%
\$475,000	1.6%	1.3%	0.0%	1.3%
\$480,000	1.6%	1.3%	0.0%	1.3%
\$485,000	1.5%	1.3%	0.0%	1.3%
\$490,000	1.5%	1.3%	0.0%	1.3%
\$495,000	1.5%	1.2%	0.0%	1.2%
\$500,000	1.5%	1.2%	0.0%	1.2%
\$505,000	1.4%	1.2%	0.0%	1.2%
\$510,000	1.4%	1.2%	0.0%	1.2%
\$515,000	1.4%	1.1%	0.0%	1.1%
\$520,000	1.4%	1.1%	0.0%	1.1%
\$525,000	1.3%	1.1%	0.0%	1.1%
\$530,000	1.3%	1.1%	0.0%	1.1%
\$535,000	1.3%	1.0%	0.0%	1.0%
\$540,000	1.3%	1.0%	0.0%	1.0%
\$545,000	1.2%	1.0%	0.0%	1.0%
\$550,000	1.2%	1.0%	0.0%	1.0%

**The Vermont Health Plan**  
**Q3 2015 Large Group Rating Program Filing**  
**Expected Large Claims Factor Development**  
**Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$555,000	1.2%	1.0%	0.0%	1.0%
\$560,000	1.2%	1.0%	0.0%	1.0%
\$565,000	1.2%	0.9%	0.0%	0.9%
\$570,000	1.1%	0.9%	0.0%	0.9%
\$575,000	1.1%	0.9%	0.0%	0.9%
\$580,000	1.1%	0.9%	0.0%	0.9%
\$585,000	1.1%	0.9%	0.0%	0.9%
\$590,000	1.1%	0.8%	0.0%	0.8%
\$595,000	1.0%	0.8%	0.0%	0.8%
\$600,000	1.0%	0.8%	0.0%	0.8%
\$605,000	1.0%	0.8%	0.0%	0.8%
\$610,000	1.0%	0.8%	0.0%	0.8%
\$615,000	1.0%	0.7%	0.0%	0.7%
\$620,000	1.0%	0.7%	0.0%	0.7%
\$625,000	0.9%	0.7%	0.0%	0.7%
\$630,000	0.9%	0.7%	0.0%	0.7%
\$635,000	0.9%	0.7%	0.0%	0.7%
\$640,000	0.9%	0.7%	0.0%	0.7%
\$645,000	0.9%	0.7%	0.0%	0.7%
\$650,000	0.9%	0.7%	0.0%	0.7%
\$655,000	0.9%	0.6%	0.0%	0.6%
\$660,000	0.8%	0.6%	0.0%	0.6%
\$665,000	0.8%	0.6%	0.0%	0.6%
\$670,000	0.8%	0.6%	0.0%	0.6%
\$675,000	0.8%	0.6%	0.0%	0.6%
\$680,000	0.8%	0.6%	0.0%	0.6%
\$685,000	0.8%	0.6%	0.0%	0.6%
\$690,000	0.8%	0.6%	0.0%	0.6%
\$695,000	0.8%	0.6%	0.0%	0.6%
\$700,000	0.7%	0.6%	0.0%	0.6%
\$705,000	0.7%	0.6%	0.0%	0.6%
\$710,000	0.7%	0.6%	0.0%	0.6%
\$715,000	0.7%	0.5%	0.0%	0.5%
\$720,000	0.7%	0.5%	0.0%	0.5%
\$725,000	0.7%	0.5%	0.0%	0.5%

**The Vermont Health Plan**  
**Q3 2015 Large Group Rating Program Filing**  
**Expected Large Claims Factor Development**  
**Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$730,000	0.7%	0.5%	0.0%	0.5%
\$735,000	0.7%	0.5%	0.0%	0.5%
\$740,000	0.7%	0.5%	0.0%	0.5%
\$745,000	0.7%	0.5%	0.0%	0.5%
\$750,000	0.6%	0.5%	0.0%	0.5%
\$755,000	0.6%	0.5%	0.0%	0.5%
\$760,000	0.6%	0.5%	0.0%	0.5%
\$765,000	0.6%	0.5%	0.0%	0.5%
\$770,000	0.6%	0.4%	0.0%	0.4%
\$775,000	0.6%	0.4%	0.0%	0.4%
\$780,000	0.6%	0.4%	0.0%	0.4%
\$785,000	0.6%	0.4%	0.0%	0.4%
\$790,000	0.6%	0.4%	0.0%	0.4%
\$795,000	0.6%	0.4%	0.0%	0.4%
\$800,000	0.6%	0.4%	0.0%	0.4%
\$805,000	0.6%	0.4%	0.0%	0.4%
\$810,000	0.5%	0.4%	0.0%	0.4%
\$815,000	0.5%	0.4%	0.0%	0.4%
\$820,000	0.5%	0.4%	0.0%	0.4%
\$825,000	0.5%	0.4%	0.0%	0.4%
\$830,000	0.5%	0.3%	0.0%	0.3%
\$835,000	0.5%	0.3%	0.0%	0.3%
\$840,000	0.5%	0.3%	0.0%	0.3%
\$845,000	0.5%	0.3%	0.0%	0.3%
\$850,000	0.5%	0.3%	0.0%	0.3%
\$855,000	0.5%	0.3%	0.0%	0.3%
\$860,000	0.5%	0.3%	0.0%	0.3%
\$865,000	0.5%	0.3%	0.0%	0.3%
\$870,000	0.5%	0.3%	0.0%	0.3%
\$875,000	0.5%	0.3%	0.0%	0.3%
\$880,000	0.5%	0.3%	0.0%	0.3%
\$885,000	0.5%	0.3%	0.0%	0.3%
\$890,000	0.4%	0.3%	0.0%	0.3%
\$895,000	0.4%	0.3%	0.0%	0.3%
\$900,000	0.4%	0.3%	0.0%	0.3%

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Expected Large Claims Factor Development  
Experience Period Starting Q4 2013**

**Exhibit 2A**

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
\$905,000	0.4%	0.3%	0.0%	0.3%
\$910,000	0.4%	0.3%	0.0%	0.3%
\$915,000	0.4%	0.3%	0.0%	0.3%
\$920,000	0.4%	0.3%	0.0%	0.3%
\$925,000	0.4%	0.3%	0.0%	0.3%
\$930,000	0.4%	0.3%	0.0%	0.3%
\$935,000	0.4%	0.3%	0.0%	0.3%
\$940,000	0.4%	0.3%	0.0%	0.3%
\$945,000	0.4%	0.3%	0.0%	0.3%
\$950,000	0.4%	0.3%	0.0%	0.3%
\$955,000	0.4%	0.3%	0.0%	0.3%
\$960,000	0.4%	0.3%	0.0%	0.3%
\$965,000	0.4%	0.3%	0.0%	0.3%
\$970,000	0.4%	0.2%	0.0%	0.2%
\$975,000	0.4%	0.2%	0.0%	0.2%
\$980,000	0.4%	0.2%	0.0%	0.2%
\$985,000	0.4%	0.2%	0.0%	0.2%
\$990,000	0.3%	0.2%	0.0%	0.2%
\$995,000	0.3%	0.2%	0.0%	0.2%
\$1,000,000	0.3%	0.2%	0.0%	0.2%

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>
	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>
\$30,000	41.32%	41.93%	42.56%	43.19%	43.83%	44.48%
\$35,000	36.02%	36.57%	37.12%	37.68%	38.25%	38.82%
\$40,000	31.90%	32.39%	32.89%	33.39%	33.91%	34.43%
\$45,000	28.58%	29.04%	29.50%	29.96%	30.43%	30.91%
\$50,000	25.84%	26.26%	26.68%	27.11%	27.55%	27.99%
\$55,000	23.55%	23.94%	24.33%	24.73%	25.13%	25.54%
\$60,000	21.61%	21.97%	22.34%	22.71%	23.09%	23.46%
\$65,000	19.94%	20.28%	20.62%	20.97%	21.32%	21.68%
\$70,000	18.47%	18.80%	19.13%	19.46%	19.79%	20.13%
\$75,000	17.17%	17.47%	17.79%	18.11%	18.43%	18.76%
\$80,000	16.03%	16.31%	16.60%	16.90%	17.20%	17.51%
\$85,000	15.02%	15.29%	15.56%	15.84%	16.12%	16.41%
\$90,000	14.11%	14.37%	14.63%	14.90%	15.17%	15.44%
\$95,000	13.30%	13.54%	13.78%	14.03%	14.29%	14.55%
\$100,000	12.56%	12.79%	13.02%	13.27%	13.51%	13.75%
\$105,000	11.90%	12.11%	12.33%	12.56%	12.80%	13.03%
\$110,000	11.29%	11.50%	11.71%	11.93%	12.15%	12.37%
\$115,000	10.73%	10.93%	11.13%	11.35%	11.57%	11.78%
\$120,000	10.22%	10.41%	10.60%	10.80%	11.01%	11.22%
\$125,000	9.73%	9.92%	10.11%	10.31%	10.51%	10.70%
\$130,000	9.30%	9.48%	9.65%	9.84%	10.04%	10.23%
\$135,000	8.89%	9.07%	9.24%	9.42%	9.60%	9.78%
\$140,000	8.52%	8.69%	8.85%	9.03%	9.21%	9.38%
\$145,000	8.18%	8.34%	8.49%	8.66%	8.83%	9.00%
\$150,000	7.84%	8.00%	8.15%	8.32%	8.48%	8.64%
\$155,000	7.54%	7.68%	7.83%	7.99%	8.16%	8.31%
\$160,000	7.26%	7.40%	7.54%	7.68%	7.85%	8.00%
\$165,000	6.99%	7.13%	7.27%	7.41%	7.56%	7.69%
\$170,000	6.72%	6.87%	7.01%	7.15%	7.30%	7.43%
\$175,000	6.47%	6.61%	6.75%	6.90%	7.04%	7.18%
\$180,000	6.25%	6.36%	6.50%	6.65%	6.79%	6.93%
\$185,000	6.05%	6.16%	6.27%	6.40%	6.55%	6.69%
\$190,000	5.85%	5.96%	6.08%	6.20%	6.32%	6.45%
\$195,000	5.65%	5.77%	5.88%	6.01%	6.13%	6.24%
\$200,000	5.46%	5.58%	5.70%	5.82%	5.94%	6.06%
\$205,000	5.28%	5.39%	5.51%	5.63%	5.76%	5.88%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>
	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>
\$210,000	5.12%	5.22%	5.33%	5.45%	5.58%	5.70%
\$215,000	4.97%	5.07%	5.16%	5.27%	5.40%	5.52%
\$220,000	4.82%	4.92%	5.02%	5.12%	5.23%	5.35%
\$225,000	4.67%	4.77%	4.87%	4.98%	5.09%	5.19%
\$230,000	4.52%	4.63%	4.73%	4.84%	4.95%	5.05%
\$235,000	4.38%	4.48%	4.59%	4.70%	4.81%	4.91%
\$240,000	4.27%	4.35%	4.45%	4.56%	4.67%	4.77%
\$245,000	4.15%	4.23%	4.32%	4.42%	4.53%	4.64%
\$250,000	4.03%	4.12%	4.21%	4.30%	4.40%	4.50%
\$255,000	3.92%	4.01%	4.09%	4.19%	4.29%	4.37%
\$260,000	3.81%	3.89%	3.98%	4.08%	4.18%	4.26%
\$265,000	3.70%	3.78%	3.87%	3.97%	4.07%	4.16%
\$270,000	3.61%	3.68%	3.77%	3.86%	3.96%	4.05%
\$275,000	3.52%	3.59%	3.67%	3.76%	3.86%	3.95%
\$280,000	3.42%	3.50%	3.58%	3.66%	3.75%	3.84%
\$285,000	3.33%	3.41%	3.49%	3.57%	3.66%	3.74%
\$290,000	3.24%	3.32%	3.40%	3.48%	3.57%	3.65%
\$295,000	3.15%	3.23%	3.31%	3.40%	3.48%	3.56%
\$300,000	3.07%	3.15%	3.23%	3.31%	3.40%	3.48%
\$305,000	3.00%	3.07%	3.14%	3.23%	3.32%	3.40%
\$310,000	2.93%	3.00%	3.06%	3.14%	3.23%	3.31%
\$315,000	2.86%	2.93%	2.99%	3.06%	3.15%	3.23%
\$320,000	2.79%	2.86%	2.92%	2.99%	3.07%	3.15%
\$325,000	2.72%	2.79%	2.86%	2.93%	3.00%	3.07%
\$330,000	2.66%	2.72%	2.79%	2.86%	2.93%	3.00%
\$335,000	2.59%	2.66%	2.72%	2.80%	2.87%	2.94%
\$340,000	2.52%	2.59%	2.66%	2.73%	2.80%	2.87%
\$345,000	2.45%	2.52%	2.59%	2.66%	2.74%	2.81%
\$350,000	2.39%	2.45%	2.52%	2.60%	2.68%	2.74%
\$355,000	2.34%	2.39%	2.46%	2.53%	2.61%	2.68%
\$360,000	2.28%	2.34%	2.39%	2.47%	2.55%	2.62%
\$365,000	2.23%	2.29%	2.34%	2.40%	2.48%	2.55%
\$370,000	2.18%	2.24%	2.29%	2.35%	2.42%	2.49%
\$375,000	2.13%	2.19%	2.24%	2.30%	2.36%	2.43%
\$380,000	2.08%	2.14%	2.19%	2.25%	2.31%	2.37%
\$385,000	2.03%	2.09%	2.14%	2.20%	2.26%	2.32%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>
	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>
\$390,000	1.98%	2.04%	2.09%	2.15%	2.21%	2.27%
\$395,000	1.92%	1.99%	2.04%	2.10%	2.17%	2.22%
\$400,000	1.87%	1.93%	1.99%	2.06%	2.12%	2.17%
\$405,000	1.82%	1.88%	1.94%	2.01%	2.07%	2.13%
\$410,000	1.78%	1.83%	1.89%	1.96%	2.02%	2.08%
\$415,000	1.75%	1.79%	1.85%	1.91%	1.97%	2.03%
\$420,000	1.71%	1.75%	1.80%	1.86%	1.93%	1.99%
\$425,000	1.68%	1.72%	1.76%	1.82%	1.88%	1.94%
\$430,000	1.64%	1.69%	1.73%	1.78%	1.84%	1.90%
\$435,000	1.61%	1.65%	1.70%	1.74%	1.79%	1.85%
\$440,000	1.57%	1.62%	1.66%	1.71%	1.76%	1.81%
\$445,000	1.53%	1.58%	1.63%	1.68%	1.73%	1.77%
\$450,000	1.50%	1.55%	1.59%	1.64%	1.70%	1.74%
\$455,000	1.46%	1.51%	1.56%	1.61%	1.66%	1.71%
\$460,000	1.43%	1.48%	1.53%	1.58%	1.63%	1.68%
\$465,000	1.39%	1.44%	1.49%	1.54%	1.60%	1.64%
\$470,000	1.37%	1.41%	1.46%	1.51%	1.56%	1.61%
\$475,000	1.34%	1.38%	1.42%	1.48%	1.53%	1.58%
\$480,000	1.32%	1.35%	1.39%	1.44%	1.50%	1.55%
\$485,000	1.29%	1.33%	1.36%	1.41%	1.47%	1.51%
\$490,000	1.27%	1.30%	1.34%	1.38%	1.43%	1.48%
\$495,000	1.24%	1.28%	1.31%	1.36%	1.40%	1.45%
\$500,000	1.21%	1.25%	1.29%	1.33%	1.37%	1.42%
\$505,000	1.19%	1.23%	1.27%	1.31%	1.35%	1.39%
\$510,000	1.16%	1.20%	1.24%	1.28%	1.32%	1.36%
\$515,000	1.14%	1.18%	1.22%	1.26%	1.30%	1.34%
\$520,000	1.11%	1.15%	1.19%	1.23%	1.28%	1.32%
\$525,000	1.09%	1.13%	1.17%	1.21%	1.25%	1.29%
\$530,000	1.07%	1.10%	1.14%	1.19%	1.23%	1.27%
\$535,000	1.05%	1.08%	1.12%	1.16%	1.20%	1.24%
\$540,000	1.03%	1.06%	1.09%	1.14%	1.18%	1.22%
\$545,000	1.01%	1.04%	1.07%	1.11%	1.16%	1.20%
\$550,000	0.99%	1.02%	1.05%	1.09%	1.13%	1.17%
\$555,000	0.97%	1.00%	1.04%	1.07%	1.11%	1.15%
\$560,000	0.95%	0.98%	1.02%	1.05%	1.09%	1.13%
\$565,000	0.93%	0.97%	1.00%	1.03%	1.07%	1.10%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>
	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>
\$570,000	0.91%	0.95%	0.98%	1.01%	1.05%	1.08%
\$575,000	0.89%	0.93%	0.96%	1.00%	1.03%	1.06%
\$580,000	0.87%	0.91%	0.94%	0.98%	1.01%	1.05%
\$585,000	0.86%	0.89%	0.92%	0.96%	1.00%	1.03%
\$590,000	0.84%	0.87%	0.90%	0.94%	0.98%	1.01%
\$595,000	0.82%	0.85%	0.89%	0.92%	0.96%	0.99%
\$600,000	0.80%	0.83%	0.87%	0.90%	0.94%	0.97%
\$605,000	0.78%	0.81%	0.85%	0.89%	0.92%	0.96%
\$610,000	0.76%	0.79%	0.83%	0.87%	0.91%	0.94%
\$615,000	0.74%	0.78%	0.81%	0.85%	0.89%	0.92%
\$620,000	0.72%	0.76%	0.79%	0.83%	0.87%	0.90%
\$625,000	0.70%	0.74%	0.77%	0.81%	0.85%	0.89%
\$630,000	0.69%	0.72%	0.75%	0.79%	0.83%	0.87%
\$635,000	0.68%	0.70%	0.74%	0.78%	0.81%	0.85%
\$640,000	0.67%	0.69%	0.72%	0.76%	0.80%	0.83%
\$645,000	0.66%	0.68%	0.70%	0.74%	0.78%	0.82%
\$650,000	0.65%	0.67%	0.69%	0.72%	0.76%	0.80%
\$655,000	0.64%	0.66%	0.68%	0.70%	0.74%	0.78%
\$660,000	0.64%	0.65%	0.67%	0.69%	0.73%	0.76%
\$665,000	0.63%	0.64%	0.66%	0.68%	0.71%	0.74%
\$670,000	0.62%	0.64%	0.65%	0.67%	0.69%	0.73%
\$675,000	0.61%	0.63%	0.64%	0.66%	0.68%	0.71%
\$680,000	0.60%	0.62%	0.64%	0.65%	0.67%	0.69%
\$685,000	0.59%	0.61%	0.63%	0.65%	0.66%	0.68%
\$690,000	0.58%	0.60%	0.62%	0.64%	0.66%	0.67%
\$695,000	0.58%	0.59%	0.61%	0.63%	0.65%	0.67%
\$700,000	0.57%	0.59%	0.60%	0.62%	0.64%	0.66%
\$705,000	0.56%	0.58%	0.59%	0.61%	0.63%	0.65%
\$710,000	0.55%	0.57%	0.59%	0.61%	0.62%	0.64%
\$715,000	0.54%	0.56%	0.58%	0.60%	0.62%	0.63%
\$720,000	0.53%	0.55%	0.57%	0.59%	0.61%	0.63%
\$725,000	0.52%	0.54%	0.56%	0.58%	0.60%	0.62%
\$730,000	0.52%	0.53%	0.55%	0.57%	0.59%	0.61%
\$735,000	0.51%	0.53%	0.55%	0.57%	0.58%	0.60%
\$740,000	0.50%	0.52%	0.54%	0.56%	0.58%	0.60%
\$745,000	0.49%	0.51%	0.53%	0.55%	0.57%	0.59%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$750,000	0.48%	0.50%	0.52%	0.54%	0.56%	0.58%
\$755,000	0.47%	0.49%	0.51%	0.53%	0.55%	0.57%
\$760,000	0.46%	0.48%	0.50%	0.52%	0.55%	0.56%
\$765,000	0.46%	0.48%	0.50%	0.52%	0.54%	0.56%
\$770,000	0.45%	0.47%	0.49%	0.51%	0.53%	0.55%
\$775,000	0.44%	0.46%	0.48%	0.50%	0.52%	0.54%
\$780,000	0.43%	0.45%	0.47%	0.49%	0.51%	0.53%
\$785,000	0.42%	0.44%	0.46%	0.48%	0.51%	0.53%
\$790,000	0.41%	0.43%	0.45%	0.48%	0.50%	0.52%
\$795,000	0.41%	0.43%	0.45%	0.47%	0.49%	0.51%
\$800,000	0.40%	0.42%	0.44%	0.46%	0.48%	0.50%
\$805,000	0.39%	0.41%	0.43%	0.45%	0.47%	0.49%
\$810,000	0.38%	0.40%	0.42%	0.44%	0.47%	0.49%
\$815,000	0.37%	0.39%	0.41%	0.44%	0.46%	0.48%
\$820,000	0.36%	0.38%	0.40%	0.43%	0.45%	0.47%
\$825,000	0.35%	0.38%	0.40%	0.42%	0.44%	0.46%
\$830,000	0.35%	0.37%	0.39%	0.41%	0.43%	0.45%
\$835,000	0.34%	0.36%	0.38%	0.40%	0.43%	0.45%
\$840,000	0.33%	0.35%	0.37%	0.40%	0.42%	0.44%
\$845,000	0.32%	0.34%	0.36%	0.39%	0.41%	0.43%
\$850,000	0.32%	0.33%	0.36%	0.38%	0.40%	0.42%
\$855,000	0.32%	0.33%	0.35%	0.37%	0.39%	0.42%
\$860,000	0.31%	0.32%	0.34%	0.36%	0.39%	0.41%
\$865,000	0.31%	0.32%	0.33%	0.36%	0.38%	0.40%
\$870,000	0.31%	0.32%	0.32%	0.35%	0.37%	0.39%
\$875,000	0.30%	0.31%	0.32%	0.34%	0.36%	0.38%
\$880,000	0.30%	0.31%	0.32%	0.33%	0.35%	0.38%
\$885,000	0.30%	0.31%	0.31%	0.32%	0.35%	0.37%
\$890,000	0.30%	0.30%	0.31%	0.32%	0.34%	0.36%
\$895,000	0.29%	0.30%	0.31%	0.32%	0.33%	0.35%
\$900,000	0.29%	0.30%	0.31%	0.31%	0.32%	0.35%
\$905,000	0.29%	0.29%	0.30%	0.31%	0.32%	0.34%
\$910,000	0.28%	0.29%	0.30%	0.31%	0.32%	0.33%
\$915,000	0.28%	0.29%	0.30%	0.31%	0.31%	0.32%
\$920,000	0.28%	0.29%	0.29%	0.30%	0.31%	0.32%
\$925,000	0.27%	0.28%	0.29%	0.30%	0.31%	0.32%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Merit Pooling Charge Factors**

**Exhibit 2B**

	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>
<u>Limit</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$930,000	0.27%	0.28%	0.29%	0.30%	0.31%	0.31%
\$935,000	0.27%	0.28%	0.29%	0.29%	0.30%	0.31%
\$940,000	0.27%	0.27%	0.28%	0.29%	0.30%	0.31%
\$945,000	0.26%	0.27%	0.28%	0.29%	0.30%	0.31%
\$950,000	0.26%	0.27%	0.28%	0.29%	0.29%	0.30%
\$955,000	0.26%	0.27%	0.27%	0.28%	0.29%	0.30%
\$960,000	0.25%	0.26%	0.27%	0.28%	0.29%	0.30%
\$965,000	0.25%	0.26%	0.27%	0.28%	0.29%	0.29%
\$970,000	0.25%	0.26%	0.27%	0.27%	0.28%	0.29%
\$975,000	0.24%	0.25%	0.26%	0.27%	0.28%	0.29%
\$980,000	0.24%	0.25%	0.26%	0.27%	0.28%	0.29%
\$985,000	0.24%	0.25%	0.26%	0.27%	0.27%	0.28%
\$990,000	0.24%	0.24%	0.25%	0.26%	0.27%	0.28%
\$995,000	0.23%	0.24%	0.25%	0.26%	0.27%	0.28%
\$1,000,000	0.23%	0.24%	0.25%	0.26%	0.27%	0.28%

\*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Medical Trend Development**

Exhibit 3A

**Illustration of Contract Normalization**

Month	Contract Increase	Normalization Factor	Experience Claims	Normalized Claims
Dec-10		1.1699	\$1,000,000	\$1,169,859
Jan-11		1.1699	\$1,000,000	\$1,169,859
Feb-11		1.1699	\$1,000,000	\$1,169,859
Mar-11		1.1699	\$1,000,000	\$1,169,859
Apr-11		1.1699	\$1,000,000	\$1,169,859
May-11		1.1699	\$1,000,000	\$1,169,859
Jun-11		1.1699	\$1,000,000	\$1,169,859
Jul-11		1.1699	\$1,000,000	\$1,169,859
Aug-11		1.1699	\$1,000,000	\$1,169,859
Sep-11		1.1699	\$1,000,000	\$1,169,859
Oct-11	1.0400	1.1249	\$1,000,000	\$1,124,864
Nov-11		1.1249	\$1,000,000	\$1,124,864
Dec-11		1.1249	\$1,000,000	\$1,124,864
Jan-12		1.1249	\$1,000,000	\$1,124,864
Feb-12		1.1249	\$1,000,000	\$1,124,864
Mar-12		1.1249	\$1,000,000	\$1,124,864
Apr-12		1.1249	\$1,000,000	\$1,124,864
May-12		1.1249	\$1,000,000	\$1,124,864
Jun-12		1.1249	\$1,000,000	\$1,124,864
Jul-12		1.1249	\$1,000,000	\$1,124,864
Aug-12		1.1249	\$1,000,000	\$1,124,864
Sep-12		1.1249	\$1,000,000	\$1,124,864
Oct-12	1.0400	1.0816	\$1,000,000	\$1,081,600
Nov-12		1.0816	\$1,000,000	\$1,081,600
Dec-12		1.0816	\$1,000,000	\$1,081,600
Jan-13		1.0816	\$1,000,000	\$1,081,600
Feb-13		1.0816	\$1,000,000	\$1,081,600
Mar-13		1.0816	\$1,000,000	\$1,081,600
Apr-13		1.0816	\$1,000,000	\$1,081,600
May-13		1.0816	\$1,000,000	\$1,081,600
Jun-13		1.0816	\$1,000,000	\$1,081,600
Jul-13		1.0816	\$1,000,000	\$1,081,600
Aug-13		1.0816	\$1,000,000	\$1,081,600
Sep-13		1.0816	\$1,000,000	\$1,081,600
Oct-13	1.0400	1.0400	\$1,000,000	\$1,040,000
Nov-13		1.0400	\$1,000,000	\$1,040,000
Dec-13		1.0400	\$1,000,000	\$1,040,000
Jan-14		1.0400	\$1,000,000	\$1,040,000
Feb-14		1.0400	\$1,000,000	\$1,040,000
Mar-14		1.0400	\$1,000,000	\$1,040,000
Apr-14		1.0400	\$1,000,000	\$1,040,000
May-14		1.0400	\$1,000,000	\$1,040,000
Jun-14		1.0400	\$1,000,000	\$1,040,000
Jul-14		1.0400	\$1,000,000	\$1,040,000
Aug-14		1.0400	\$1,000,000	\$1,040,000
Sep-14		1.0400	\$1,000,000	\$1,040,000
Oct-14	1.0400	1.0000	\$1,000,000	\$1,000,000
Nov-14		1.0000	\$1,000,000	\$1,000,000

The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Medical Trend Development

Exhibit 3B

Utilization Trend Calculation

Month	Membership	Original Claims	Original PMPM	Adjusted Claims - Normalized for Contract Changes	Adjusted PMPM	Regression on Adjusted PMPM - 46 Months	Regression on Adjusted PMPM - 36 Months	Regression on Adjusted PMPM - 24 Months
Dec-10	83,461	\$29,089,243	\$348.54	\$35,254,146	\$422.40	\$418.45	\$423.59	\$428.57
Jan-11	86,982	\$29,697,465	\$341.42	\$35,966,260	\$413.49	\$418.10	\$423.06	\$427.93
Feb-11	87,333	\$26,855,498	\$307.51	\$32,438,796	\$371.44	\$417.74	\$422.54	\$427.28
Mar-11	87,329	\$32,935,718	\$377.15	\$39,696,596	\$454.56	\$417.42	\$422.06	\$426.69
Apr-11	87,299	\$28,800,140	\$329.90	\$34,597,446	\$396.31	\$417.07	\$421.54	\$426.05
May-11	86,555	\$29,996,932	\$346.56	\$35,864,574	\$414.36	\$416.73	\$421.03	\$425.42
Jun-11	86,395	\$30,595,034	\$354.13	\$36,700,377	\$424.80	\$416.38	\$420.51	\$424.78
Jul-11	87,651	\$29,533,039	\$336.94	\$35,407,319	\$403.96	\$416.04	\$420.00	\$424.16
Aug-11	88,452	\$32,730,126	\$370.03	\$39,127,316	\$442.36	\$415.68	\$419.48	\$423.52
Sep-11	88,563	\$30,260,170	\$341.68	\$36,213,427	\$408.90	\$415.33	\$418.96	\$422.88
Oct-11	90,397	\$32,406,017	\$358.49	\$37,887,854	\$419.13	\$414.99	\$418.46	\$422.26
Nov-11	90,536	\$32,754,934	\$361.79	\$37,486,098	\$414.05	\$414.64	\$417.94	\$421.62
Dec-11	90,407	\$33,872,328	\$374.66	\$38,708,414	\$428.16	\$414.30	\$417.43	\$421.00
Jan-12	89,059	\$33,013,787	\$370.70	\$37,514,332	\$421.23	\$413.95	\$416.92	\$420.37
Feb-12	89,292	\$34,251,661	\$383.59	\$38,856,262	\$435.16	\$413.60	\$416.40	\$419.73
Mar-12	89,053	\$33,947,433	\$381.20	\$38,445,872	\$431.72	\$413.27	\$415.91	\$419.14
Apr-12	89,457	\$32,242,788	\$360.43	\$36,465,566	\$407.63	\$412.93	\$415.40	\$418.50
May-12	89,590	\$33,418,933	\$373.02	\$37,711,799	\$420.94	\$412.59	\$414.90	\$417.89
Jun-12	89,612	\$32,132,687	\$358.58	\$36,223,993	\$404.23	\$412.24	\$414.38	\$417.26
Jul-12	89,564	\$30,840,645	\$344.34	\$34,537,940	\$385.62	\$411.90	\$413.89	\$416.65
Aug-12	89,555	\$33,505,832	\$374.14	\$37,594,962	\$419.80	\$411.55	\$413.37	\$416.02
Sep-12	89,831	\$30,146,046	\$335.59	\$33,839,294	\$376.70	\$411.20	\$412.86	\$415.39
Oct-12	91,193	\$36,515,918	\$400.42	\$40,324,954	\$442.19	\$410.87	\$412.36	\$414.78
Nov-12	90,891	\$33,762,455	\$371.46	\$37,502,247	\$412.61	\$410.52	\$411.85	\$414.15
Dec-12	90,742	\$30,474,521	\$335.84	\$32,470,474	\$357.83	\$410.19	\$411.35	\$413.54
Jan-13	91,706	\$37,216,880	\$405.83	\$39,557,099	\$431.35	\$409.84	\$410.84	\$412.92
Feb-13	91,606	\$35,141,828	\$383.62	\$37,304,498	\$407.23	\$409.49	\$410.33	\$412.29
Mar-13	91,634	\$36,510,686	\$398.44	\$38,684,071	\$422.16	\$409.18	\$409.87	\$411.73
Apr-13	91,459	\$36,369,163	\$397.66	\$38,460,790	\$420.52	\$408.83	\$409.36	\$411.11
May-13	91,696	\$37,302,133	\$406.80	\$39,405,813	\$429.74	\$408.50	\$408.87	\$410.51
Jun-13	91,605	\$34,725,404	\$379.08	\$36,610,011	\$399.65	\$408.15	\$408.36	\$409.89
Jul-13	91,607	\$35,745,238	\$390.20	\$37,573,980	\$410.16	\$407.82	\$407.87	\$409.29
Aug-13	91,551	\$35,977,622	\$392.98	\$37,773,468	\$412.59	\$407.47	\$407.37	\$408.67
Sep-13	91,950	\$31,715,953	\$344.93	\$33,224,380	\$361.33	\$407.13	\$406.86	\$408.05
Oct-13	91,962	\$37,256,065	\$405.12	\$38,826,013	\$422.20	\$406.80	\$406.37	\$407.45
Nov-13	91,833	\$34,874,255	\$379.76	\$36,297,563	\$395.26	\$406.45	\$405.87	\$406.83
Dec-13	91,784	\$37,123,129	\$404.46	\$38,599,973	\$420.55	\$406.12	\$405.38	\$406.24
Jan-14	90,882	\$38,778,159	\$426.69	\$39,768,343	\$437.58	\$405.78	\$404.87	\$405.62
Feb-14	90,861	\$33,849,352	\$372.54	\$34,675,345	\$381.63	\$405.43	\$404.37	\$405.01
Mar-14	90,688	\$36,169,505	\$398.83	\$36,993,287	\$407.92	\$405.12	\$403.92	\$404.46
Apr-14	90,373	\$38,667,573	\$427.87	\$39,467,078	\$436.71	\$404.78	\$403.42	\$403.85
May-14	90,873	\$35,621,297	\$391.99	\$36,318,974	\$399.67	\$404.45	\$402.93	\$403.25
Jun-14	90,630	\$37,204,316	\$410.51	\$37,905,432	\$418.24	\$404.11	\$402.43	\$402.64
Jul-14	89,733	\$36,474,363	\$406.48	\$36,932,983	\$411.59	\$403.78	\$401.95	\$402.06
Aug-14	89,692	\$33,744,754	\$376.23	\$34,130,952	\$380.54	\$403.44	\$401.45	\$401.45
Sep-14	90,383	\$34,179,524	\$378.16	\$34,510,662	\$381.83	\$403.09	\$400.95	\$400.84
Oct-14	90,509	\$38,606,780	\$426.55	\$38,668,507	\$427.23	\$402.76	\$400.47	\$400.25
Nov-14	90,400	\$31,894,088	\$352.81	\$31,894,088	\$352.81	\$402.42	\$399.97	\$399.65

Annual Increase

-1.0%

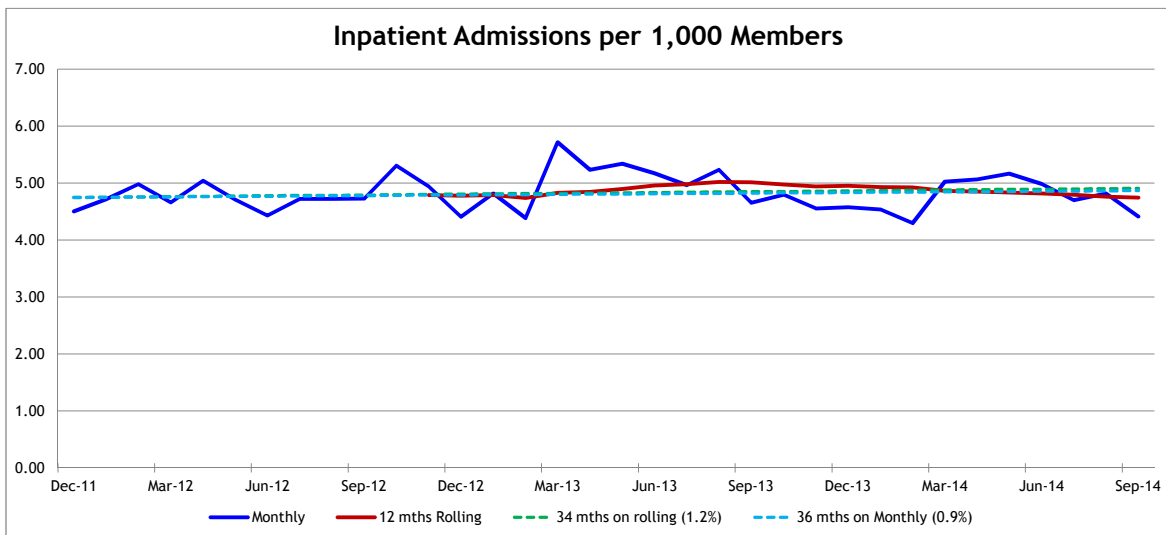
-1.5%

-1.8%

Inpatient Admissions per 1,000 Members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Admissions	Members	Admissions per 1,000 Members	Monthly Utilization Trend	Admissions	Members	Admissions per 1,000 Members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Oct-11	427	90,397	4.72							
Nov-11	387	90,536	4.27							
Dec-11	407	90,407	4.50						4.75	4.75
Jan-12	420	89,059	4.72						4.75	4.75
Feb-12	445	89,292	4.98						4.76	4.76
Mar-12	415	89,053	4.66						4.76	4.76
Apr-12	451	89,457	5.04						4.76	4.77
May-12	422	89,590	4.71						4.77	4.77
Jun-12	397	89,612	4.43						4.77	4.78
Jul-12	423	89,564	4.72						4.77	4.78
Aug-12	423	89,555	4.72						4.78	4.79
Sep-12	425	89,831	4.73						4.78	4.79
Oct-12	484	91,193	5.31						4.78	4.80
Nov-12	449	90,891	4.94		5,161	1,077,504	4.79		4.79	4.80
Dec-12	400	90,742	4.41	-2.1%	5,154	1,077,839	4.78		4.79	4.81
Jan-13	442	91,706	4.82	2.2%	5,176	1,080,486	4.79		4.80	4.81
Feb-13	402	91,606	4.39	-11.9%	5,133	1,082,800	4.74		4.80	4.82
Mar-13	524	91,634	5.72	22.7%	5,242	1,085,381	4.83		4.80	4.82
Apr-13	479	91,459	5.24	3.9%	5,270	1,087,383	4.85		4.81	4.83
May-13	490	91,696	5.34	13.5%	5,338	1,089,489	4.90		4.81	4.83
Jun-13	474	91,605	5.17	16.8%	5,415	1,091,482	4.96		4.81	4.84
Jul-13	455	91,607	4.97	5.2%	5,447	1,093,525	4.98		4.82	4.84
Aug-13	479	91,551	5.23	10.8%	5,503	1,095,521	5.02		4.82	4.85
Sep-13	428	91,950	4.65	-1.6%	5,506	1,097,640	5.02		4.82	4.85
Oct-13	441	91,962	4.80	-9.6%	5,463	1,098,409	4.97		4.83	4.86
Nov-13	418	91,833	4.55	-7.9%	5,432	1,099,351	4.94	3.2%	4.83	4.86
Dec-13	420	91,784	4.58	3.8%	5,452	1,100,393	4.95	3.6%	4.84	4.87
Jan-14	412	90,882	4.54	-5.9%	5,423	1,099,569	4.93	2.9%	4.84	4.87
Feb-14	390	90,861	4.30	-2.1%	5,411	1,098,824	4.92	3.9%	4.84	4.88
Mar-14	456	90,688	5.02	-12.1%	5,343	1,097,878	4.87	0.8%	4.85	4.88
Apr-14	458	90,373	5.07	-3.3%	5,321	1,096,792	4.85	0.1%	4.85	4.88
May-14	469	90,873	5.17	-3.3%	5,301	1,095,969	4.84	-1.3%	4.85	4.89
Jun-14	452	90,630	4.99	-3.6%	5,279	1,094,994	4.82	-2.8%	4.86	4.89
Jul-14	422	89,733	4.70	-5.4%	5,246	1,093,120	4.80	-3.7%	4.86	4.90
Aug-14	432	89,692	4.82	-7.9%	5,199	1,091,261	4.76	-5.2%	4.86	4.90
Sep-14	399	90,383	4.41	-5.2%	5,170	1,089,694	4.74	-5.4%	4.87	4.91

Exponential Trend: 0.9% 1.2%

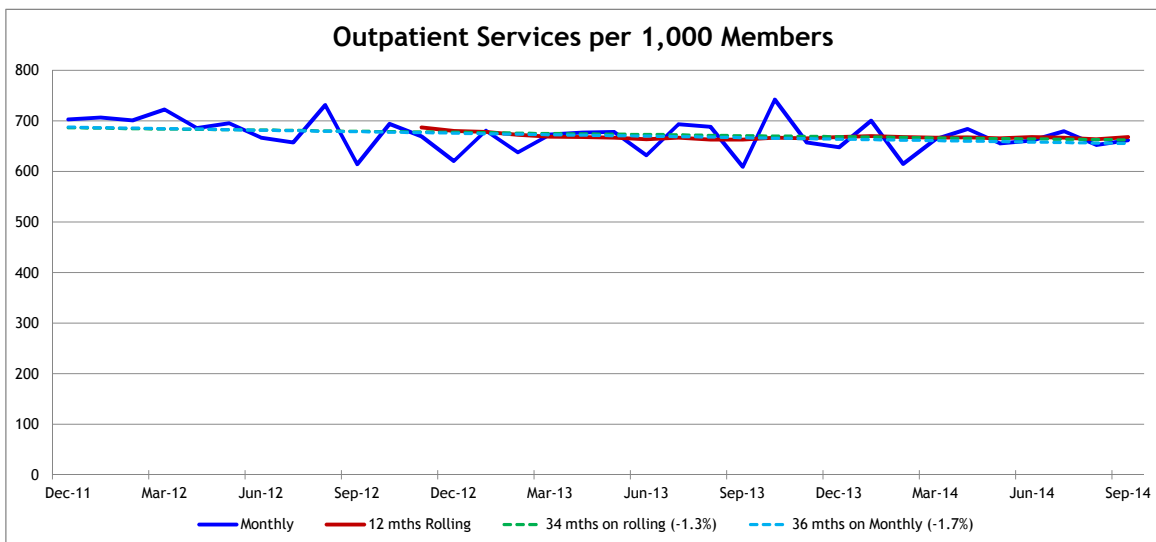




Outpatient Services per 1,000 Members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Services	Members	Services per 1,000 Members	Monthly Utilization Trend	Services	Members	Services per 1,000 Members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Oct-11	61,585	90,397	681.27							
Nov-11	62,248	90,536	687.55							
Dec-11	63,546	90,407	702.89						687.55	686.17
Jan-12	62,950	89,059	706.83						686.52	685.41
Feb-12	62,601	89,292	701.08						685.50	684.66
Mar-12	64,328	89,053	722.36						684.54	683.95
Apr-12	61,344	89,457	685.74						683.52	683.19
May-12	62,271	89,590	695.07						682.53	682.46
Jun-12	59,735	89,612	666.59						681.51	681.70
Jul-12	58,872	89,564	657.32						680.53	680.97
Aug-12	65,459	89,555	730.94						679.51	680.22
Sep-12	55,160	89,831	614.04						678.50	679.47
Oct-12	63,292	91,193	694.04						677.52	678.74
Nov-12	60,812	90,891	669.07		740,370	1,077,504	687.12		676.51	677.99
Dec-12	56,312	90,742	620.57	-11.7%	733,136	1,077,839	680.19		675.53	677.26
Jan-13	62,414	91,706	680.59	-3.7%	732,600	1,080,486	678.03		674.52	676.51
Feb-13	58,379	91,606	637.28	-9.1%	728,378	1,082,800	672.68		673.51	675.77
Mar-13	61,659	91,634	672.89	-6.8%	725,709	1,085,381	668.62		672.61	675.09
Apr-13	61,890	91,459	676.69	-1.3%	726,255	1,087,383	667.89		671.60	674.34
May-13	62,190	91,696	678.22	-2.4%	726,175	1,089,489	666.53		670.63	673.62
Jun-13	57,904	91,605	632.11	-5.2%	724,344	1,091,482	663.63		669.63	672.88
Jul-13	63,499	91,607	693.16	5.5%	728,971	1,093,525	666.62		668.66	672.16
Aug-13	62,996	91,551	688.10	-5.9%	726,507	1,095,521	663.16		667.67	671.41
Sep-13	56,019	91,950	609.23	-0.8%	727,366	1,097,640	662.66		666.67	670.67
Oct-13	68,232	91,962	741.95	6.9%	732,306	1,098,409	666.70		665.71	669.95
Nov-13	60,366	91,833	657.35	-1.8%	731,860	1,099,351	665.72	-3.1%	664.71	669.21
Dec-13	59,441	91,784	647.62	4.4%	734,989	1,100,393	667.93	-1.8%	663.75	668.49
Jan-14	63,632	90,882	700.16	2.9%	736,207	1,099,569	669.54	-1.3%	662.76	667.75
Feb-14	55,842	90,861	614.58	-3.6%	733,670	1,098,824	667.69	-0.7%	661.77	667.01
Mar-14	60,150	90,688	663.26	-1.4%	732,160	1,097,878	666.89	-0.3%	660.88	666.35
Apr-14	61,816	90,373	684.01	1.1%	732,086	1,096,792	667.48	-0.1%	659.89	665.61
May-14	59,543	90,873	655.23	-3.4%	729,439	1,095,969	665.57	-0.1%	658.94	664.90
Jun-14	59,922	90,630	661.18	4.6%	731,457	1,094,994	668.00	0.7%	657.96	664.16
Jul-14	60,961	89,733	679.36	-2.0%	728,919	1,093,120	666.82	0.0%	657.01	663.45
Aug-14	58,464	89,692	651.84	-5.3%	724,388	1,091,261	663.81	0.1%	656.03	662.72
Sep-14	59,772	90,383	661.32	8.6%	728,141	1,089,694	668.21	0.8%	655.05	661.98

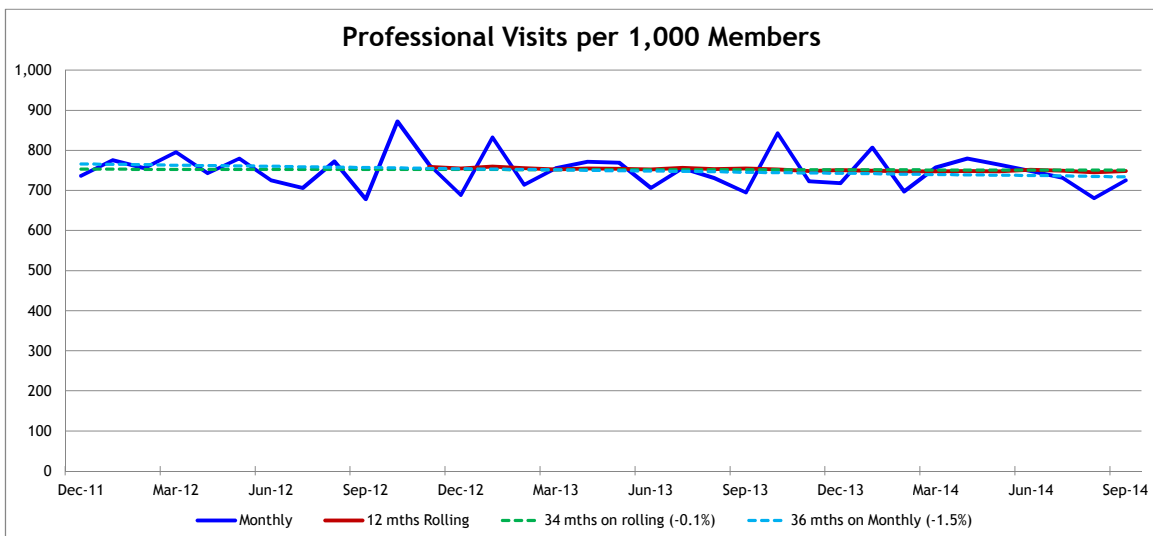
Exponential Trend: -1.7% -1.3%



Professional Visits per 1,000 Members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Visits	Members	Visits per 1,000 Members	Monthly Utilization Trend	Visits	Members	Visits per 1,000 Members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Oct-11	73,799	90,397	816.39							
Nov-11	69,225	90,536	764.61							
Dec-11	66,591	90,407	736.57						765.97	752.86
Jan-12	69,091	89,059	775.79						764.97	752.79
Feb-12	67,484	89,292	755.77						763.96	752.73
Mar-12	70,814	89,053	795.19						763.03	752.67
Apr-12	66,438	89,457	742.68						762.03	752.60
May-12	69,809	89,590	779.21						761.06	752.54
Jun-12	64,985	89,612	725.18						760.06	752.48
Jul-12	63,269	89,564	706.41						759.10	752.41
Aug-12	69,132	89,555	771.95						758.11	752.35
Sep-12	60,899	89,831	677.93						757.11	752.28
Oct-12	79,514	91,193	871.94						756.15	752.22
Nov-12	69,483	90,891	764.46		817,509	1,077,504	758.71		755.16	752.16
Dec-12	62,455	90,742	688.27	-6.6%	813,374	1,077,839	754.63		754.20	752.09
Jan-13	76,298	91,706	831.99	7.2%	820,581	1,080,486	759.46		753.22	752.03
Feb-13	65,422	91,606	714.17	-5.5%	818,519	1,082,800	755.93		752.23	751.96
Mar-13	69,261	91,634	755.84	-4.9%	816,966	1,085,381	752.70		751.34	751.90
Apr-13	70,565	91,459	771.55	3.9%	821,093	1,087,383	755.11		750.35	751.84
May-13	70,525	91,696	769.12	-1.3%	821,809	1,089,489	754.31		749.40	751.78
Jun-13	64,671	91,605	705.98	-2.6%	821,496	1,091,482	752.64		748.42	751.71
Jul-13	69,187	91,607	755.26	6.9%	827,414	1,093,525	756.65		747.47	751.65
Aug-13	66,905	91,551	730.80	-5.3%	825,187	1,095,521	753.24		746.49	751.58
Sep-13	63,928	91,950	695.25	2.6%	828,216	1,097,640	754.54		745.51	751.52
Oct-13	77,518	91,962	842.93	-3.3%	826,219	1,098,409	752.20		744.57	751.46
Nov-13	66,401	91,833	723.06	-5.4%	823,137	1,099,351	748.75	-1.3%	743.59	751.39
Dec-13	65,886	91,784	717.83	4.3%	826,568	1,100,393	751.16	-0.5%	742.65	751.33
Jan-14	73,318	90,882	806.74	-3.0%	823,588	1,099,569	749.01	-1.4%	741.68	751.26
Feb-14	63,390	90,861	697.66	-2.3%	821,556	1,098,824	747.67	-1.1%	740.70	751.20
Mar-14	68,666	90,688	757.17	0.2%	820,961	1,097,878	747.77	-0.7%	739.83	751.14
Apr-14	70,428	90,373	779.31	1.0%	820,824	1,096,792	748.39	-0.9%	738.86	751.08
May-14	69,457	90,873	764.33	-0.6%	819,756	1,095,969	747.97	-0.8%	737.92	751.01
Jun-14	67,815	90,630	748.27	6.0%	822,900	1,094,994	751.51	-0.2%	736.95	750.95
Jul-14	65,659	89,733	731.72	-3.1%	819,372	1,093,120	749.57	-0.9%	736.02	750.89
Aug-14	61,066	89,692	680.84	-6.8%	813,532	1,091,261	745.50	-1.0%	735.06	750.82
Sep-14	65,539	90,383	725.12	4.3%	815,143	1,089,694	748.05	-0.9%	734.09	750.76

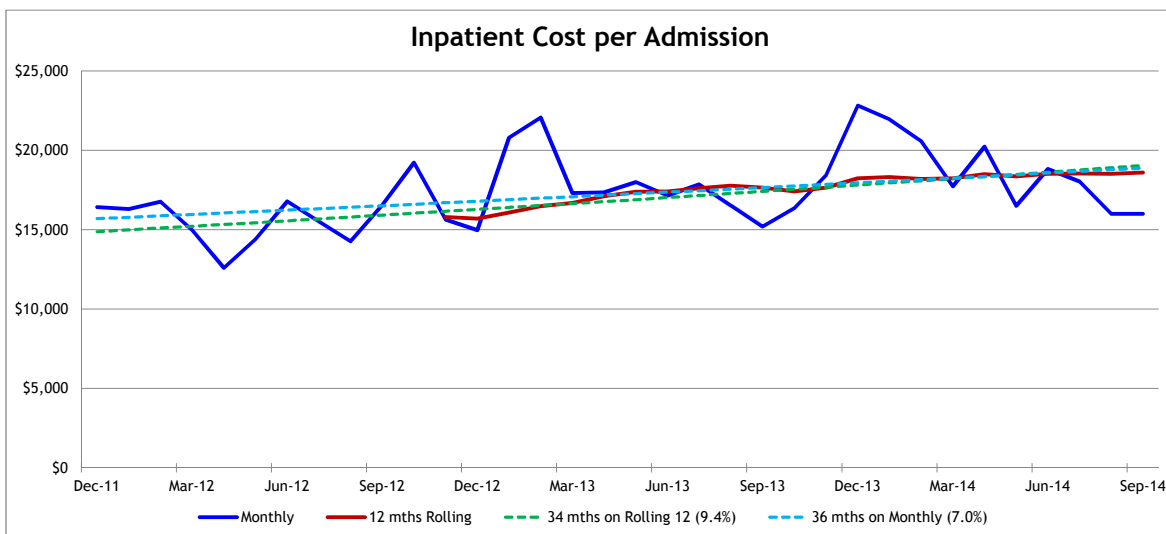
Exponential Trend: -1.5% -0.1%



Inpatient Cost per Admission

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Admissions	Allowed Charge	Cost/Admission	Monthly Cost Trend	Admissions	Allowed Charge	Cost/Admission	Annual Cost Trend	Monthly Data	Rolling 12 Data
Oct-11	427	\$6,659,106	\$15,595							
Nov-11	387	\$6,172,392	\$15,949							
Dec-11	407	\$6,687,682	\$16,432						\$15,699	\$14,881
Jan-12	420	\$6,849,036	\$16,307						\$15,789	\$14,995
Feb-12	445	\$7,465,287	\$16,776						\$15,879	\$15,110
Mar-12	415	\$6,212,478	\$14,970						\$15,964	\$15,218
Apr-12	451	\$5,676,478	\$12,586						\$16,056	\$15,335
May-12	422	\$6,083,081	\$14,414						\$16,145	\$15,448
Jun-12	397	\$6,669,760	\$16,800						\$16,238	\$15,566
Jul-12	423	\$6,564,558	\$15,518						\$16,328	\$15,682
Aug-12	423	\$6,032,367	\$14,260						\$16,421	\$15,802
Sep-12	425	\$7,034,086	\$16,550						\$16,516	\$15,923
Oct-12	484	\$9,303,422	\$19,220						\$16,607	\$16,041
Nov-12	449	\$7,026,617	\$15,648		5,161	\$81,604,850	\$15,811		\$16,702	\$16,164
Dec-12	400	\$5,988,854	\$14,972	-8.9%	5,154	\$80,906,022	\$15,697		\$16,795	\$16,284
Jan-13	442	\$9,194,797	\$20,802	27.6%	5,176	\$83,251,783	\$16,084		\$16,891	\$16,408
Feb-13	402	\$8,871,420	\$22,067	31.5%	5,133	\$84,657,916	\$16,492		\$16,988	\$16,534
Mar-13	524	\$9,075,058	\$17,318	15.7%	5,242	\$87,520,496	\$16,695		\$17,076	\$16,648
Apr-13	479	\$8,312,145	\$17,353	37.9%	5,270	\$90,156,163	\$17,107		\$17,174	\$16,776
May-13	490	\$8,820,441	\$17,999	24.9%	5,338	\$92,893,523	\$17,401		\$17,269	\$16,900
Jun-13	474	\$8,134,197	\$17,160	2.1%	5,415	\$94,357,961	\$17,424		\$17,368	\$17,029
Jul-13	455	\$8,124,123	\$17,853	15.0%	5,447	\$95,917,526	\$17,608		\$17,465	\$17,156
Aug-13	479	\$7,913,458	\$16,520	15.8%	5,503	\$97,798,617	\$17,771		\$17,565	\$17,287
Sep-13	428	\$6,507,562	\$15,205	-8.1%	5,506	\$97,272,093	\$17,666		\$17,666	\$17,419
Oct-13	441	\$7,221,881	\$16,374	-14.8%	5,463	\$95,190,552	\$17,424		\$17,764	\$17,548
Nov-13	418	\$7,713,317	\$18,450	17.9%	5,432	\$95,877,253	\$17,649	11.6%	\$17,865	\$17,683
Dec-13	420	\$9,585,803	\$22,816	52.4%	5,452	\$99,474,202	\$18,244	16.2%	\$17,965	\$17,814
Jan-14	412	\$9,053,049	\$21,959	5.6%	5,423	\$99,332,454	\$18,318	13.9%	\$18,068	\$17,950
Feb-14	390	\$8,034,390	\$20,584	-6.7%	5,411	\$98,495,425	\$18,203	10.4%	\$18,171	\$18,088
Mar-14	456	\$8,078,744	\$17,729	2.4%	5,343	\$97,499,111	\$18,249	9.3%	\$18,265	\$18,213
Apr-14	458	\$9,270,748	\$20,247	16.7%	5,321	\$98,457,714	\$18,502	8.2%	\$18,370	\$18,352
May-14	469	\$7,750,139	\$16,511	-8.3%	5,301	\$97,387,412	\$18,372	5.6%	\$18,472	\$18,488
Jun-14	452	\$8,514,190	\$18,834	9.8%	5,279	\$97,767,405	\$18,520	6.3%	\$18,578	\$18,630
Jul-14	422	\$7,610,009	\$18,038	1.0%	5,246	\$97,253,291	\$18,539	5.3%	\$18,681	\$18,768
Aug-14	432	\$6,921,015	\$16,013	-3.1%	5,199	\$96,260,848	\$18,516	4.2%	\$18,788	\$18,912
Sep-14	399	\$6,383,868	\$16,008	5.3%	5,170	\$96,137,154	\$18,596	5.3%	\$18,896	\$19,056

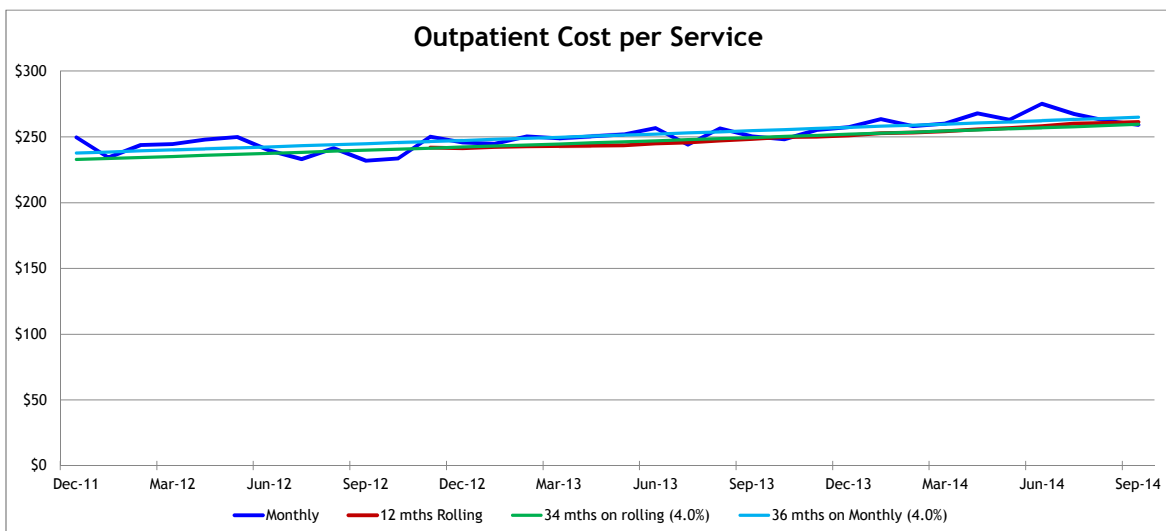
Exponential Trend: 7.0% 9.4%



Outpatient Cost per Service

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Services	Allowed Charge	Cost/Service	Monthly Cost Trend	Services	Allowed Charge	Cost/Service	Annual Cost Trend	Monthly Data	Rolling 12 Data
Oct-11	61,585	\$14,352,026	\$233							
Nov-11	62,248	\$15,119,820	\$243							
Dec-11	63,546	\$15,860,913	\$250						\$238	\$233
Jan-12	62,950	\$14,741,315	\$234						\$238	\$234
Feb-12	62,601	\$15,265,262	\$244						\$239	\$234
Mar-12	64,328	\$15,730,496	\$245						\$240	\$235
Apr-12	61,344	\$15,211,894	\$248						\$241	\$236
May-12	62,271	\$15,560,567	\$250						\$242	\$237
Jun-12	59,735	\$14,308,825	\$240						\$242	\$237
Jul-12	58,872	\$13,725,338	\$233						\$243	\$238
Aug-12	65,459	\$15,805,686	\$241						\$244	\$239
Sep-12	55,160	\$12,794,811	\$232						\$245	\$240
Oct-12	63,292	\$14,778,455	\$233						\$246	\$241
Nov-12	60,812	\$15,205,460	\$250		740,370	\$178,989,022	\$242		\$246	\$241
Dec-12	56,312	\$13,843,305	\$246	-1.5%	733,136	\$176,971,414	\$241		\$247	\$242
Jan-13	62,414	\$15,275,052	\$245	4.5%	732,600	\$177,505,150	\$242		\$248	\$243
Feb-13	58,379	\$14,609,982	\$250	2.6%	728,378	\$176,849,870	\$243		\$249	\$244
Mar-13	61,659	\$15,351,205	\$249	1.8%	725,709	\$176,470,580	\$243		\$250	\$245
Apr-13	61,890	\$15,499,339	\$250	1.0%	726,255	\$176,758,025	\$243		\$251	\$245
May-13	62,190	\$15,660,385	\$252	0.8%	726,175	\$176,857,842	\$244		\$251	\$246
Jun-13	57,904	\$14,864,295	\$257	7.2%	724,344	\$177,413,313	\$245		\$252	\$247
Jul-13	63,499	\$15,496,769	\$244	4.7%	728,971	\$179,184,744	\$246		\$253	\$248
Aug-13	62,996	\$16,153,924	\$256	6.2%	726,507	\$179,532,982	\$247		\$254	\$249
Sep-13	56,019	\$14,019,866	\$250	7.9%	727,366	\$180,758,036	\$249		\$255	\$249
Oct-13	68,232	\$16,924,428	\$248	6.2%	732,306	\$182,904,009	\$250		\$256	\$250
Nov-13	60,366	\$15,401,017	\$255	2.0%	731,860	\$183,099,566	\$250	3.5%	\$256	\$251
Dec-13	59,441	\$15,301,422	\$257	4.7%	734,989	\$184,557,683	\$251	4.0%	\$257	\$252
Jan-14	63,632	\$16,763,583	\$263	7.6%	736,207	\$186,046,215	\$253	4.3%	\$258	\$253
Feb-14	55,842	\$14,408,054	\$258	3.1%	733,670	\$185,844,288	\$253	4.3%	\$259	\$254
Mar-14	60,150	\$15,647,534	\$260	4.5%	732,160	\$186,140,616	\$254	4.6%	\$260	\$254
Apr-14	61,816	\$16,555,067	\$268	6.9%	732,086	\$187,196,344	\$256	5.1%	\$261	\$255
May-14	59,543	\$15,665,227	\$263	4.5%	729,439	\$187,201,187	\$257	5.4%	\$261	\$256
Jun-14	59,922	\$16,483,502	\$275	7.2%	731,457	\$188,820,393	\$258	5.4%	\$262	\$257
Jul-14	60,961	\$16,301,289	\$267	9.6%	728,919	\$189,624,913	\$260	5.8%	\$263	\$258
Aug-14	58,464	\$15,326,608	\$262	2.2%	724,388	\$188,797,597	\$261	5.5%	\$264	\$259
Sep-14	59,772	\$15,480,714	\$259	3.5%	728,141	\$190,258,445	\$261	5.1%	\$265	\$259

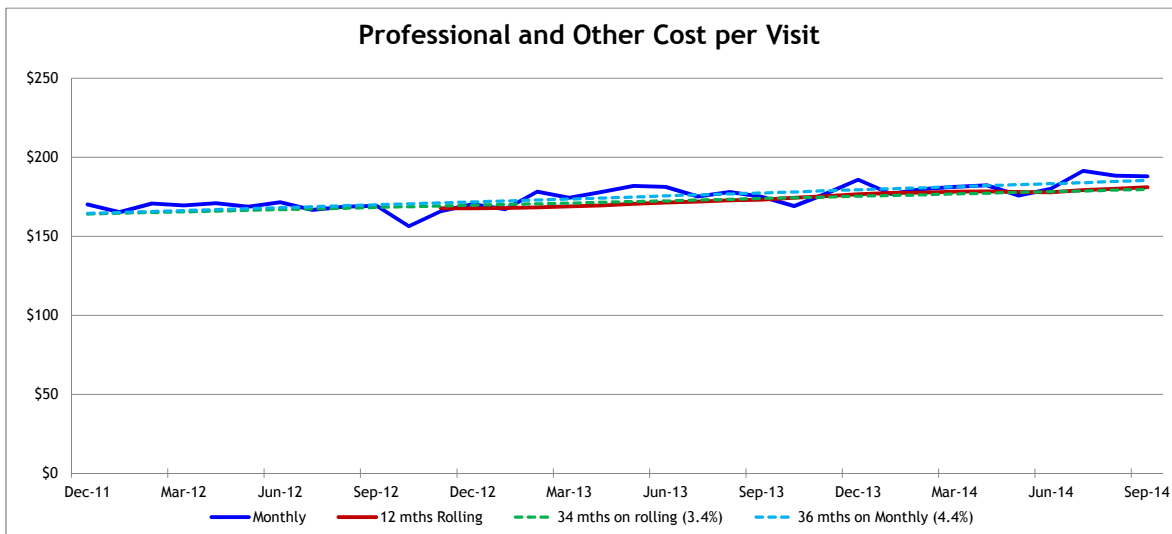
Exponential Trend: 4.0% 4.0%



Professional and Other Cost per Visit

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Visits	Allowed Charge	Cost/ Visit	Monthly Cost Trend	Visits	Adjusted Allowed Charge	Cost/ Visit	Annual Cost Trend	Monthly Data	Rolling 12 Data
Oct-11	73,799	\$11,394,885	\$154							
Nov-11	69,225	\$11,462,722	\$166							
Dec-11	66,591	\$11,323,733	\$170						\$164	\$164
Jan-12	69,091	\$11,423,436	\$165						\$165	\$165
Feb-12	67,484	\$11,521,112	\$171						\$166	\$165
Mar-12	70,814	\$12,004,460	\$170						\$166	\$165
Apr-12	66,438	\$11,354,417	\$171						\$167	\$166
May-12	69,809	\$11,775,285	\$169						\$167	\$166
Jun-12	64,985	\$11,154,102	\$172						\$168	\$167
Jul-12	63,269	\$10,550,749	\$167						\$169	\$167
Aug-12	69,132	\$11,667,779	\$169						\$169	\$168
Sep-12	60,899	\$10,317,149	\$169						\$170	\$168
Oct-12	79,514	\$12,434,041	\$156						\$171	\$169
Nov-12	69,483	\$11,530,378	\$166		817,509	\$137,056,640	\$168		\$171	\$169
Dec-12	62,455	\$10,642,362	\$170	0.2%	813,374	\$136,375,270	\$168		\$172	\$170
Jan-13	76,298	\$12,747,031	\$167	1.0%	820,581	\$137,698,864	\$168		\$172	\$170
Feb-13	65,422	\$11,660,427	\$178	4.4%	818,519	\$137,838,179	\$168		\$173	\$171
Mar-13	69,261	\$12,084,423	\$174	2.9%	816,966	\$137,918,142	\$169		\$174	\$171
Apr-13	70,565	\$12,557,679	\$178	4.1%	821,093	\$139,121,405	\$169		\$174	\$171
May-13	70,525	\$12,821,307	\$182	7.8%	821,809	\$140,167,427	\$171		\$175	\$172
Jun-13	64,671	\$11,726,912	\$181	5.6%	821,496	\$140,740,236	\$171		\$176	\$172
Jul-13	69,187	\$12,124,346	\$175	5.1%	827,414	\$142,313,833	\$172		\$176	\$173
Aug-13	66,905	\$11,910,241	\$178	5.5%	825,187	\$142,556,294	\$173		\$177	\$173
Sep-13	63,928	\$11,188,526	\$175	3.3%	828,216	\$143,427,671	\$173		\$177	\$174
Oct-13	77,518	\$13,109,756	\$169	8.2%	826,219	\$144,103,387	\$174		\$178	\$174
Nov-13	66,401	\$11,759,921	\$177	6.7%	823,137	\$144,332,931	\$175	4.6%	\$179	\$175
Dec-13	65,886	\$12,235,904	\$186	9.0%	826,568	\$145,926,472	\$177	5.3%	\$179	\$175
Jan-14	73,318	\$12,961,526	\$177	5.8%	823,588	\$146,140,968	\$177	5.7%	\$180	\$176
Feb-14	63,390	\$11,406,907	\$180	1.0%	821,556	\$145,887,448	\$178	5.4%	\$181	\$176
Mar-14	68,666	\$12,443,227	\$181	3.9%	820,961	\$146,246,252	\$178	5.5%	\$181	\$177
Apr-14	70,428	\$12,841,758	\$182	2.5%	820,824	\$146,530,331	\$179	5.4%	\$182	\$177
May-14	69,457	\$12,205,931	\$176	-3.3%	819,756	\$145,914,955	\$178	4.4%	\$183	\$178
Jun-14	67,815	\$12,206,624	\$180	-0.7%	822,900	\$146,394,667	\$178	3.8%	\$183	\$178
Jul-14	65,659	\$12,563,065	\$191	9.2%	819,372	\$146,833,386	\$179	4.2%	\$184	\$179
Aug-14	61,066	\$11,497,131	\$188	5.8%	813,532	\$146,420,276	\$180	4.2%	\$185	\$179
Sep-14	65,539	\$12,314,943	\$188	7.4%	815,143	\$147,546,693	\$181	4.5%	\$185	\$180

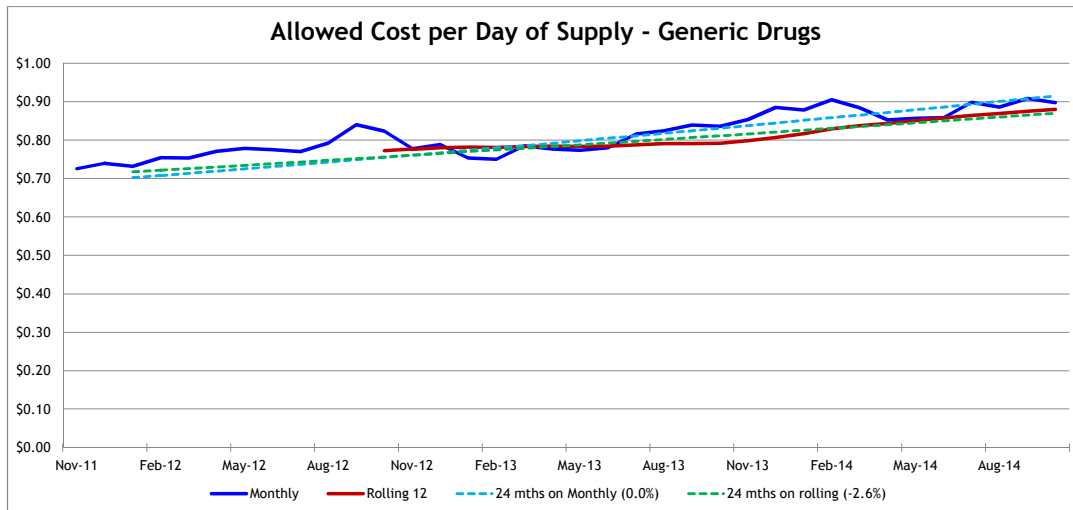
Exponential Trend: 4.4% 3.4%



Generic Drugs - Cost Trend

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Supply	Adjusted Allowed Charge	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted Allowed Charge	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
Nov-11	1,927,134	\$1,397,855	\$0.73							
Dec-11	2,040,507	\$1,509,096	\$0.74							
Jan-12	1,986,586	\$1,454,461	\$0.73						\$0.70	\$0.72
Feb-12	1,897,521	\$1,430,620	\$0.75						\$0.71	\$0.72
Mar-12	1,994,999	\$1,502,993	\$0.75						\$0.71	\$0.73
Apr-12	1,998,719	\$1,540,140	\$0.77						\$0.72	\$0.73
May-12	2,055,596	\$1,599,389	\$0.78						\$0.72	\$0.73
Jun-12	2,051,073	\$1,589,677	\$0.78						\$0.73	\$0.74
Jul-12	2,036,263	\$1,568,842	\$0.77						\$0.74	\$0.74
Aug-12	2,118,589	\$1,678,392	\$0.79						\$0.74	\$0.75
Sep-12	1,935,869	\$1,625,497	\$0.84						\$0.75	\$0.75
Oct-12	2,218,855	\$1,826,637	\$0.82		24,261,711	\$18,723,600	\$0.77		\$0.75	\$0.76
Nov-12	2,118,737	\$1,648,066	\$0.78	7.2%	24,453,314	\$18,973,811	\$0.78		\$0.76	\$0.76
Dec-12	2,158,555	\$1,702,224	\$0.79	6.6%	24,571,362	\$19,166,939	\$0.78		\$0.77	\$0.77
Jan-13	2,202,493	\$1,658,596	\$0.75	2.9%	24,787,269	\$19,371,074	\$0.78		\$0.77	\$0.77
Feb-13	2,038,621	\$1,528,506	\$0.75	-0.6%	24,928,368	\$19,468,961	\$0.78		\$0.78	\$0.77
Mar-13	2,143,110	\$1,682,809	\$0.79	4.2%	25,076,479	\$19,648,776	\$0.78		\$0.79	\$0.78
Apr-13	2,210,527	\$1,716,206	\$0.78	0.8%	25,288,288	\$19,824,842	\$0.78		\$0.79	\$0.78
May-13	2,247,694	\$1,737,786	\$0.77	-0.6%	25,480,385	\$19,963,239	\$0.78		\$0.80	\$0.79
Jun-13	2,119,253	\$1,653,876	\$0.78	0.7%	25,548,565	\$20,027,437	\$0.78		\$0.80	\$0.79
Jul-13	2,215,359	\$1,807,069	\$0.82	5.9%	25,727,660	\$20,265,665	\$0.79		\$0.81	\$0.80
Aug-13	2,195,302	\$1,809,803	\$0.82	4.1%	25,804,373	\$20,397,077	\$0.79		\$0.82	\$0.80
Sep-13	2,078,934	\$1,744,333	\$0.84	-0.1%	25,947,438	\$20,515,912	\$0.79		\$0.82	\$0.81
Oct-13	2,265,330	\$1,893,216	\$0.84	1.5%	25,993,914	\$20,582,491	\$0.79	2.6%	\$0.83	\$0.81
Nov-13	2,121,839	\$1,811,200	\$0.85	9.7%	25,997,016	\$20,745,625	\$0.80	2.8%	\$0.84	\$0.82
Dec-13	2,330,706	\$2,062,782	\$0.89	12.2%	26,169,167	\$21,106,183	\$0.81	3.4%	\$0.84	\$0.82
Jan-14	2,190,533	\$1,923,956	\$0.88	16.6%	26,157,207	\$21,371,542	\$0.82	4.5%	\$0.85	\$0.83
Feb-14	1,979,221	\$1,791,141	\$0.90	20.7%	26,097,808	\$21,634,177	\$0.83	6.1%	\$0.86	\$0.83
Mar-14	2,165,532	\$1,913,879	\$0.88	12.6%	26,120,229	\$21,865,247	\$0.84	6.8%	\$0.86	\$0.83
Apr-14	2,143,493	\$1,827,675	\$0.85	9.8%	26,053,195	\$21,976,717	\$0.84	7.6%	\$0.87	\$0.84
May-14	2,203,091	\$1,886,588	\$0.86	10.8%	26,008,593	\$22,125,520	\$0.85	8.6%	\$0.88	\$0.84
Jun-14	2,180,641	\$1,872,411	\$0.86	10.0%	26,069,981	\$22,344,055	\$0.86	9.3%	\$0.89	\$0.85
Jul-14	2,185,939	\$1,962,628	\$0.90	10.1%	26,040,562	\$22,499,613	\$0.86	9.7%	\$0.89	\$0.85
Aug-14	2,128,390	\$1,884,650	\$0.89	7.4%	25,973,650	\$22,574,460	\$0.87	10.0%	\$0.90	\$0.86
Sep-14	2,147,392	\$1,950,394	\$0.91	8.2%	26,042,108	\$22,780,521	\$0.87	10.6%	\$0.91	\$0.87
Oct-14	2,276,202	\$2,041,795	\$0.90	7.3%	26,052,980	\$22,929,100	\$0.88	11.1%	\$0.91	\$0.87

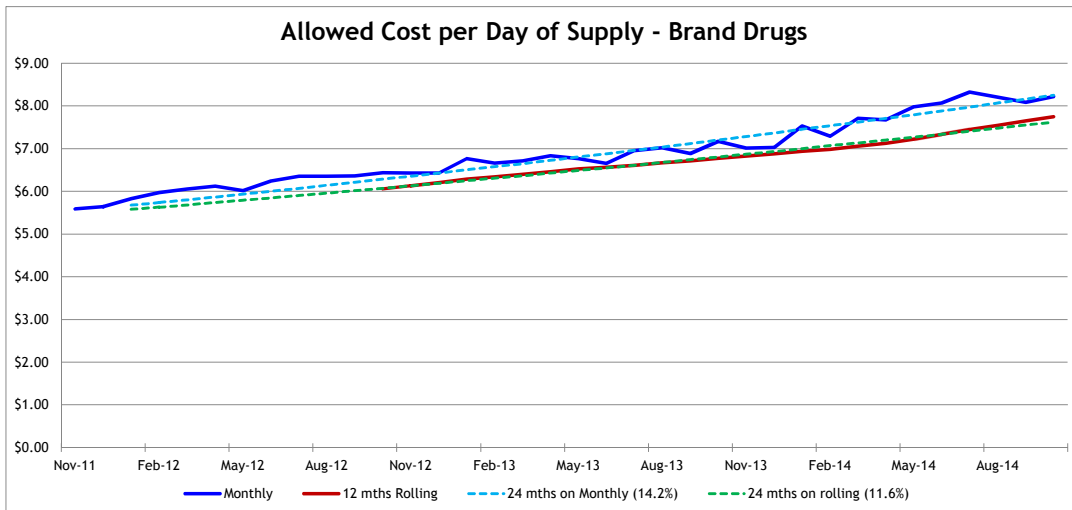
Exponential Trend:	10.1%	7.3%
Adjustment for Future ESI Contract Terms:	0.9079	0.9079
Adjusted Trend:	0.0%	-2.6%



Brand Drugs - Cost Trend

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Supply	Adjusted	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
		Allowed Charge				Allowed Charge				
Nov-11	528,145	\$2,948,942	\$5.58							
Dec-11	560,141	\$3,159,668	\$5.64							
Jan-12	506,486	\$2,952,626	\$5.83					\$5.67	\$5.58	
Feb-12	500,843	\$2,991,895	\$5.97					\$5.74	\$5.63	
Mar-12	493,802	\$2,989,832	\$6.05					\$5.80	\$5.68	
Apr-12	487,428	\$2,983,301	\$6.12					\$5.87	\$5.74	
May-12	496,464	\$2,988,161	\$6.02					\$5.93	\$5.79	
Jun-12	448,239	\$2,797,802	\$6.24					\$6.00	\$5.85	
Jul-12	437,961	\$2,781,440	\$6.35					\$6.07	\$5.90	
Aug-12	443,515	\$2,817,888	\$6.35					\$6.14	\$5.96	
Sep-12	395,796	\$2,518,735	\$6.36					\$6.21	\$6.02	
Oct-12	446,001	\$2,872,012	\$6.44		5,744,823	\$34,802,303	\$6.06		\$6.28	\$6.07
Nov-12	421,458	\$2,709,903	\$6.43	15.2%	5,638,135	\$34,563,264	\$6.13		\$6.36	\$6.13
Dec-12	457,337	\$2,938,566	\$6.43	13.9%	5,535,331	\$34,342,162	\$6.20		\$6.43	\$6.19
Jan-13	437,899	\$2,961,392	\$6.76	16.0%	5,466,745	\$34,350,928	\$6.28		\$6.50	\$6.25
Feb-13	390,414	\$2,600,631	\$6.66	11.5%	5,356,316	\$33,959,664	\$6.34		\$6.58	\$6.31
Mar-13	412,430	\$2,768,974	\$6.71	10.9%	5,274,944	\$33,738,806	\$6.40		\$6.65	\$6.36
Apr-13	426,552	\$2,915,418	\$6.83	11.7%	5,214,067	\$33,670,923	\$6.46		\$6.73	\$6.43
May-13	441,204	\$2,985,003	\$6.77	12.4%	5,158,807	\$33,667,765	\$6.53		\$6.80	\$6.49
Jun-13	414,564	\$2,757,678	\$6.65	6.6%	5,125,132	\$33,627,642	\$6.56		\$6.88	\$6.55
Jul-13	418,253	\$2,909,115	\$6.96	9.5%	5,105,424	\$33,755,318	\$6.61		\$6.96	\$6.61
Aug-13	438,175	\$3,077,462	\$7.02	10.5%	5,100,083	\$34,014,891	\$6.67		\$7.04	\$6.68
Sep-13	419,518	\$2,887,712	\$6.88	8.2%	5,123,805	\$34,383,868	\$6.71		\$7.12	\$6.74
Oct-13	449,107	\$3,218,758	\$7.17	11.3%	5,126,910	\$34,730,613	\$6.77	11.8%	\$7.20	\$6.80
Nov-13	419,529	\$2,941,391	\$7.01	9.0%	5,124,981	\$34,962,101	\$6.82	11.3%	\$7.28	\$6.87
Dec-13	449,337	\$3,157,298	\$7.03	9.4%	5,116,981	\$35,180,832	\$6.88	10.8%	\$7.37	\$6.93
Jan-14	388,925	\$2,929,342	\$7.53	11.4%	5,068,007	\$35,148,782	\$6.94	10.4%	\$7.45	\$7.00
Feb-14	358,150	\$2,610,697	\$7.29	9.4%	5,035,743	\$35,158,848	\$6.98	10.1%	\$7.54	\$7.07
Mar-14	382,973	\$2,952,417	\$7.71	14.8%	5,006,285	\$35,342,291	\$7.06	10.4%	\$7.62	\$7.13
Apr-14	380,655	\$2,920,027	\$7.67	12.2%	4,960,389	\$35,346,899	\$7.13	10.3%	\$7.71	\$7.20
May-14	376,374	\$3,002,049	\$7.98	17.9%	4,895,558	\$35,363,945	\$7.22	10.7%	\$7.79	\$7.27
Jun-14	379,453	\$3,062,141	\$8.07	21.3%	4,860,447	\$35,668,407	\$7.34	11.8%	\$7.88	\$7.34
Jul-14	372,704	\$3,102,321	\$8.32	19.7%	4,814,899	\$35,861,613	\$7.45	12.7%	\$7.97	\$7.41
Aug-14	364,971	\$2,993,522	\$8.20	16.8%	4,741,695	\$35,777,672	\$7.55	13.1%	\$8.07	\$7.48
Sep-14	377,580	\$3,051,771	\$8.08	17.4%	4,699,757	\$35,941,731	\$7.65	14.0%	\$8.16	\$7.55
Oct-14	403,128	\$3,313,363	\$8.22	14.7%	4,653,778	\$36,036,337	\$7.74	14.3%	\$8.25	\$7.62

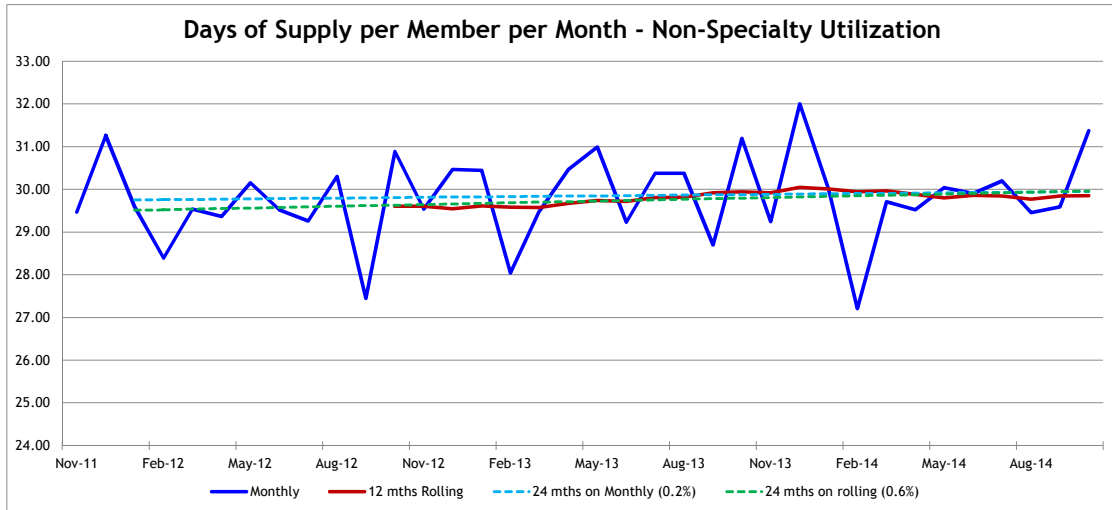
Exponential Trend:	14.6%	12.0%
Adjustment for Future ESI Contract Terms:	0.9964	0.9964
Adjusted Trend:	14.2%	11.6%



Non-Specialty Drugs - Utilization Trend

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Membership	Supply	Supply per Member	Monthly Utilization Trend	Membership	Supply	Supply per Member	Rolling 12 Utilization Trend	Monthly Data	Rolling 12 Data
Nov-11	83,330	2,455,279	29.465							
Dec-11	83,186	2,600,648	31.263							
Jan-12	84,241	2,493,072	29.595					29.753	29.508	
Feb-12	84,488	2,398,364	28.387					29.759	29.522	
Mar-12	84,255	2,488,801	29.539					29.765	29.535	
Apr-12	84,672	2,486,147	29.362					29.771	29.549	
May-12	84,641	2,552,060	30.152					29.777	29.562	
Jun-12	84,654	2,499,312	29.524					29.783	29.576	
Jul-12	84,563	2,474,224	29.259					29.788	29.589	
Aug-12	84,551	2,562,104	30.302					29.794	29.603	
Sep-12	84,957	2,331,666	27.445					29.800	29.617	
Oct-12	86,277	2,664,856	30.887		1,013,815	30,006,534	29.598	29.806	29.630	
Nov-12	85,991	2,540,195	29.540	0.3%	1,016,476	30,091,449	29.604	29.812	29.644	
Dec-12	85,868	2,615,892	30.464	-2.6%	1,019,158	30,106,694	29.541	29.818	29.658	
Jan-13	86,722	2,640,392	30.447	2.9%	1,021,639	30,254,013	29.613	29.824	29.672	
Feb-13	86,631	2,429,035	28.039	-1.2%	1,023,782	30,284,684	29.581	29.830	29.686	
Mar-13	86,683	2,555,540	29.481	-0.2%	1,026,210	30,351,423	29.576	29.836	29.698	
Apr-13	86,563	2,637,079	30.464	3.8%	1,028,101	30,502,355	29.669	29.842	29.712	
May-13	86,763	2,688,898	30.991	2.8%	1,030,223	30,639,192	29.740	29.847	29.726	
Jun-13	86,682	2,533,816	29.231	-1.0%	1,032,251	30,673,696	29.715	29.853	29.740	
Jul-13	86,698	2,633,612	30.377	3.8%	1,034,386	30,833,084	29.808	29.859	29.753	
Aug-13	86,690	2,633,477	30.378	0.2%	1,036,525	30,904,456	29.815	29.865	29.767	
Sep-13	87,063	2,498,452	28.697	4.6%	1,038,631	31,071,243	29.916	29.871	29.781	
Oct-13	87,026	2,714,437	31.191	1.0%	1,039,380	31,120,824	29.942	29.877	29.795	
Nov-13	86,907	2,541,368	29.242	-1.0%	1,040,296	31,121,997	29.916	29.883	29.808	
Dec-13	86,864	2,780,044	32.005	5.1%	1,041,292	31,286,149	30.046	29.889	29.822	
Jan-14	85,976	2,579,457	30.002	-1.5%	1,040,546	31,225,214	30.008	29.895	29.836	
Feb-14	85,913	2,337,371	27.206	-3.0%	1,039,828	31,133,550	29.941	29.901	29.850	
Mar-14	85,777	2,548,504	29.711	0.8%	1,038,922	31,126,515	29.960	29.906	29.863	
Apr-14	85,494	2,524,147	29.524	-3.1%	1,037,853	31,013,583	29.882	29.912	29.877	
May-14	85,873	2,579,465	30.038	-3.1%	1,036,963	30,904,150	29.803	29.918	29.890	
Jun-14	85,619	2,560,094	29.901	2.3%	1,035,900	30,930,428	29.859	29.924	29.904	
Jul-14	84,730	2,558,644	30.198	-0.6%	1,033,932	30,855,461	29.843	29.930	29.918	
Aug-14	84,652	2,493,361	29.454	-3.0%	1,031,894	30,715,345	29.766	29.936	29.932	
Sep-14	85,344	2,524,972	29.586	3.1%	1,030,175	30,741,865	29.841	29.942	29.946	
Oct-14	85,406	2,679,330	31.372	0.6%	1,028,555	30,706,759	29.854	29.948	29.959	

Exponential Trend: 0.2% 0.6%





**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Pharmacy Trend Development**

Exhibit 3F

**Generic Dispensing Rate Development**

Month	Brands Losing			Total Non-Specialty	Generic Dispensing Rate	
	Generic	Exclusivity	Brand		Monthly	Rolling 12
Dec-12	2,153,560		464,182	2,617,742	82.3%	
Jan-13	2,197,503		444,467	2,641,970	83.2%	
Feb-13	2,034,491		396,114	2,430,605	83.7%	
Mar-13	2,138,793		418,521	2,557,314	83.6%	
Apr-13	2,205,726		432,889	2,638,615	83.6%	
May-13	2,242,457		448,018	2,690,476	83.3%	
Jun-13	2,114,308		421,092	2,535,401	83.4%	
Jul-13	2,210,009		425,329	2,635,338	83.9%	
Aug-13	2,190,090		445,015	2,635,105	83.1%	
Sep-13	2,073,850		426,030	2,499,880	83.0%	
Oct-13	2,260,051		456,101	2,716,152	83.2%	
Nov-13	2,117,154		425,506	2,542,660	83.3%	83.3%
Dec-13	2,325,024		456,693	2,781,717	83.6%	83.4%
Jan-14	2,186,964		394,066	2,581,031	84.7%	83.5%
Feb-14	1,975,110		363,638	2,338,748	84.5%	83.6%
Mar-14	2,160,837		389,115	2,549,953	84.7%	83.7%
Apr-14	2,138,456		387,597	2,526,052	84.7%	83.8%
May-14	2,197,761		383,230	2,580,991	85.2%	83.9%
Jun-14	2,176,070		385,631	2,561,702	84.9%	84.0%
Jul-14	2,180,619		379,557	2,560,175	85.2%	84.2%
Aug-14	2,123,871		370,941	2,494,811	85.1%	84.3%
Sep-14	2,143,719		382,672	2,526,392	84.9%	84.5%
Oct-14	2,272,691		407,941	2,680,632	84.8%	84.6%
Nov-14	2,043,726		356,686	2,400,412	85.1%	84.8%
Dec-14	2,160,404		382,118	2,542,522	85.0%	84.9%
Jan-15	2,160,404	24	382,094	2,542,522	85.0%	84.9%
Feb-15	2,160,428	599	381,495	2,542,522	85.0%	85.0%
Mar-15	2,161,027	1,583	379,912	2,542,522	85.1%	85.0%
Apr-15	2,162,610	268	379,644	2,542,522	85.1%	85.0%
May-15	2,162,878	15	379,629	2,542,522	85.1%	85.0%
Jun-15	2,162,893	8,927	370,702	2,542,522	85.4%	85.0%
Jul-15	2,171,820	5,646	365,056	2,542,522	85.6%	85.0%
Aug-15	2,177,466	315	364,741	2,542,522	85.7%	85.1%
Sep-15	2,177,780	1,711	363,031	2,542,522	85.7%	85.1%
Oct-15	2,179,491	370	362,660	2,542,522	85.7%	85.2%
Nov-15	2,179,861	7,453	355,208	2,542,522	86.0%	85.3%
Dec-15	2,187,314	0	355,208	2,542,522	86.0%	85.4%
Jan-16	2,187,314	66	355,141	2,542,522	86.0%	85.4%
Feb-16	2,187,381	743	354,398	2,542,522	86.1%	85.5%
Mar-16	2,188,123	3,782	350,617	2,542,522	86.2%	85.6%
Apr-16	2,191,905	4	350,613	2,542,522	86.2%	85.7%
May-16	2,191,909	666	349,947	2,542,522	86.2%	85.8%
Jun-16	2,192,575	365	349,582	2,542,522	86.3%	85.9%
Jul-16	2,192,940	2,614	346,968	2,542,522	86.4%	86.0%
Aug-16	2,195,554	190	346,778	2,542,522	86.4%	86.0%
Sep-16	2,195,744	1,434	345,344	2,542,522	86.4%	86.1%
Oct-16	2,197,177	1,020	344,325	2,542,522	86.5%	86.2%
Nov-16	2,198,197	1,356	342,968	2,542,522	86.5%	86.2%
Dec-16	2,199,553	0	342,968	2,542,522	86.5%	86.3%
Jan-17	2,199,553	342	342,626	2,542,522	86.5%	86.3%

The Vermont Health Plan  
 Q3 2015 Large Group Rating Program Filing  
 Pharmacy Trend Development

Exhibit 3G

Non-Specialty Drugs

For the 12 months ending October 2014:

# Days Supply  
 Allowed Charge per Supply  
 Total Allowed Charges

Utilization Trends

Projected # Days Supply (12 months ending December 2016)  
 Projected Rolling-12 dispensing rate (Generic and Brand split)  
 Non-Specialty Projected # Days Supply: Generic and Brand  
 Utilization Trends: Generic and Brand

Cost Trends

Projected Allowed Charge per Supply

Projected Total Allowed Charges

Total Trends

Annual Trends

PMPM Calculation

Member Months for the 12 months ending October 2014  
 PMPM by category

	Generic	Brand	Non-Specialty Total
a	26,052,980	4,653,778	30,706,759
b	\$0.88	\$7.74	
c=a*b	\$22,929,100	\$36,036,337	\$58,965,437
d			0.2%
e=a*(1+d)			30,865,121
f	86.3%	13.7%	
g=e*f	26,649,518	4,215,603	
h=g/a-1	2.3%	-9.4%	
i	0.0%	14.2%	
j=b*(1+h)	\$0.88	\$10.32	
k=g*j	\$23,433,764	\$43,510,225	\$66,943,989
l=k/c-1	2.2%	20.7%	13.5%
	1.0%	9.1%	6.0%
m			1,028,555
n=c/m	\$22.29	\$35.04	\$57.33

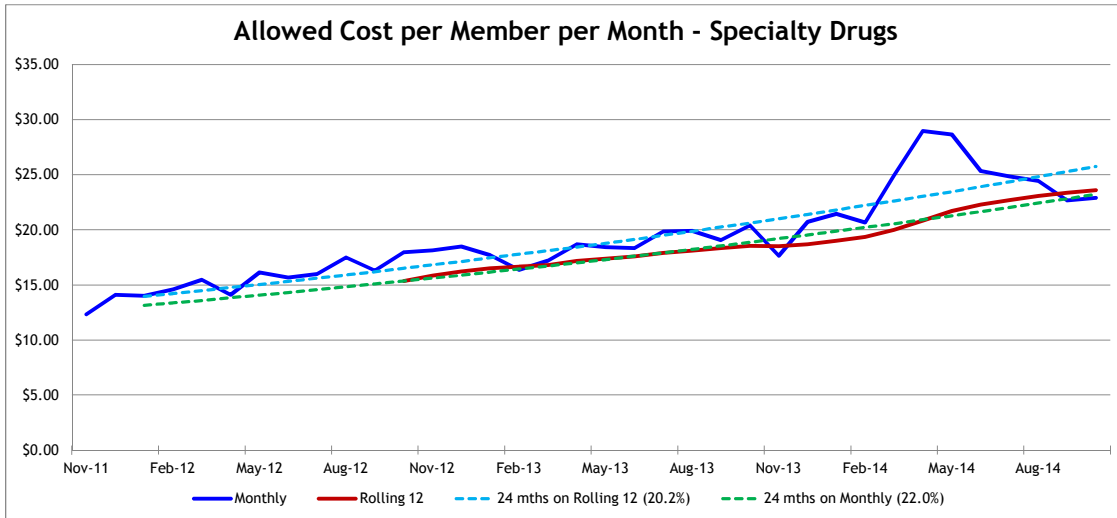
**Blue Cross and Blue Shield of Vermont  
Q3 2015 Large Group Rating Program Filing  
Pharmacy Trend Development**

Exhibit 3H

**Specialty Drugs - Total Trend**

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Members	Allowed Charge	PMPM	Monthly Trend	Members	Allowed Charge	PMPM	Rolling 12 Trend	Monthly Data	Rolling 12 Data
Nov-11	83,330	\$1,027,711	\$12.33							
Dec-11	83,186	\$1,173,109	\$14.10							
Jan-12	84,241	\$1,180,596	\$14.01						\$13.97	\$13.13
Feb-12	84,488	\$1,233,272	\$14.60						\$14.23	\$13.37
Mar-12	84,255	\$1,302,919	\$15.46						\$14.49	\$13.59
Apr-12	84,672	\$1,194,626	\$14.11						\$14.76	\$13.83
May-12	84,641	\$1,366,303	\$16.14						\$15.04	\$14.07
Jun-12	84,654	\$1,327,216	\$15.68						\$15.32	\$14.32
Jul-12	84,563	\$1,352,828	\$16.00						\$15.61	\$14.56
Aug-12	84,551	\$1,480,892	\$17.51						\$15.90	\$14.82
Sep-12	84,957	\$1,384,777	\$16.30						\$16.21	\$15.08
Oct-12	86,277	\$1,549,133	\$17.96		1,013,815	\$15,573,383	\$15.36		\$16.51	\$15.34
Nov-12	85,991	\$1,560,229	\$18.14	47.1%	1,016,476	\$16,105,902	\$15.84		\$16.82	\$15.62
Dec-12	85,868	\$1,588,827	\$18.50	31.2%	1,019,158	\$16,521,620	\$16.21		\$17.13	\$15.88
Jan-13	86,722	\$1,535,478	\$17.71	26.3%	1,021,639	\$16,876,501	\$16.52		\$17.46	\$16.16
Feb-13	86,631	\$1,418,173	\$16.37	12.1%	1,023,782	\$17,061,402	\$16.67		\$17.79	\$16.45
Mar-13	86,683	\$1,492,926	\$17.22	11.4%	1,026,210	\$17,251,409	\$16.81		\$18.10	\$16.72
Apr-13	86,563	\$1,617,389	\$18.68	32.4%	1,028,101	\$17,674,172	\$17.19		\$18.44	\$17.01
May-13	86,763	\$1,597,870	\$18.42	14.1%	1,030,223	\$17,905,739	\$17.38		\$18.78	\$17.30
Jun-13	86,682	\$1,589,776	\$18.34	17.0%	1,032,251	\$18,168,299	\$17.60		\$19.14	\$17.61
Jul-13	86,698	\$1,722,149	\$19.86	24.2%	1,034,386	\$18,537,620	\$17.92		\$19.49	\$17.91
Aug-13	86,690	\$1,726,400	\$19.91	13.7%	1,036,525	\$18,783,127	\$18.12		\$19.87	\$18.23
Sep-13	87,063	\$1,659,389	\$19.06	16.9%	1,038,631	\$19,057,739	\$18.35		\$20.25	\$18.55
Oct-13	87,026	\$1,776,772	\$20.42	13.7%	1,039,380	\$19,285,377	\$18.55	20.8%	\$20.62	\$18.87
Nov-13	86,907	\$1,532,433	\$17.63	-2.8%	1,040,296	\$19,257,581	\$18.51	16.8%	\$21.01	\$19.21
Dec-13	86,864	\$1,799,829	\$20.72	12.0%	1,041,292	\$19,468,583	\$18.70	15.3%	\$21.40	\$19.54
Jan-14	85,976	\$1,845,109	\$21.46	21.2%	1,040,546	\$19,778,215	\$19.01	15.1%	\$21.81	\$19.88
Feb-14	85,913	\$1,775,838	\$20.67	26.3%	1,039,828	\$20,135,880	\$19.36	16.2%	\$22.23	\$20.24
Mar-14	85,777	\$2,137,807	\$24.92	44.7%	1,038,922	\$20,780,761	\$20.00	19.0%	\$22.61	\$20.56
Apr-14	85,494	\$2,475,960	\$28.96	55.0%	1,037,853	\$21,639,332	\$20.85	21.3%	\$23.04	\$20.93
May-14	85,873	\$2,459,408	\$28.64	55.5%	1,036,963	\$22,500,870	\$21.70	24.8%	\$23.46	\$21.28
Jun-14	85,619	\$2,168,767	\$25.33	38.1%	1,035,900	\$23,079,861	\$22.28	26.6%	\$23.91	\$21.66
Jul-14	84,730	\$2,105,805	\$24.85	25.1%	1,033,932	\$23,463,518	\$22.69	26.6%	\$24.35	\$22.03
Aug-14	84,652	\$2,068,537	\$24.44	22.7%	1,031,894	\$23,805,655	\$23.07	27.3%	\$24.82	\$22.42
Sep-14	85,344	\$1,933,762	\$22.66	18.9%	1,030,175	\$24,080,028	\$23.37	27.4%	\$25.29	\$22.82
Oct-14	85,406	\$1,956,924	\$22.91	12.2%	1,028,555	\$24,260,180	\$23.59	27.1%	\$25.76	\$23.21

Exponential Trend: 22.0% 20.2%

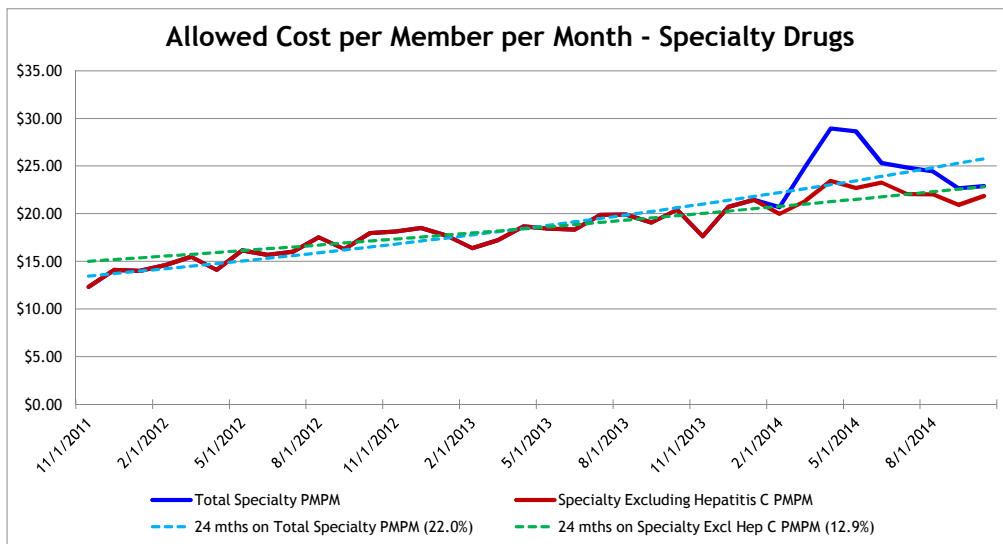


The Vermont Health Plan  
 Q3 2015 Large Group Rating Program Filing  
 Pharmacy Trend Development

Adjustment for Hepatitis C Specialty Drugs

Incurred Date	MONTHLY DATA				PMPM		EXPONENTIAL FIT	
	Members	Specialty Drug		Total Specialty Drug Allowed Charges	Total Specialty PMPM	Specialty Excluding Hepatitis C PMPM	Total Specialty	Specialty Excluding Hepatitis C
		Allowed Charges	Hepatitis C					
		Excluding Hepatitis C	Allowed Charges					
11/1/2011	83,330	\$ 1,027,711	\$ -	\$ 1,027,711	\$12.33	\$12.33	\$13.46	\$15.00
12/1/2011	83,186	\$ 1,173,109	\$ -	\$ 1,173,109	\$14.10	\$14.10	\$13.70	\$15.18
1/1/2012	84,241	\$ 1,180,596	\$ -	\$ 1,180,596	\$14.01	\$14.01	\$13.97	\$15.37
2/1/2012	84,488	\$ 1,233,272	\$ -	\$ 1,233,272	\$14.60	\$14.60	\$14.23	\$15.56
3/1/2012	84,255	\$ 1,302,919	\$ -	\$ 1,302,919	\$15.46	\$15.46	\$14.49	\$15.74
4/1/2012	84,672	\$ 1,194,626	\$ -	\$ 1,194,626	\$14.11	\$14.11	\$14.76	\$15.93
5/1/2012	84,641	\$ 1,366,303	\$ -	\$ 1,366,303	\$16.14	\$16.14	\$15.04	\$16.12
6/1/2012	84,654	\$ 1,327,216	\$ -	\$ 1,327,216	\$15.68	\$15.68	\$15.32	\$16.32
7/1/2012	84,563	\$ 1,352,828	\$ -	\$ 1,352,828	\$16.00	\$16.00	\$15.61	\$16.52
8/1/2012	84,551	\$ 1,480,892	\$ -	\$ 1,480,892	\$17.51	\$17.51	\$15.90	\$16.72
9/1/2012	84,957	\$ 1,384,777	\$ -	\$ 1,384,777	\$16.30	\$16.30	\$16.21	\$16.93
10/1/2012	86,277	\$ 1,549,133	\$ -	\$ 1,549,133	\$17.96	\$17.96	\$16.51	\$17.13
11/1/2012	85,991	\$ 1,560,229	\$ -	\$ 1,560,229	\$18.14	\$18.14	\$16.82	\$17.34
12/1/2012	85,868	\$ 1,588,827	\$ -	\$ 1,588,827	\$18.50	\$18.50	\$17.13	\$17.55
1/1/2013	86,722	\$ 1,535,478	\$ -	\$ 1,535,478	\$17.71	\$17.71	\$17.46	\$17.76
2/1/2013	86,631	\$ 1,418,173	\$ -	\$ 1,418,173	\$16.37	\$16.37	\$17.79	\$17.98
3/1/2013	86,683	\$ 1,492,926	\$ -	\$ 1,492,926	\$17.22	\$17.22	\$18.10	\$18.18
4/1/2013	86,563	\$ 1,617,389	\$ -	\$ 1,617,389	\$18.68	\$18.68	\$18.44	\$18.41
5/1/2013	86,763	\$ 1,597,870	\$ -	\$ 1,597,870	\$18.42	\$18.42	\$18.78	\$18.62
6/1/2013	86,682	\$ 1,589,776	\$ -	\$ 1,589,776	\$18.34	\$18.34	\$19.14	\$18.85
7/1/2013	86,698	\$ 1,722,149	\$ -	\$ 1,722,149	\$19.86	\$19.86	\$19.49	\$19.08
8/1/2013	86,690	\$ 1,726,400	\$ -	\$ 1,726,400	\$19.91	\$19.91	\$19.87	\$19.31
9/1/2013	87,063	\$ 1,659,389	\$ -	\$ 1,659,389	\$19.06	\$19.06	\$20.25	\$19.55
10/1/2013	87,026	\$ 1,776,772	\$ -	\$ 1,776,772	\$20.42	\$20.42	\$20.62	\$19.79
11/1/2013	86,907	\$ 1,532,433	\$ -	\$ 1,532,433	\$17.63	\$17.63	\$21.01	\$20.03
12/1/2013	86,864	\$ 1,799,829	\$ -	\$ 1,799,829	\$20.72	\$20.72	\$21.40	\$20.27
1/1/2014	85,976	\$ 1,845,109	\$ -	\$ 1,845,109	\$21.46	\$21.46	\$21.81	\$20.52
2/1/2014	85,913	\$ 1,717,002	\$ 58,836	\$ 1,775,838	\$20.67	\$19.99	\$22.23	\$20.77
3/1/2014	85,777	\$ 1,828,052	\$ 309,755	\$ 2,137,807	\$24.92	\$21.31	\$22.61	\$21.00
4/1/2014	85,494	\$ 2,002,440	\$ 473,521	\$ 2,475,960	\$28.96	\$23.42	\$23.04	\$21.26
5/1/2014	85,873	\$ 1,949,825	\$ 509,583	\$ 2,459,408	\$28.64	\$22.71	\$23.46	\$21.52
6/1/2014	85,619	\$ 1,992,759	\$ 176,008	\$ 2,168,767	\$25.33	\$23.27	\$23.91	\$21.78
7/1/2014	84,730	\$ 1,869,504	\$ 236,301	\$ 2,105,805	\$24.85	\$22.06	\$24.35	\$22.04
8/1/2014	84,652	\$ 1,865,532	\$ 203,005	\$ 2,068,537	\$24.44	\$22.04	\$24.82	\$22.31
9/1/2014	85,344	\$ 1,784,788	\$ 148,974	\$ 1,933,762	\$22.66	\$20.91	\$25.29	\$22.59
10/1/2014	85,406	\$ 1,867,599	\$ 89,325	\$ 1,956,924	\$22.91	\$21.87	\$25.76	\$22.86

Exponential Trend:	24.9%	15.5%
Adjustment for Future ESI Contract Terms:	0.9769	0.9769
Adjusted Trend:	22.0%	12.9%



The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Medical Trend Development

Exhibit 3J

BlueCare LO Options (BCLO) and Open Access (OAP) Medical Plans

index	Product	Preferred Benefits						Standard Benefits			Leveraging Factor
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER <sup>1</sup> Copay	Deductible	Coinsurance	Out-of-Pocket	
1	BCLO	\$2,500	0%	\$2,500							1.3%
2	OAP	\$500	20%	\$1,850	\$20	\$20	\$100	\$1,000	40%	\$3,900	0.7%
3	OAP	\$2,000	20%	\$4,600	\$30	\$30	\$100	\$4,000	40%	\$9,200	1.2%

1. ER Copay: the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are covered at 100%.
2. For the BCLO product, Office and Specialist Copay can be under the deductible.
3. BCLO does not have Out-of-Network benefits.

BlueCare (HMO) Medical Plans

index	Product <sup>1</sup>	In-Network								Leveraging Factor
		Inpatient Care Deductible <sup>2</sup>	Outpatient Surgery Copay	Combined Inpatient / Outpatient Deductible <sup>2</sup>	Office Copay	Specialist Copay	ER <sup>3</sup> Copay	AMB Copay	Out-of-Pocket	
1	HMO	\$0	\$0		\$20	\$30	\$250	\$0	\$6,350	0.3%
2	HMO	\$250	\$100		\$25	\$40	\$100	\$50	\$6,350	0.3%
3	HMO	\$500	\$200		\$25	\$40	\$50	\$0	\$6,350	0.3%
4	HMO			\$750	\$20	\$30	\$50	\$50	\$6,350	0.3%
5	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50	\$6,350	0.4%
6	HMO			\$3,000	\$20	\$30	\$100	\$50	\$6,350	0.6%

1. All HMO Plans have a DME rider benefit of: \$0 deductible, 80% coinsurance, built into the relativity.
2. Maximum of 2/yr per family
3. ER Copay: the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are covered at 100%.
4. HMO Plans do not have Out-of-Network benefits.

Consumer Driven Health Plans (CDHP's)

index	Product	In-Network							Leveraging Factor	
		Deductible	Coinsurance	Out-of-Pocket	Rx OOPM Limit <sup>3</sup>	Wellness Rx <sup>1</sup>	Drugs After Deductible <sup>2</sup>	Diabetic Supplies	Medical	Rx
1	CDHP	\$1,500	20%	\$2,500	\$1,250	N/A	N/A	SAAO	1.1%	1.7%
2	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	N/A	SAAO	1.3%	1.8%
3	CDHP	\$3,000	0%	\$3,000	\$1,250	N/A	N/A	SAAO	1.4%	1.9%
4	CDHP	\$4,000	0%	\$4,000	\$1,250	N/A	N/A	100%	1.6%	2.0%
5	CDHP	\$5,000	0%	\$5,000	\$1,250	N/A	N/A	SAAO	1.8%	2.1%
6	CDHP	\$6,350	0%	\$6,350	\$1,250	N/A	N/A	SAAO	2.0%	2.2%

1. Wellness Rx: if applicable, cost sharing rules apply *before* the deductible is satisfied.
2. All other drugs are subject to deductible. Once the deductible is met, drugs are subject to the Drugs
3. The Rx OOPM Limit is as described in Vermont Act 171.

The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Pharmacy Trend Development

Exhibit 3K

Benefit Leveraging Factors

Index	Type	Deductible	Copay (\$) / Coinsurance (%)						OOPM	Diabetic Supplies	Leveraging Factor
			Retail Generic	Retail Preferred Brand	Retail Non-Preferred Brand	Mail Order Generic	Mail Order Preferred Brand	Mail Order Non-Preferred Brand			
1	CMB	\$100	\$5	40%	60%	\$10	40%	60%	\$1,250	SAAO	1.5%
2	COI	\$0	0%	20%	50%	0%	20%	50%	\$1,250	SAAO	0.3%
3	COI	\$0	50%	50%	50%	50%	50%	50%	\$1,250	SAAO	1.3%
4	COP	\$0	\$5	\$10	\$25	\$10	\$20	\$50	\$1,250	SAAO	0.8%
5	COP	\$0	\$5	\$20	\$35	\$10	\$40	\$70	\$1,250	SAAO	1.0%
6	COP	\$0	\$5	\$20	\$40	\$10	\$40	\$80	\$1,250	SAAO	1.0%
7	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	1.2%
8	COP	\$0	\$10	\$20	\$40	\$30	\$60	\$120	\$1,250	SAAO	1.3%
9	COP	\$0	\$10	\$25	\$40	\$10	\$25	\$40	\$1,250	100%	1.1%
10	COP	\$0	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	1.3%
11	COP	\$0	\$10	\$25	\$60	\$20	\$50	\$120	\$1,250	SAAO	1.4%
12	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	1.4%
13	COP	\$0	\$10	\$30	\$50	\$10	\$60	\$125	\$1,250	SAAO	1.4%
14	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	1.3%
15	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,250	100%	1.3%
16	COP	\$0	\$10	\$35	\$60	\$20	\$70	\$120	\$1,250	SAAO	1.5%
17	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	1.4%
18	COP	\$0	\$15	\$25	\$40	\$15	\$25	\$40	\$1,250	100%	1.2%
19	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	SAAO	1.5%
20	COP	\$0	\$20	\$40	\$60	\$60	\$120	\$180	\$1,250	SAAO	1.8%
21	COP	\$50	\$10	\$20	\$35	\$10	\$20	\$35	\$1,250	SAAO	1.3%
22	COP	\$50	\$10	\$25	\$35	\$20	\$50	\$70	\$1,250	SAAO	1.4%
23	COP	\$50	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	1.5%
24	COP	\$50	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	1.6%
25	COP	\$50	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	1.5%
26	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$1,250	SAAO	1.4%
27	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$750	SAAO	1.3%
28	COP	\$100	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	SAAO	1.5%
29	COP	\$100	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	100%	1.3%
30	COP	\$100	\$5	\$35	\$50	\$10	\$70	\$100	\$1,250	100%	1.4%
31	COP	\$100	\$10	\$15	\$30	\$20	\$30	\$60	\$1,250	SAAO	1.4%
32	COP	\$100	\$10	\$25	\$45	\$20	\$50	\$90	\$1,250	SAAO	1.6%
33	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,250	SAAO	1.7%
34	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	1.7%
35	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	1.6%
36	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	100%	1.6%
37	COP	\$150	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	1.7%
38	COP	\$150	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	1.8%

\* Type: COI = coinsurance; COP = copay; CMB = combined

\* Diabetic: If "100%" then Diabetic supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic supplies are subject to cost sharing same as any other prescription drug.

The Vermont Health Plan  
 Q3 2015 Large Group Rating Program Filing  
 Benefit Plan Relative Value Factors

Exhibit 4A

BlueCare LO Options (BCLO) and Open Access (OAP) Medical Plans

index	Product	In-Network						Out-of-Network			Relativity
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER <sup>1</sup> Copay	Deductible	Coinsurance	Out-of-Pocket	Active
1	BCLO	\$2,500	0%	\$2,500							0.6495
2	OAP	\$500	20%	\$1,850	\$20	\$20	\$100	\$1,000	40%	\$3,900	0.8562
3	OAP	\$2,000	20%	\$4,600	\$30	\$30	\$100	\$4,000	40%	\$9,200	0.6721

1. ER Copay: the displayed member copay goes toward the facility allowed charges.  
 Associated physician and ancillary charges are the covered at 100%.
2. For the BCLO product, Office and Specialist Copay can be under the deductible.
3. BCLO does not have Out-of-Network benefits.

The Vermont Health Plan  
 Q3 2015 Large Group Rating Program Filing  
 Benefit Plan Relative Value Factors

Exhibit 4B

BlueCare (HMO) Medical Plans

index	Product <sup>1</sup>	In-Network								Relativity
		IP	OP	HOSP	PCP	SCP	ER <sup>2</sup>	AMB	OOPM	Active
1	HMO	\$0	\$0		\$20	\$30	\$250	\$0	\$6,350	1.0155
2	HMO	\$250	\$100		\$25	\$40	\$100	\$50	\$6,350	1.0017
3	HMO	\$500	\$200		\$25	\$40	\$50	\$0	\$6,350	0.9992
4	HMO			\$750	\$20	\$30	\$50	\$50	\$6,350	1.0000
5	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50	\$6,350	0.9724
6	HMO			\$3,000	\$20	\$30	\$100	\$50	\$6,350	0.9165

PCP	Primary Care Physician Copay
SCP	Specialist Physician Copay
IP	Inpatient Care Deductible (max of 2/yr per family)
OP	Outpatient Surgery Copay
HOSP	Combined Inpatient Care & Outpatient Surgery Deductible (max of 2/yr per family)
ER	Emergency Room Copay
AMB	Ambulance Copay

1. All HMO Plans have a DME rider benefit of: \$0 deductible, 80% coinsurance, built into the relativity.
2. ER Copay: the displayed member copay goes toward the facility allowed charges.  
 Associated physician and ancillary charges are the covered at 100%.
3. HMO Plans do not have Out-of-Network benefits.



The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Benefit Plan Relative Value Factors

Exhibit 4C

Consumer Driven Health Plans (CDHP's)

index	Product	In-Network						Relativity
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit <sup>3</sup>	Wellness Rx <sup>1</sup>	Drugs After Deductible <sup>2</sup>	Active
1	CDHP	\$1,500	20%	\$2,500	\$1,250	N/A	N/A	0.8443
2	CDHP	\$2,000	0%	\$2,000	\$1,250	N/A	N/A	0.8584
3	CDHP	\$2,000	0%	\$2,000	\$1,250	\$10/\$30/\$50	N/A	0.8653
4	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	N/A	0.7996
5	CDHP	\$2,500	0%	\$2,500	\$1,250	0%	N/A	0.8135
6	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	\$10/\$30/\$50	0.8015
7	CDHP	\$3,000	0%	\$3,000	\$1,250	N/A	N/A	0.7512
8	CDHP	\$3,000	0%	\$3,000	\$1,250	0%	N/A	0.7666
9	CDHP	\$4,000	0%	\$4,000	\$1,250	0%	N/A	0.6925
10	CDHP	\$4,000	0%	\$4,000	\$1,250	N/A	N/A	0.6778
11	CDHP	\$5,000	0%	\$5,000	\$1,250	0%	N/A	0.6359
12	CDHP	\$5,000	0%	\$5,000	\$1,250	N/A	N/A	0.6176
13	CDHP	\$5,000	0%	\$5,000	\$1,250	0%	N/A	0.6379
14	CDHP	\$6,350	0%	\$6,350	\$1,250	0%	N/A	0.5771
15	CDHP	\$6,350	0%	\$6,350	\$1,250	N/A	N/A	0.5576
16	CDHP	\$10,000	0%	\$10,000	\$1,250	N/A	N/A	0.4936

1. **Wellness Rx:** if applicable, cost sharing rules apply *before* the deductible is satisfied.  
The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.
2. **All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.
3. The **Rx OOPM** Limit is as described in Vermont Act 171.

The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Benefit Plan Relative Value Factors

Exhibit 4D

Prescription Drug Cards

Index	Type	Deductible	Copay (\$) / Coinsurance (%)						OOPM	Diabetic Supplies	Relativity
			Retail Generic	Retail Preferred Brand	Retail Non-Preferred Brand	Mail Order Generic	Mail Order Preferred Brand	Mail Order Non-Preferred Brand			Active
1	CMB	\$100	\$5	40%	60%	\$10	40%	60%	\$1,250	SAAO	0.1348
2	COI	\$0	0%	20%	50%	0%	20%	50%	\$1,250	SAAO	0.1728
3	COI	\$0	50%	50%	50%	50%	50%	50%	\$1,250	SAAO	0.1238
4	COP	\$0	\$5	\$10	\$25	\$10	\$20	\$50	\$1,250	SAAO	0.2021
5	COP	\$0	\$5	\$20	\$35	\$10	\$40	\$70	\$1,250	SAAO	0.1900
6	COP	\$0	\$5	\$20	\$40	\$10	\$40	\$80	\$1,250	SAAO	0.1888
7	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	0.1809
8	COP	\$0	\$10	\$20	\$40	\$30	\$60	\$120	\$1,250	SAAO	0.1800
9	COP	\$0	\$10	\$25	\$40	\$10	\$25	\$40	\$1,250	100%	0.1794
10	COP	\$0	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	0.1740
11	COP	\$0	\$10	\$25	\$60	\$20	\$50	\$120	\$1,250	SAAO	0.1704
12	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	0.1630
13	COP	\$0	\$10	\$30	\$50	\$10	\$60	\$125	\$1,250	SAAO	0.1635
14	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	0.1671
15	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,250	100%	0.1655
16	COP	\$0	\$10	\$35	\$60	\$20	\$70	\$120	\$1,250	SAAO	0.1578
17	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	0.1712
18	COP	\$0	\$15	\$25	\$40	\$15	\$25	\$40	\$1,250	100%	0.1766
19	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	SAAO	0.1634
20	COP	\$0	\$20	\$40	\$60	\$60	\$120	\$180	\$1,250	SAAO	0.1444
21	COP	\$50	\$10	\$20	\$35	\$10	\$20	\$35	\$1,250	SAAO	0.1763
22	COP	\$50	\$10	\$25	\$35	\$20	\$50	\$70	\$1,250	SAAO	0.1681
23	COP	\$50	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	0.1671
24	COP	\$50	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	0.1563
25	COP	\$50	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	0.1654
26	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$1,250	SAAO	0.1719
27	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$750	SAAO	0.1740
28	COP	\$100	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	SAAO	0.1611
29	COP	\$100	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	100%	0.1650
30	COP	\$100	\$5	\$35	\$50	\$10	\$70	\$100	\$1,250	100%	0.1608
31	COP	\$100	\$10	\$15	\$30	\$20	\$30	\$60	\$1,250	SAAO	0.1712
32	COP	\$100	\$10	\$25	\$45	\$20	\$50	\$90	\$1,250	SAAO	0.1600
33	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,250	SAAO	0.1512
34	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	0.1504
35	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	0.1545
36	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	100%	0.1569
37	COP	\$150	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	0.1618
38	COP	\$150	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	0.1453

\* Type: COI = coinsurance; COP = copay; CMB = combined

\* Diabetic: If "100%" then Diabetic supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic supplies are subject to cost sharing same as any other prescription drug.

The Vermont Health Plan  
 Q3 2015 Large Group Rating Program Filing

Exhibit 5A

Example of Manual Rate Adjustment

Manual Rate	\$463.34
Average Age/Gender Factor	1.000
Average Industry Factor	1.000
Projection Period	1/1/2016
Trend Factor	7.20%

**Group Information**

Age/Gender Factor	1.100
Industry Factor	1.050
Projection Period	3/1/2016

Contract Conversion	Contract Distribution	Members	Tier Factor	"Contract Tiers"
Single	25	25	1	25
Two-Person	25	50	2	50
Family	50	197	2.79	139.5
	100	272		214.5

Manual Rate	A	\$463.34
Adjustment for Age/Gender	B = 1.1 / 1	1.1000
Adjustment for Industry	C = 1.05 / 1	1.0500
Adjustment for Trend	D = 7.2% for 2 months	1.0117
Contract Conversion Factor	E = 214.5 / 272	1.2681
Adjusted Manual Rate	F = A x B x C x D x E	\$686.52

Industry Factors

SIC Code Industry Description	Normalized Factor
912 Finfish	1.147
913 Shellfish	1.147
919 Miscellaneous Marine Products	1.147
921 Fish Hatcheries and Preserves	1.147
971 Hunting and Trapping, and Game Propagation	1.147
1011 Iron Ores	1.186
1012 - 1020 Iron Ores	1.197
1021 Copper Ores	1.186
1022 - 1030 Copper Ores	1.197
1031 Lead and Zinc Ores	1.186
1032 - 1040 Lead and Zinc Ores	1.197
1041 Gold Ores	1.186
1042 - 1043 Gold Ores	1.197
1044 Silver Ores	1.186
1045 - 1060 Silver Ores	1.197
1061 Ferroalloy Ores, Except Vanadium	1.186
1062 - 1080 Ferroalloy Ores, Except Vanadium	1.197
1081 Metal Mining Services	1.186
1082 - 1093 Metal Mining Services	1.197
1094 Uranium-Radium-Vanadium Ores	1.186
1095 - 1098 Uranium-Radium-Vanadium Ores	1.197
1099 Miscellaneous Metal Ores, NEC	1.186
1100 - 1220 Miscellaneous Metal Ores, NEC	1.197
1221 Bituminous Coal and Lignite Surface Mining	1.167
1222 - 1230 Bituminous Coal Underground Mining	1.167
1231 - 1240 Anthracite Mining	1.167
1241 Coal Mining Services	1.167
1411 - 1421 Dimension Stone	1.147
1422 Crushed and Broken Limestone	1.147
1423 - 1428 Crushed and Broken Granite	1.147
1429 - 1441 Crushed and Broken Stone, NEC	1.147
1442 - 1445 Construction Sand and Gravel	1.147
1446 - 1454 Industrial Sand	1.147
1455 - 1458 Kaolin and Ball Clay	1.147
1459 - 1473 Clay, Ceramic, and Refractory Minerals, NEC	1.147
1474 Potash, Soda, and Borate Minerals	1.147
1475 - 1478 Phosphate Rock	1.147
1479 Chemical and Fertilizer Mineral Mining, NEC	1.147
1480 Chemical and Fertilizer Mineral Mining, NEC	1.129
1481 Nonmetallic Minerals Services Except Fuels	1.147
1482 - 1499 Nonmetallic Minerals Services Except Fuels	1.129
1499 Miscellaneous Nonmetallic Minerals, Except Fuels	1.147
2331 Women's, Misses', and Juniors' Blouses and Shirts	0.886
2892 Explosives	1.119
3111 Leather Tanning and Finishing	1.119
3292 Asbestos Products	1.147
3612 Power, Distribution, and Specialty Transformers	0.905
3613 Switchgear and Switchboard Apparatus	0.905
3621 - 3623 Motors and Generators	0.905
3624 Carbon and Graphite Products	0.905
3625 - 3628 Relays and Industrial Controls	0.905
3629 - 3630 Electrical Industrial Apparatus, NEC	0.905
3631 Household Cooking Equipment	0.905
3632 Household Refrigerators and Home and Farm Freezers	0.905
3633 Household Laundry Equipment	0.905
3634 Electric Housewares and Fans	0.905
3635 - 3638 Household Vacuum Cleaners	0.905
3639 - 3640 Household Appliances, NEC	0.905
3641 - 3642 Electric Lamp Bulbs and Tubes	0.905
3643 Current-Carrying Wiring Devices	0.905

Industry Factors

SIC Code	Industry Description	Normalized Factor
3644	Noncurrent-Carrying Wiring Devices	0.905
3645	Residential Electric Lighting Fixtures	0.905
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.905
3647	Vehicular Lighting Equipment	0.905
3648	Lighting Equipment, NEC	0.905
3651	Household Audio and Video Equipment	0.905
3652	Phonograph Records and Prerecorded Audio Tapes and Disks	0.905
3822	Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.895
3823	Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.886
3841	Physicians & Surgeons Equipment & Supplies Manufacturers	0.895
3842	Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.895
3843	Dental Equipment and Supplies	0.895
3844	X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.895
3845	Electromedical and Electrotherapeutic Apparatus	0.895
3851	Ophthalmic Goods	0.895
3861	Photographic Equipment and Supplies	0.895
3873	Watches, Clocks, Clockwork Operated Devices and Parts	0.895
4111	Local and Suburban Transit	1.099
4112 - 4118	Local and Suburban Transit	1.090
4119	Local Passenger Transportation, NEC	1.099
4121	Taxicabs	1.119
4131	Intercity and Rural Bus Transportation	1.099
4141	Local Bus Charter Service	1.090
4142	Bus Charter Service, Except Local	1.099
4151	School Buses	1.099
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.109
5812	Eating and Drinking Places	1.119
5813	Drinking Places (Alcoholic Beverages)	1.119
5921	Liquor Stores	1.158
5963	Direct Selling Establishments	1.109
6011 - 6018	Federal Reserve Banks	0.886
6019 - 6020	Central Reserve Depository Institutions, NEC	0.886
6021	National Commercial Banks	0.886
6022 - 6028	State Commercial Banks	0.886
6029 - 6034	Commercial Banks, NEC	0.886
6035	Savings Institutions, Federally Chartered	0.886
6036 - 6060	Savings institutions, Not Federally Chartered	0.886
6061 - 6080	Credit Unions, Federally Chartered	0.886
6081	Branches and Agencies of Foreign Banks	0.886
6082 - 6090	Foreign Trade and International Banking Institutions	0.886
6091 - 6098	Nondeposit Trust Facilities	0.886
6099 - 6110	Functions Related to Deposit Banking, NEC	0.886
6111 - 6140	Federal and Federally-Sponsored Credit Agencies	0.895
6141 - 6152	Personal Credit Institutions	0.895
6153 - 6158	Short-Term Business Credit Institutions, Except Agricultural	0.886
6159 - 6161	Miscellaneous Business Credit Institutions	0.895
6162	Mortgage Bankers and Loan Correspondents	0.895
6163	Loan Brokers	0.895
7911	Dance Studios, Schools, and Halls	1.158
8051	Skilled Nursing Care Facilities	1.147
8059	Nursing and Personal Care Facilities, Not Elsewhere Classified	1.147
8062	General Medical and Surgical Hospitals	1.147
8063 - 8068	Psychiatric Hospitals	1.147
8082	Home Health Care Services	1.147
8092	Kidney Dialysis Centers	1.147
8093	Specialty Outpatient Facilities, Not Elsewhere Classified	1.147
8069	Specialty Hospitals, Except Psychiatric	1.147
8322	Individual and Family Social Services	1.109
	Municipalities	1.109
9221	Police Protection	1.109

Industry Factors

SIC Code	Industry Description	Normalized Factor
9223	Correctional Institutions	1.109
9224	Fire Protection	1.109
9711	National Security	1.090
	Var. All Other	0.973

**The Vermont Health Plan**  
**Q3 2015 Large Group Rating Program Filing**  
**Administrative Charges Development**

**Exhibit 6A**

**Reconciliation of Experience Base Administrative Expense to Reported GAAP Expenses**

(Dollars in 000's)

Business Segment	12/13 - 11/14 Experience Base	Reconciliation to GAAP <sup>(1)</sup>		
		Commissions	Reclassification Items <sup>(2)</sup>	Reported Expenses
<b>Large Group</b>				
BCBSVT Insured	\$6,160	\$1,655	\$2,894	\$10,709
BCBSVT Cost Plus <sup>(3)</sup> and ASO	\$25,584	\$375	\$1,263	\$27,223
TVHP Insured	\$3,461	\$1,146	\$1,617	\$6,224
<i>Large Group Subtotal</i>	<i>\$35,205</i>	<i>\$3,176</i>	<i>\$5,774</i>	<i>\$44,156</i>
<b>Individual/Other</b>				
BCBSVT Small Group (QHP and Non-QHP)	\$10,514	\$143	\$4,290	\$14,947
BCBSVT Individual (QHP and Non-QHP)	\$8,887	\$0	\$2,619	\$11,506
TVHP Small Group	\$2,263	\$870	\$652	\$3,785
Medicare Supplement	\$1,417	\$0	\$149	\$1,566
Cost Plus Medicare Supplement <sup>(4)</sup>	\$398	\$0	(\$398)	
TVHP Medigap Blue	\$982	\$0	(\$10)	\$972
<b>Other Member Categories</b>				
FEP	\$3,894	\$0	\$1,748	\$5,643
Blue MedicareRx	\$881	\$0	\$46	\$927
<b>Other Categories</b>				
CBA	\$7,569	\$38	(\$5)	\$7,602
Host	\$1,728	\$0	(\$4)	\$1,724
<b>Total</b>	<b>\$73,739</b>	<b>\$4,227</b>	<b>\$14,861</b>	<b>\$92,827</b>

**Notes:**

(1) Sources: Commissions and Reclassification Items are from Internal BCBSVT reports. Reported Expenses are from Underwriting Results GAAP Basis, for the Experience Base period.

(2) Reclassification Items include amortized exceptional expense amounts, and the allocation of GHI and provider contracting expenses across relevant member categories.

(3) Cost Plus billing expenses are separated from other Treasury cost center expenses.

(4) Allocation of expenses for Cost Plus members with Med Supp coverage based on cost PMPM for insured Med Supp members. In GAAP financials, expenses are included in Large Group Cost Plus.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Administrative Charges Development**

**Exhibit 6B**

**Projection Factors**

Projection factor @ 2.5% per annum (1)

Factor to		Account	Billing Group	Member	DM Member	Special Cost Plus
CY	2015	1.027	1.027	1.027	1.027	1.027
CY	2016	1.052	1.052	1.052	1.052	1.052
CY	2017	1.078	1.078	1.078	1.078	1.078
Eff Date	Jul-15	1.039	1.039	1.039	1.039	1.039
Eff Date	Aug-15	1.042	1.042	1.042	1.042	1.042
Eff Date	Sep-15	1.044	1.044	1.044	1.044	1.044
Eff Date	Oct-15	1.046	1.046	1.046	1.046	1.046
Eff Date	Nov-15	1.048	1.048	1.048	1.048	1.048
Eff Date	Dec-15	1.050	1.050	1.050	1.050	1.050
Eff Date	Jan-16	1.052	1.052	1.052	1.052	1.052
Eff Date	Feb-16	1.054	1.054	1.054	1.054	1.054
Eff Date	Mar-16	1.056	1.056	1.056	1.056	1.056
Eff Date	Apr-16	1.059	1.059	1.059	1.059	1.059
Eff Date	May-16	1.061	1.061	1.061	1.061	1.061
Eff Date	Jun-16	1.063	1.063	1.063	1.063	1.063
Eff Date	Jul-16	1.065	1.065	1.065	1.065	1.065
Eff Date	Aug-16	1.067	1.067	1.067	1.067	1.067
Eff Date	Sep-16	1.069	1.069	1.069	1.069	1.069
Eff Date	Oct-16	1.072	1.072	1.072	1.072	1.072

**Note:**

(1) Calendar year increase of 2.5% per annum, compounded to produce factors for rating periods, from experience base period to the rating year with the indicated Effective Date.

**Trend Calculation**

	2013	% of Total
Employee costs:	<b>34,569,941</b>	<b>52.6%</b>
Salaries and taxes	25,743,854	
Benefits	8,826,087	
Purchased services *	<b>19,548,975</b>	<b>29.8%</b>
Other operating costs	<b>11,585,685</b>	<b>17.6%</b>
Subtotal administrative expenses	<b>65,704,601</b>	<b>100.0%</b>
Total "Human Costs"		82.4%
Trend for "Human Costs"		3.0%
<b>Total Trend</b>		<b>2.5%</b>

\* We assumed that purchased costs are primarily for salaries and benefits for our vendor's workforces.



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Administrative Charges Development**

**Exhibit 6C**

**Administrative Charges PUPM<sup>(4)(5)</sup>**

	Account	Billing Group	Member	DM Member	Special Cost Plus	Large Group Subtotal
Experience Base <sup>(1)</sup>						
Administrative Expenses <sup>(2)</sup> (000s)	\$898	\$3,283	\$29,534	\$1,060	\$431	\$35,205
Unit Months <sup>(3)</sup>	2,226	5,151	1,563,061	1,551,682	183	
Expense PUPM	\$403.49	\$637.30	\$18.90	\$0.68	\$2,353.87	
<b>Projection Periods</b>						
Effective Date	Account	Billing Group	Member	DM Member	Special Cost Plus	
Jul-15	\$419.39	\$662.42	\$19.64	\$0.71	\$2,446.63	
Aug-15	\$420.25	\$663.76	\$19.68	\$0.71	\$2,451.61	
Sep-15	\$421.10	\$665.12	\$19.72	\$0.71	\$2,456.60	
Oct-15	\$421.96	\$666.47	\$19.76	\$0.71	\$2,461.60	
Nov-15	\$422.82	\$667.83	\$19.80	\$0.72	\$2,466.61	
Dec-15	\$423.68	\$669.19	\$19.84	\$0.72	\$2,471.64	
Jan-16	\$424.54	\$670.55	\$19.88	\$0.72	\$2,476.67	
Feb-16	\$425.41	\$671.91	\$19.92	\$0.72	\$2,481.71	
Mar-16	\$426.27	\$673.28	\$19.96	\$0.72	\$2,486.77	
Apr-16	\$427.14	\$674.65	\$20.00	\$0.72	\$2,491.83	
May-16	\$428.01	\$676.03	\$20.04	\$0.72	\$2,496.90	
Jun-16	\$428.88	\$677.40	\$20.08	\$0.73	\$2,501.99	
Jul-16	\$429.76	\$678.78	\$20.12	\$0.73	\$2,507.08	
Aug-16	\$430.63	\$680.17	\$20.17	\$0.73	\$2,512.19	
Sep-16	\$431.51	\$681.55	\$20.21	\$0.73	\$2,517.30	
Oct-16	\$432.39	\$682.94	\$20.25	\$0.73	\$2,522.43	

**Notes:**

- (1) Based on allocated administrative expenses and GAAP financials for the 12/13 - 11/14 Experience Base period. See Exhibit 6A for reconciliation of Experience Base to GAAP reported data. Member months are restated.
- (2) Expenses for "Group" are allocated by "Group" cost category (Accounts, Billing Group, etc).
- (3) "Unit Months" for "Group" refers to months times number of Accounts, Billing Groups, etc. For "Small Group and Individual", it refers to member months.
- (4) Calculated as the product of Experience Base Expense PUPM and the corresponding Adjusted Expense Projection Factor for the indicated Effective Date, from Exhibit 6B.
- (5) Applicable to all Group regular and Medicare Secondary coverage.

The Vermont Health Plan  
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Exhibit 7A

Contribution to Reserve Development

Projected 2015 BCBSVT ACL	\$ 22,642,905
Target RBC %	600%
Target capital	\$ 135,857,430
Estimated Benefit Trend	7.2%
Estimated Increase in ACL	\$ 1,630,289
Estimated Increase in Capital to Maintain Target	\$ 9,781,735
Investment Income	4,347,236
Tax rate	20.0%
Inv Income Net of Tax	3,477,789
Additional Required	6,303,946
Grossed up for FIT	7,879,933

2015 forecast premium		CTR proportions	
Exchange	318,622,092	1.00	318,622,092
Cost Plus (equiv prem)	338,144,843	0.25	84,536,211
Other Insured	187,081,482	1.00	187,081,482
	<u>843,848,417</u>	<u>0.70</u>	<u>590,239,785</u>
Required Insured CTR Factor to Maintain Target	<b>1.34%</b>		

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$270,000	4,000	0.797%	0.159%
\$270,000	5,000	0.619%	0.097%
\$270,000	10,000	0.248%	0.013%
\$270,000	20,000	0.086%	0.001%
\$270,000	30,000	0.041%	0.001%
\$270,000	40,000	0.022%	0.001%
\$275,000	100	9.452%	7.464%
\$275,000	200	6.452%	4.619%
\$275,000	300	5.149%	3.423%
\$275,000	400	4.379%	2.736%
\$275,000	500	3.855%	2.281%
\$275,000	600	3.467%	1.953%
\$275,000	700	3.164%	1.702%
\$275,000	800	2.918%	1.504%
\$275,000	900	2.712%	1.342%
\$275,000	1,000	2.536%	1.208%
\$275,000	1,500	1.924%	0.770%
\$275,000	2,000	1.544%	0.530%
\$275,000	3,000	1.081%	0.281%
\$275,000	4,000	0.806%	0.163%
\$275,000	5,000	0.627%	0.099%
\$275,000	10,000	0.252%	0.013%
\$275,000	20,000	0.087%	0.001%
\$275,000	30,000	0.042%	0.001%
\$275,000	40,000	0.023%	0.001%
\$280,000	100	9.510%	7.519%
\$280,000	200	6.492%	4.655%
\$280,000	300	5.181%	3.451%
\$280,000	400	4.407%	2.760%
\$280,000	500	3.880%	2.301%
\$280,000	600	3.490%	1.971%
\$280,000	700	3.185%	1.719%
\$280,000	800	2.938%	1.519%
\$280,000	900	2.731%	1.356%
\$280,000	1,000	2.554%	1.221%
\$280,000	1,500	1.939%	0.779%
\$280,000	2,000	1.557%	0.537%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$280,000	3,000	1.092%	0.286%
\$280,000	4,000	0.816%	0.166%
\$280,000	5,000	0.634%	0.102%
\$280,000	10,000	0.256%	0.013%
\$280,000	20,000	0.089%	0.001%
\$280,000	30,000	0.043%	0.001%
\$280,000	40,000	0.023%	0.001%
\$285,000	100	9.569%	7.573%
\$285,000	200	6.532%	4.691%
\$285,000	300	5.214%	3.479%
\$285,000	400	4.435%	2.783%
\$285,000	500	3.905%	2.322%
\$285,000	600	3.513%	1.989%
\$285,000	700	3.206%	1.735%
\$285,000	800	2.958%	1.534%
\$285,000	900	2.750%	1.370%
\$285,000	1,000	2.572%	1.234%
\$285,000	1,500	1.954%	0.789%
\$285,000	2,000	1.571%	0.545%
\$285,000	3,000	1.103%	0.291%
\$285,000	4,000	0.825%	0.170%
\$285,000	5,000	0.642%	0.104%
\$285,000	10,000	0.259%	0.014%
\$285,000	20,000	0.090%	0.001%
\$285,000	30,000	0.044%	0.001%
\$285,000	40,000	0.024%	0.001%
\$290,000	100	9.627%	7.628%
\$290,000	200	6.573%	4.728%
\$290,000	300	5.246%	3.507%
\$290,000	400	4.463%	2.807%
\$290,000	500	3.930%	2.342%
\$290,000	600	3.535%	2.007%
\$290,000	700	3.227%	1.752%
\$290,000	800	2.977%	1.549%
\$290,000	900	2.769%	1.384%
\$290,000	1,000	2.590%	1.247%
\$290,000	1,500	1.969%	0.799%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$290,000	2,000	1.584%	0.552%
\$290,000	3,000	1.114%	0.296%
\$290,000	4,000	0.834%	0.173%
\$290,000	5,000	0.650%	0.106%
\$290,000	10,000	0.263%	0.014%
\$290,000	20,000	0.092%	0.001%
\$290,000	30,000	0.044%	0.001%
\$290,000	40,000	0.024%	0.001%
\$295,000	100	9.686%	7.683%
\$295,000	200	6.613%	4.764%
\$295,000	300	5.278%	3.535%
\$295,000	400	4.491%	2.830%
\$295,000	500	3.955%	2.363%
\$295,000	600	3.558%	2.025%
\$295,000	700	3.249%	1.768%
\$295,000	800	2.997%	1.564%
\$295,000	900	2.787%	1.398%
\$295,000	1,000	2.608%	1.260%
\$295,000	1,500	1.985%	0.808%
\$295,000	2,000	1.597%	0.560%
\$295,000	3,000	1.125%	0.301%
\$295,000	4,000	0.843%	0.177%
\$295,000	5,000	0.657%	0.109%
\$295,000	10,000	0.267%	0.015%
\$295,000	20,000	0.093%	0.002%
\$295,000	30,000	0.045%	0.001%
\$295,000	40,000	0.025%	0.001%
\$300,000	100	9.744%	7.738%
\$300,000	200	6.653%	4.800%
\$300,000	300	5.311%	3.564%
\$300,000	400	4.518%	2.854%
\$300,000	500	3.979%	2.383%
\$300,000	600	3.581%	2.043%
\$300,000	700	3.270%	1.785%
\$300,000	800	3.017%	1.579%
\$300,000	900	2.806%	1.412%
\$300,000	1,000	2.626%	1.273%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$300,000	1,500	2.000%	0.818%
\$300,000	2,000	1.611%	0.568%
\$300,000	3,000	1.136%	0.306%
\$300,000	4,000	0.852%	0.180%
\$300,000	5,000	0.665%	0.111%
\$300,000	10,000	0.271%	0.015%
\$300,000	20,000	0.095%	0.002%
\$300,000	30,000	0.046%	0.001%
\$300,000	40,000	0.025%	0.001%
\$305,000	100	9.803%	7.792%
\$305,000	200	6.694%	4.836%
\$305,000	300	5.343%	3.592%
\$305,000	400	4.546%	2.877%
\$305,000	500	4.004%	2.403%
\$305,000	600	3.604%	2.062%
\$305,000	700	3.291%	1.801%
\$305,000	800	3.037%	1.595%
\$305,000	900	2.825%	1.426%
\$305,000	1,000	2.644%	1.286%
\$305,000	1,500	2.015%	0.828%
\$305,000	2,000	1.624%	0.575%
\$305,000	3,000	1.146%	0.312%
\$305,000	4,000	0.861%	0.184%
\$305,000	5,000	0.673%	0.114%
\$305,000	10,000	0.274%	0.016%
\$305,000	20,000	0.096%	0.002%
\$305,000	30,000	0.047%	0.001%
\$305,000	40,000	0.026%	0.001%
\$310,000	100	9.862%	7.848%
\$310,000	200	6.735%	4.874%
\$310,000	300	5.376%	3.621%
\$310,000	400	4.575%	2.902%
\$310,000	500	4.030%	2.424%
\$310,000	600	3.627%	2.080%
\$310,000	700	3.312%	1.818%
\$310,000	800	3.057%	1.610%
\$310,000	900	2.844%	1.441%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$310,000	1,000	2.662%	1.299%
\$310,000	1,500	2.030%	0.838%
\$310,000	2,000	1.638%	0.583%
\$310,000	3,000	1.158%	0.317%
\$310,000	4,000	0.871%	0.187%
\$310,000	5,000	0.681%	0.116%
\$310,000	10,000	0.278%	0.016%
\$310,000	20,000	0.098%	0.002%
\$310,000	30,000	0.048%	0.001%
\$310,000	40,000	0.027%	0.001%
\$315,000	100	9.922%	7.905%
\$315,000	200	6.776%	4.911%
\$315,000	300	5.410%	3.650%
\$315,000	400	4.604%	2.926%
\$315,000	500	4.055%	2.446%
\$315,000	600	3.650%	2.099%
\$315,000	700	3.334%	1.835%
\$315,000	800	3.078%	1.626%
\$315,000	900	2.864%	1.455%
\$315,000	1,000	2.681%	1.313%
\$315,000	1,500	2.046%	0.848%
\$315,000	2,000	1.652%	0.591%
\$315,000	3,000	1.169%	0.322%
\$315,000	4,000	0.880%	0.191%
\$315,000	5,000	0.689%	0.119%
\$315,000	10,000	0.282%	0.017%
\$315,000	20,000	0.100%	0.002%
\$315,000	30,000	0.049%	0.001%
\$315,000	40,000	0.027%	0.001%
\$320,000	100	9.983%	7.962%
\$320,000	200	6.818%	4.949%
\$320,000	300	5.443%	3.680%
\$320,000	400	4.632%	2.951%
\$320,000	500	4.081%	2.467%
\$320,000	600	3.674%	2.118%
\$320,000	700	3.356%	1.853%
\$320,000	800	3.098%	1.642%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$320,000	900	2.883%	1.470%
\$320,000	1,000	2.699%	1.327%
\$320,000	1,500	2.061%	0.859%
\$320,000	2,000	1.665%	0.600%
\$320,000	3,000	1.181%	0.328%
\$320,000	4,000	0.890%	0.195%
\$320,000	5,000	0.697%	0.122%
\$320,000	10,000	0.286%	0.018%
\$320,000	20,000	0.101%	0.002%
\$320,000	30,000	0.050%	0.001%
\$320,000	40,000	0.028%	0.001%
\$325,000	100	10.043%	8.019%
\$325,000	200	6.859%	4.987%
\$325,000	300	5.477%	3.709%
\$325,000	400	4.661%	2.975%
\$325,000	500	4.107%	2.489%
\$325,000	600	3.697%	2.138%
\$325,000	700	3.378%	1.870%
\$325,000	800	3.118%	1.658%
\$325,000	900	2.902%	1.485%
\$325,000	1,000	2.718%	1.340%
\$325,000	1,500	2.077%	0.869%
\$325,000	2,000	1.679%	0.608%
\$325,000	3,000	1.192%	0.333%
\$325,000	4,000	0.900%	0.199%
\$325,000	5,000	0.706%	0.125%
\$325,000	10,000	0.291%	0.018%
\$325,000	20,000	0.103%	0.002%
\$325,000	30,000	0.051%	0.001%
\$325,000	40,000	0.028%	0.001%
\$330,000	100	10.103%	8.076%
\$330,000	200	6.901%	5.025%
\$330,000	300	5.510%	3.739%
\$330,000	400	4.690%	3.000%
\$330,000	500	4.132%	2.510%
\$330,000	600	3.720%	2.157%
\$330,000	700	3.399%	1.887%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$330,000	800	3.139%	1.674%
\$330,000	900	2.922%	1.499%
\$330,000	1,000	2.736%	1.354%
\$330,000	1,500	2.093%	0.879%
\$330,000	2,000	1.693%	0.616%
\$330,000	3,000	1.203%	0.339%
\$330,000	4,000	0.909%	0.203%
\$330,000	5,000	0.714%	0.127%
\$330,000	10,000	0.295%	0.019%
\$330,000	20,000	0.105%	0.002%
\$330,000	30,000	0.052%	0.001%
\$330,000	40,000	0.029%	0.001%
\$335,000	100	10.164%	8.133%
\$335,000	200	6.943%	5.063%
\$335,000	300	5.544%	3.768%
\$335,000	400	4.719%	3.025%
\$335,000	500	4.158%	2.531%
\$335,000	600	3.744%	2.176%
\$335,000	700	3.421%	1.904%
\$335,000	800	3.159%	1.689%
\$335,000	900	2.941%	1.514%
\$335,000	1,000	2.755%	1.368%
\$335,000	1,500	2.108%	0.890%
\$335,000	2,000	1.707%	0.624%
\$335,000	3,000	1.215%	0.344%
\$335,000	4,000	0.919%	0.207%
\$335,000	5,000	0.722%	0.130%
\$335,000	10,000	0.299%	0.019%
\$335,000	20,000	0.106%	0.002%
\$335,000	30,000	0.053%	0.001%
\$335,000	40,000	0.030%	0.001%
\$340,000	100	10.224%	8.190%
\$340,000	200	6.984%	5.101%
\$340,000	300	5.577%	3.798%
\$340,000	400	4.747%	3.049%
\$340,000	500	4.183%	2.553%
\$340,000	600	3.767%	2.195%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$340,000	700	3.443%	1.922%
\$340,000	800	3.180%	1.705%
\$340,000	900	2.960%	1.529%
\$340,000	1,000	2.773%	1.382%
\$340,000	1,500	2.124%	0.900%
\$340,000	2,000	1.721%	0.633%
\$340,000	3,000	1.226%	0.350%
\$340,000	4,000	0.929%	0.211%
\$340,000	5,000	0.730%	0.133%
\$340,000	10,000	0.303%	0.020%
\$340,000	20,000	0.108%	0.002%
\$340,000	30,000	0.054%	0.001%
\$340,000	40,000	0.030%	0.001%
\$345,000	100	10.284%	8.247%
\$345,000	200	7.026%	5.138%
\$345,000	300	5.611%	3.827%
\$345,000	400	4.776%	3.074%
\$345,000	500	4.209%	2.574%
\$345,000	600	3.791%	2.214%
\$345,000	700	3.464%	1.939%
\$345,000	800	3.200%	1.721%
\$345,000	900	2.980%	1.544%
\$345,000	1,000	2.792%	1.395%
\$345,000	1,500	2.139%	0.910%
\$345,000	2,000	1.734%	0.641%
\$345,000	3,000	1.238%	0.356%
\$345,000	4,000	0.938%	0.214%
\$345,000	5,000	0.739%	0.136%
\$345,000	10,000	0.307%	0.021%
\$345,000	20,000	0.110%	0.002%
\$345,000	30,000	0.055%	0.001%
\$345,000	40,000	0.031%	0.001%
\$350,000	100	10.341%	8.300%
\$350,000	200	7.065%	5.174%
\$350,000	300	5.642%	3.855%
\$350,000	400	4.803%	3.097%
\$350,000	500	4.233%	2.595%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$350,000	600	3.812%	2.232%
\$350,000	700	3.485%	1.955%
\$350,000	800	3.219%	1.736%
\$350,000	900	2.998%	1.557%
\$350,000	1,000	2.809%	1.408%
\$350,000	1,500	2.154%	0.920%
\$350,000	2,000	1.747%	0.649%
\$350,000	3,000	1.248%	0.361%
\$350,000	4,000	0.947%	0.218%
\$350,000	5,000	0.746%	0.139%
\$350,000	10,000	0.311%	0.021%
\$350,000	20,000	0.111%	0.002%
\$350,000	30,000	0.056%	0.001%
\$350,000	40,000	0.031%	0.001%
\$355,000	100	10.391%	8.348%
\$355,000	200	7.099%	5.205%
\$355,000	300	5.670%	3.880%
\$355,000	400	4.827%	3.118%
\$355,000	500	4.254%	2.612%
\$355,000	600	3.832%	2.248%
\$355,000	700	3.503%	1.970%
\$355,000	800	3.236%	1.750%
\$355,000	900	3.014%	1.570%
\$355,000	1,000	2.824%	1.420%
\$355,000	1,500	2.166%	0.929%
\$355,000	2,000	1.759%	0.656%
\$355,000	3,000	1.258%	0.366%
\$355,000	4,000	0.955%	0.222%
\$355,000	5,000	0.753%	0.141%
\$355,000	10,000	0.315%	0.022%
\$355,000	20,000	0.113%	0.002%
\$355,000	30,000	0.056%	0.001%
\$355,000	40,000	0.032%	0.001%
\$360,000	100	10.441%	8.395%
\$360,000	200	7.134%	5.237%
\$360,000	300	5.697%	3.904%
\$360,000	400	4.850%	3.138%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$360,000	500	4.275%	2.630%
\$360,000	600	3.851%	2.264%
\$360,000	700	3.521%	1.984%
\$360,000	800	3.253%	1.763%
\$360,000	900	3.030%	1.582%
\$360,000	1,000	2.839%	1.431%
\$360,000	1,500	2.179%	0.938%
\$360,000	2,000	1.770%	0.663%
\$360,000	3,000	1.267%	0.371%
\$360,000	4,000	0.963%	0.225%
\$360,000	5,000	0.760%	0.144%
\$360,000	10,000	0.318%	0.022%
\$360,000	20,000	0.114%	0.002%
\$360,000	30,000	0.057%	0.001%
\$360,000	40,000	0.033%	0.001%
\$365,000	100	10.491%	8.442%
\$365,000	200	7.168%	5.268%
\$365,000	300	5.725%	3.929%
\$365,000	400	4.874%	3.159%
\$365,000	500	4.297%	2.648%
\$365,000	600	3.870%	2.280%
\$365,000	700	3.538%	1.999%
\$365,000	800	3.270%	1.776%
\$365,000	900	3.046%	1.594%
\$365,000	1,000	2.855%	1.443%
\$365,000	1,500	2.192%	0.946%
\$365,000	2,000	1.781%	0.670%
\$365,000	3,000	1.277%	0.375%
\$365,000	4,000	0.972%	0.228%
\$365,000	5,000	0.767%	0.146%
\$365,000	10,000	0.322%	0.023%
\$365,000	20,000	0.116%	0.002%
\$365,000	30,000	0.058%	0.001%
\$365,000	40,000	0.033%	0.001%
\$370,000	100	10.540%	8.489%
\$370,000	200	7.202%	5.300%
\$370,000	300	5.753%	3.953%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$370,000	400	4.898%	3.179%
\$370,000	500	4.318%	2.666%
\$370,000	600	3.890%	2.296%
\$370,000	700	3.556%	2.013%
\$370,000	800	3.286%	1.789%
\$370,000	900	3.062%	1.607%
\$370,000	1,000	2.870%	1.454%
\$370,000	1,500	2.205%	0.955%
\$370,000	2,000	1.793%	0.677%
\$370,000	3,000	1.286%	0.380%
\$370,000	4,000	0.980%	0.232%
\$370,000	5,000	0.774%	0.148%
\$370,000	10,000	0.326%	0.024%
\$370,000	20,000	0.117%	0.002%
\$370,000	30,000	0.059%	0.001%
\$370,000	40,000	0.034%	0.001%
\$375,000	100	10.590%	8.537%
\$375,000	200	7.237%	5.331%
\$375,000	300	5.780%	3.978%
\$375,000	400	4.922%	3.200%
\$375,000	500	4.339%	2.684%
\$375,000	600	3.909%	2.312%
\$375,000	700	3.574%	2.028%
\$375,000	800	3.303%	1.803%
\$375,000	900	3.077%	1.619%
\$375,000	1,000	2.885%	1.466%
\$375,000	1,500	2.218%	0.964%
\$375,000	2,000	1.804%	0.684%
\$375,000	3,000	1.296%	0.385%
\$375,000	4,000	0.988%	0.235%
\$375,000	5,000	0.781%	0.151%
\$375,000	10,000	0.329%	0.024%
\$375,000	20,000	0.119%	0.002%
\$375,000	30,000	0.060%	0.001%
\$375,000	40,000	0.034%	0.001%
\$380,000	100	10.640%	8.584%
\$380,000	200	7.271%	5.363%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$380,000	300	5.808%	4.003%
\$380,000	400	4.946%	3.221%
\$380,000	500	4.360%	2.702%
\$380,000	600	3.928%	2.328%
\$380,000	700	3.592%	2.042%
\$380,000	800	3.320%	1.816%
\$380,000	900	3.093%	1.631%
\$380,000	1,000	2.900%	1.477%
\$380,000	1,500	2.230%	0.972%
\$380,000	2,000	1.815%	0.691%
\$380,000	3,000	1.305%	0.390%
\$380,000	4,000	0.996%	0.239%
\$380,000	5,000	0.788%	0.154%
\$380,000	10,000	0.333%	0.025%
\$380,000	20,000	0.120%	0.002%
\$380,000	30,000	0.061%	0.001%
\$380,000	40,000	0.035%	0.001%
\$385,000	100	10.690%	8.631%
\$385,000	200	7.306%	5.395%
\$385,000	300	5.836%	4.027%
\$385,000	400	4.969%	3.241%
\$385,000	500	4.381%	2.720%
\$385,000	600	3.948%	2.343%
\$385,000	700	3.610%	2.057%
\$385,000	800	3.337%	1.829%
\$385,000	900	3.109%	1.644%
\$385,000	1,000	2.915%	1.489%
\$385,000	1,500	2.243%	0.981%
\$385,000	2,000	1.827%	0.698%
\$385,000	3,000	1.314%	0.395%
\$385,000	4,000	1.004%	0.242%
\$385,000	5,000	0.795%	0.156%
\$385,000	10,000	0.336%	0.025%
\$385,000	20,000	0.122%	0.002%
\$385,000	30,000	0.062%	0.001%
\$385,000	40,000	0.035%	0.001%
\$390,000	100	10.740%	8.679%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$390,000	200	7.340%	5.426%
\$390,000	300	5.864%	4.052%
\$390,000	400	4.993%	3.262%
\$390,000	500	4.402%	2.738%
\$390,000	600	3.967%	2.359%
\$390,000	700	3.628%	2.071%
\$390,000	800	3.354%	1.843%
\$390,000	900	3.125%	1.656%
\$390,000	1,000	2.931%	1.500%
\$390,000	1,500	2.256%	0.990%
\$390,000	2,000	1.838%	0.705%
\$390,000	3,000	1.324%	0.399%
\$390,000	4,000	1.012%	0.246%
\$390,000	5,000	0.802%	0.159%
\$390,000	10,000	0.340%	0.026%
\$390,000	20,000	0.123%	0.002%
\$390,000	30,000	0.062%	0.001%
\$390,000	40,000	0.036%	0.001%
\$395,000	100	10.790%	8.726%
\$395,000	200	7.375%	5.458%
\$395,000	300	5.891%	4.077%
\$395,000	400	5.017%	3.283%
\$395,000	500	4.424%	2.756%
\$395,000	600	3.986%	2.375%
\$395,000	700	3.646%	2.086%
\$395,000	800	3.371%	1.856%
\$395,000	900	3.141%	1.668%
\$395,000	1,000	2.946%	1.512%
\$395,000	1,500	2.269%	0.999%
\$395,000	2,000	1.849%	0.712%
\$395,000	3,000	1.333%	0.404%
\$395,000	4,000	1.020%	0.249%
\$395,000	5,000	0.809%	0.161%
\$395,000	10,000	0.344%	0.027%
\$395,000	20,000	0.125%	0.002%
\$395,000	30,000	0.063%	0.001%
\$395,000	40,000	0.036%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$400,000	100	10.840%	8.774%
\$400,000	200	7.409%	5.489%
\$400,000	300	5.919%	4.101%
\$400,000	400	5.041%	3.303%
\$400,000	500	4.445%	2.774%
\$400,000	600	4.006%	2.392%
\$400,000	700	3.664%	2.100%
\$400,000	800	3.387%	1.869%
\$400,000	900	3.157%	1.681%
\$400,000	1,000	2.961%	1.523%
\$400,000	1,500	2.281%	1.007%
\$400,000	2,000	1.861%	0.719%
\$400,000	3,000	1.343%	0.409%
\$400,000	4,000	1.028%	0.253%
\$400,000	5,000	0.816%	0.164%
\$400,000	10,000	0.347%	0.027%
\$400,000	20,000	0.126%	0.002%
\$400,000	30,000	0.064%	0.001%
\$400,000	40,000	0.037%	0.001%
\$405,000	100	10.890%	8.821%
\$405,000	200	7.444%	5.521%
\$405,000	300	5.947%	4.126%
\$405,000	400	5.065%	3.324%
\$405,000	500	4.466%	2.792%
\$405,000	600	4.025%	2.408%
\$405,000	700	3.682%	2.115%
\$405,000	800	3.404%	1.883%
\$405,000	900	3.173%	1.693%
\$405,000	1,000	2.976%	1.535%
\$405,000	1,500	2.294%	1.016%
\$405,000	2,000	1.872%	0.726%
\$405,000	3,000	1.352%	0.414%
\$405,000	4,000	1.036%	0.256%
\$405,000	5,000	0.823%	0.166%
\$405,000	10,000	0.351%	0.028%
\$405,000	20,000	0.128%	0.003%
\$405,000	30,000	0.065%	0.001%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$405,000	40,000	0.038%	0.001%
\$410,000	100	10.931%	8.860%
\$410,000	200	7.472%	5.547%
\$410,000	300	5.969%	4.146%
\$410,000	400	5.084%	3.341%
\$410,000	500	4.483%	2.806%
\$410,000	600	4.041%	2.421%
\$410,000	700	3.696%	2.127%
\$410,000	800	3.418%	1.893%
\$410,000	900	3.186%	1.703%
\$410,000	1,000	2.988%	1.544%
\$410,000	1,500	2.305%	1.023%
\$410,000	2,000	1.881%	0.732%
\$410,000	3,000	1.360%	0.418%
\$410,000	4,000	1.043%	0.259%
\$410,000	5,000	0.829%	0.169%
\$410,000	10,000	0.354%	0.028%
\$410,000	20,000	0.129%	0.003%
\$410,000	30,000	0.066%	0.001%
\$410,000	40,000	0.038%	0.001%
\$415,000	100	10.968%	8.895%
\$415,000	200	7.498%	5.570%
\$415,000	300	5.990%	4.165%
\$415,000	400	5.102%	3.356%
\$415,000	500	4.499%	2.820%
\$415,000	600	4.055%	2.433%
\$415,000	700	3.710%	2.137%
\$415,000	800	3.430%	1.903%
\$415,000	900	3.198%	1.712%
\$415,000	1,000	3.000%	1.553%
\$415,000	1,500	2.314%	1.030%
\$415,000	2,000	1.890%	0.737%
\$415,000	3,000	1.367%	0.422%
\$415,000	4,000	1.049%	0.262%
\$415,000	5,000	0.834%	0.171%
\$415,000	10,000	0.357%	0.029%
\$415,000	20,000	0.130%	0.003%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$415,000	30,000	0.067%	0.001%
\$415,000	40,000	0.039%	0.001%
\$420,000	100	11.005%	8.931%
\$420,000	200	7.523%	5.594%
\$420,000	300	6.011%	4.183%
\$420,000	400	5.119%	3.372%
\$420,000	500	4.515%	2.833%
\$420,000	600	4.070%	2.445%
\$420,000	700	3.723%	2.148%
\$420,000	800	3.443%	1.913%
\$420,000	900	3.210%	1.722%
\$420,000	1,000	3.011%	1.562%
\$420,000	1,500	2.324%	1.037%
\$420,000	2,000	1.898%	0.742%
\$420,000	3,000	1.374%	0.426%
\$420,000	4,000	1.055%	0.265%
\$420,000	5,000	0.839%	0.173%
\$420,000	10,000	0.360%	0.030%
\$420,000	20,000	0.131%	0.003%
\$420,000	30,000	0.067%	0.001%
\$420,000	40,000	0.039%	0.001%
\$425,000	100	11.043%	8.966%
\$425,000	200	7.549%	5.618%
\$425,000	300	6.031%	4.202%
\$425,000	400	5.137%	3.387%
\$425,000	500	4.531%	2.847%
\$425,000	600	4.084%	2.457%
\$425,000	700	3.736%	2.159%
\$425,000	800	3.455%	1.924%
\$425,000	900	3.221%	1.731%
\$425,000	1,000	3.022%	1.570%
\$425,000	1,500	2.333%	1.043%
\$425,000	2,000	1.907%	0.748%
\$425,000	3,000	1.381%	0.429%
\$425,000	4,000	1.061%	0.267%
\$425,000	5,000	0.845%	0.175%
\$425,000	10,000	0.363%	0.030%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$425,000	20,000	0.133%	0.003%
\$425,000	30,000	0.068%	0.001%
\$425,000	40,000	0.039%	0.001%
\$430,000	100	11.080%	9.002%
\$430,000	200	7.575%	5.642%
\$430,000	300	6.052%	4.220%
\$430,000	400	5.155%	3.403%
\$430,000	500	4.547%	2.860%
\$430,000	600	4.098%	2.469%
\$430,000	700	3.750%	2.170%
\$430,000	800	3.468%	1.934%
\$430,000	900	3.233%	1.740%
\$430,000	1,000	3.034%	1.579%
\$430,000	1,500	2.343%	1.050%
\$430,000	2,000	1.915%	0.753%
\$430,000	3,000	1.388%	0.433%
\$430,000	4,000	1.067%	0.270%
\$430,000	5,000	0.850%	0.177%
\$430,000	10,000	0.365%	0.031%
\$430,000	20,000	0.134%	0.003%
\$430,000	30,000	0.069%	0.001%
\$430,000	40,000	0.040%	0.001%
\$435,000	100	11.118%	9.037%
\$435,000	200	7.601%	5.665%
\$435,000	300	6.073%	4.239%
\$435,000	400	5.173%	3.418%
\$435,000	500	4.562%	2.874%
\$435,000	600	4.113%	2.481%
\$435,000	700	3.763%	2.181%
\$435,000	800	3.480%	1.944%
\$435,000	900	3.245%	1.750%
\$435,000	1,000	3.045%	1.588%
\$435,000	1,500	2.352%	1.056%
\$435,000	2,000	1.923%	0.758%
\$435,000	3,000	1.395%	0.437%
\$435,000	4,000	1.073%	0.273%
\$435,000	5,000	0.855%	0.179%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$435,000	10,000	0.368%	0.031%
\$435,000	20,000	0.135%	0.003%
\$435,000	30,000	0.069%	0.001%
\$435,000	40,000	0.040%	0.001%
\$440,000	100	11.155%	9.073%
\$440,000	200	7.627%	5.689%
\$440,000	300	6.094%	4.258%
\$440,000	400	5.191%	3.434%
\$440,000	500	4.578%	2.887%
\$440,000	600	4.127%	2.493%
\$440,000	700	3.777%	2.192%
\$440,000	800	3.493%	1.954%
\$440,000	900	3.257%	1.759%
\$440,000	1,000	3.056%	1.596%
\$440,000	1,500	2.362%	1.063%
\$440,000	2,000	1.932%	0.764%
\$440,000	3,000	1.402%	0.441%
\$440,000	4,000	1.079%	0.275%
\$440,000	5,000	0.861%	0.181%
\$440,000	10,000	0.371%	0.032%
\$440,000	20,000	0.136%	0.003%
\$440,000	30,000	0.070%	0.001%
\$440,000	40,000	0.041%	0.001%
\$445,000	100	11.192%	9.108%
\$445,000	200	7.652%	5.713%
\$445,000	300	6.115%	4.276%
\$445,000	400	5.209%	3.449%
\$445,000	500	4.594%	2.901%
\$445,000	600	4.142%	2.505%
\$445,000	700	3.790%	2.203%
\$445,000	800	3.506%	1.964%
\$445,000	900	3.269%	1.768%
\$445,000	1,000	3.068%	1.605%
\$445,000	1,500	2.371%	1.070%
\$445,000	2,000	1.940%	0.769%
\$445,000	3,000	1.409%	0.444%
\$445,000	4,000	1.085%	0.278%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$445,000	5,000	0.866%	0.183%
\$445,000	10,000	0.374%	0.032%
\$445,000	20,000	0.137%	0.003%
\$445,000	30,000	0.071%	0.001%
\$445,000	40,000	0.041%	0.001%
\$450,000	100	11.230%	9.144%
\$450,000	200	7.678%	5.737%
\$450,000	300	6.135%	4.295%
\$450,000	400	5.226%	3.465%
\$450,000	500	4.610%	2.914%
\$450,000	600	4.156%	2.517%
\$450,000	700	3.803%	2.214%
\$450,000	800	3.518%	1.974%
\$450,000	900	3.281%	1.778%
\$450,000	1,000	3.079%	1.614%
\$450,000	1,500	2.380%	1.076%
\$450,000	2,000	1.949%	0.774%
\$450,000	3,000	1.416%	0.448%
\$450,000	4,000	1.091%	0.281%
\$450,000	5,000	0.871%	0.185%
\$450,000	10,000	0.377%	0.033%
\$450,000	20,000	0.138%	0.003%
\$450,000	30,000	0.071%	0.001%
\$450,000	40,000	0.042%	0.001%
\$455,000	100	11.267%	9.180%
\$455,000	200	7.704%	5.761%
\$455,000	300	6.156%	4.313%
\$455,000	400	5.244%	3.481%
\$455,000	500	4.626%	2.928%
\$455,000	600	4.171%	2.529%
\$455,000	700	3.817%	2.225%
\$455,000	800	3.531%	1.984%
\$455,000	900	3.293%	1.787%
\$455,000	1,000	3.090%	1.623%
\$455,000	1,500	2.390%	1.083%
\$455,000	2,000	1.957%	0.780%
\$455,000	3,000	1.423%	0.452%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$455,000	4,000	1.097%	0.284%
\$455,000	5,000	0.876%	0.187%
\$455,000	10,000	0.380%	0.033%
\$455,000	20,000	0.140%	0.003%
\$455,000	30,000	0.072%	0.001%
\$455,000	40,000	0.042%	0.001%
\$460,000	100	11.305%	9.215%
\$460,000	200	7.730%	5.784%
\$460,000	300	6.177%	4.332%
\$460,000	400	5.262%	3.496%
\$460,000	500	4.642%	2.941%
\$460,000	600	4.185%	2.541%
\$460,000	700	3.830%	2.236%
\$460,000	800	3.543%	1.994%
\$460,000	900	3.304%	1.796%
\$460,000	1,000	3.101%	1.631%
\$460,000	1,500	2.399%	1.090%
\$460,000	2,000	1.965%	0.785%
\$460,000	3,000	1.430%	0.456%
\$460,000	4,000	1.104%	0.287%
\$460,000	5,000	0.882%	0.189%
\$460,000	10,000	0.383%	0.034%
\$460,000	20,000	0.141%	0.003%
\$460,000	30,000	0.073%	0.001%
\$460,000	40,000	0.043%	0.001%
\$465,000	100	11.342%	9.251%
\$465,000	200	7.756%	5.808%
\$465,000	300	6.198%	4.351%
\$465,000	400	5.280%	3.512%
\$465,000	500	4.658%	2.955%
\$465,000	600	4.200%	2.553%
\$465,000	700	3.843%	2.247%
\$465,000	800	3.556%	2.004%
\$465,000	900	3.316%	1.806%
\$465,000	1,000	3.113%	1.640%
\$465,000	1,500	2.409%	1.096%
\$465,000	2,000	1.974%	0.791%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$465,000	3,000	1.437%	0.459%
\$465,000	4,000	1.110%	0.289%
\$465,000	5,000	0.887%	0.191%
\$465,000	10,000	0.386%	0.034%
\$465,000	20,000	0.142%	0.003%
\$465,000	30,000	0.073%	0.001%
\$465,000	40,000	0.043%	0.001%
\$470,000	100	11.379%	9.286%
\$470,000	200	7.782%	5.832%
\$470,000	300	6.218%	4.369%
\$470,000	400	5.298%	3.527%
\$470,000	500	4.673%	2.968%
\$470,000	600	4.214%	2.565%
\$470,000	700	3.857%	2.258%
\$470,000	800	3.568%	2.014%
\$470,000	900	3.328%	1.815%
\$470,000	1,000	3.124%	1.649%
\$470,000	1,500	2.418%	1.103%
\$470,000	2,000	1.982%	0.796%
\$470,000	3,000	1.444%	0.463%
\$470,000	4,000	1.116%	0.292%
\$470,000	5,000	0.892%	0.193%
\$470,000	10,000	0.388%	0.035%
\$470,000	20,000	0.143%	0.003%
\$470,000	30,000	0.074%	0.001%
\$470,000	40,000	0.044%	0.001%
\$475,000	100	11.416%	9.321%
\$475,000	200	7.807%	5.855%
\$475,000	300	6.239%	4.388%
\$475,000	400	5.315%	3.543%
\$475,000	500	4.689%	2.982%
\$475,000	600	4.228%	2.577%
\$475,000	700	3.870%	2.269%
\$475,000	800	3.580%	2.024%
\$475,000	900	3.340%	1.824%
\$475,000	1,000	3.135%	1.657%
\$475,000	1,500	2.428%	1.110%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$475,000	2,000	1.990%	0.801%
\$475,000	3,000	1.451%	0.467%
\$475,000	4,000	1.122%	0.295%
\$475,000	5,000	0.898%	0.195%
\$475,000	10,000	0.391%	0.036%
\$475,000	20,000	0.145%	0.003%
\$475,000	30,000	0.075%	0.001%
\$475,000	40,000	0.044%	0.001%
\$480,000	100	11.451%	9.355%
\$480,000	200	7.831%	5.878%
\$480,000	300	6.258%	4.405%
\$480,000	400	5.332%	3.557%
\$480,000	500	4.704%	2.995%
\$480,000	600	4.242%	2.588%
\$480,000	700	3.882%	2.279%
\$480,000	800	3.592%	2.033%
\$480,000	900	3.351%	1.833%
\$480,000	1,000	3.146%	1.666%
\$480,000	1,500	2.436%	1.116%
\$480,000	2,000	1.998%	0.806%
\$480,000	3,000	1.458%	0.471%
\$480,000	4,000	1.127%	0.298%
\$480,000	5,000	0.903%	0.197%
\$480,000	10,000	0.394%	0.036%
\$480,000	20,000	0.146%	0.003%
\$480,000	30,000	0.076%	0.001%
\$480,000	40,000	0.045%	0.001%
\$485,000	100	11.485%	9.388%
\$485,000	200	7.855%	5.900%
\$485,000	300	6.277%	4.422%
\$485,000	400	5.348%	3.572%
\$485,000	500	4.718%	3.007%
\$485,000	600	4.255%	2.600%
\$485,000	700	3.895%	2.289%
\$485,000	800	3.604%	2.043%
\$485,000	900	3.362%	1.842%
\$485,000	1,000	3.156%	1.674%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$485,000	1,500	2.445%	1.122%
\$485,000	2,000	2.006%	0.812%
\$485,000	3,000	1.465%	0.474%
\$485,000	4,000	1.133%	0.300%
\$485,000	5,000	0.908%	0.199%
\$485,000	10,000	0.397%	0.037%
\$485,000	20,000	0.147%	0.003%
\$485,000	30,000	0.076%	0.001%
\$485,000	40,000	0.045%	0.001%
\$490,000	100	11.520%	9.421%
\$490,000	200	7.879%	5.922%
\$490,000	300	6.296%	4.440%
\$490,000	400	5.365%	3.586%
\$490,000	500	4.733%	3.020%
\$490,000	600	4.268%	2.611%
\$490,000	700	3.907%	2.299%
\$490,000	800	3.615%	2.052%
\$490,000	900	3.373%	1.850%
\$490,000	1,000	3.166%	1.682%
\$490,000	1,500	2.454%	1.128%
\$490,000	2,000	2.014%	0.817%
\$490,000	3,000	1.471%	0.478%
\$490,000	4,000	1.139%	0.303%
\$490,000	5,000	0.913%	0.201%
\$490,000	10,000	0.400%	0.037%
\$490,000	20,000	0.148%	0.003%
\$490,000	30,000	0.077%	0.001%
\$490,000	40,000	0.045%	0.001%
\$495,000	100	11.555%	9.454%
\$495,000	200	7.903%	5.944%
\$495,000	300	6.316%	4.457%
\$495,000	400	5.381%	3.601%
\$495,000	500	4.748%	3.033%
\$495,000	600	4.282%	2.622%
\$495,000	700	3.919%	2.310%
\$495,000	800	3.627%	2.062%
\$495,000	900	3.384%	1.859%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$495,000	1,000	3.177%	1.690%
\$495,000	1,500	2.463%	1.135%
\$495,000	2,000	2.022%	0.822%
\$495,000	3,000	1.478%	0.481%
\$495,000	4,000	1.144%	0.306%
\$495,000	5,000	0.918%	0.203%
\$495,000	10,000	0.402%	0.038%
\$495,000	20,000	0.149%	0.004%
\$495,000	30,000	0.078%	0.001%
\$495,000	40,000	0.046%	0.001%
\$500,000	100	11.589%	9.487%
\$500,000	200	7.927%	5.966%
\$500,000	300	6.335%	4.475%
\$500,000	400	5.398%	3.615%
\$500,000	500	4.762%	3.045%
\$500,000	600	4.295%	2.634%
\$500,000	700	3.932%	2.320%
\$500,000	800	3.638%	2.071%
\$500,000	900	3.395%	1.868%
\$500,000	1,000	3.187%	1.698%
\$500,000	1,500	2.471%	1.141%
\$500,000	2,000	2.029%	0.827%
\$500,000	3,000	1.484%	0.485%
\$500,000	4,000	1.150%	0.308%
\$500,000	5,000	0.923%	0.205%
\$500,000	10,000	0.405%	0.038%
\$500,000	20,000	0.150%	0.004%
\$500,000	30,000	0.078%	0.001%
\$500,000	40,000	0.046%	0.001%
\$505,000	100	11.624%	9.520%
\$505,000	200	7.951%	5.989%
\$505,000	300	6.354%	4.492%
\$505,000	400	5.414%	3.630%
\$505,000	500	4.777%	3.058%
\$505,000	600	4.308%	2.645%
\$505,000	700	3.944%	2.330%
\$505,000	800	3.650%	2.081%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$505,000	900	3.406%	1.877%
\$505,000	1,000	3.198%	1.707%
\$505,000	1,500	2.480%	1.147%
\$505,000	2,000	2.037%	0.832%
\$505,000	3,000	1.491%	0.489%
\$505,000	4,000	1.156%	0.311%
\$505,000	5,000	0.928%	0.207%
\$505,000	10,000	0.408%	0.039%
\$505,000	20,000	0.152%	0.004%
\$505,000	30,000	0.079%	0.001%
\$505,000	40,000	0.047%	0.001%
\$510,000	100	11.659%	9.553%
\$510,000	200	7.975%	6.011%
\$510,000	300	6.374%	4.509%
\$510,000	400	5.431%	3.645%
\$510,000	500	4.792%	3.071%
\$510,000	600	4.322%	2.656%
\$510,000	700	3.957%	2.341%
\$510,000	800	3.662%	2.090%
\$510,000	900	3.417%	1.886%
\$510,000	1,000	3.208%	1.715%
\$510,000	1,500	2.489%	1.154%
\$510,000	2,000	2.045%	0.837%
\$510,000	3,000	1.497%	0.492%
\$510,000	4,000	1.162%	0.314%
\$510,000	5,000	0.933%	0.209%
\$510,000	10,000	0.411%	0.039%
\$510,000	20,000	0.153%	0.004%
\$510,000	30,000	0.080%	0.001%
\$510,000	40,000	0.047%	0.001%
\$515,000	100	11.693%	9.587%
\$515,000	200	7.998%	6.033%
\$515,000	300	6.393%	4.527%
\$515,000	400	5.447%	3.659%
\$515,000	500	4.806%	3.083%
\$515,000	600	4.335%	2.668%
\$515,000	700	3.969%	2.351%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$760,000	200	9.093%	7.062%
\$760,000	300	7.273%	5.335%
\$760,000	400	6.202%	4.338%
\$760,000	500	5.477%	3.675%
\$760,000	600	4.945%	3.196%
\$760,000	700	4.533%	2.831%
\$760,000	800	4.201%	2.541%
\$760,000	900	3.926%	2.305%
\$760,000	1,000	3.693%	2.107%
\$760,000	1,500	2.894%	1.456%
\$760,000	2,000	2.405%	1.086%
\$760,000	3,000	1.803%	0.673%
\$760,000	4,000	1.430%	0.451%
\$760,000	5,000	1.171%	0.316%
\$760,000	10,000	0.551%	0.074%
\$760,000	20,000	0.215%	0.008%
\$760,000	30,000	0.116%	0.002%
\$760,000	40,000	0.072%	0.001%
\$765,000	100	13.292%	11.128%
\$765,000	200	9.104%	7.072%
\$765,000	300	7.282%	5.344%
\$765,000	400	6.210%	4.345%
\$765,000	500	5.484%	3.681%
\$765,000	600	4.951%	3.202%
\$765,000	700	4.539%	2.836%
\$765,000	800	4.206%	2.546%
\$765,000	900	3.931%	2.309%
\$765,000	1,000	3.698%	2.111%
\$765,000	1,500	2.898%	1.459%
\$765,000	2,000	2.409%	1.088%
\$765,000	3,000	1.806%	0.675%
\$765,000	4,000	1.433%	0.453%
\$765,000	5,000	1.173%	0.317%
\$765,000	10,000	0.553%	0.074%
\$765,000	20,000	0.215%	0.008%
\$765,000	30,000	0.116%	0.002%
\$765,000	40,000	0.072%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$770,000	100	13.308%	11.144%
\$770,000	200	9.116%	7.083%
\$770,000	300	7.291%	5.352%
\$770,000	400	6.217%	4.352%
\$770,000	500	5.491%	3.687%
\$770,000	600	4.958%	3.207%
\$770,000	700	4.544%	2.841%
\$770,000	800	4.212%	2.551%
\$770,000	900	3.936%	2.313%
\$770,000	1,000	3.703%	2.115%
\$770,000	1,500	2.902%	1.462%
\$770,000	2,000	2.412%	1.091%
\$770,000	3,000	1.809%	0.677%
\$770,000	4,000	1.435%	0.454%
\$770,000	5,000	1.176%	0.318%
\$770,000	10,000	0.554%	0.074%
\$770,000	20,000	0.216%	0.008%
\$770,000	30,000	0.117%	0.002%
\$770,000	40,000	0.072%	0.001%
\$775,000	100	13.324%	11.159%
\$775,000	200	9.127%	7.093%
\$775,000	300	7.300%	5.360%
\$775,000	400	6.225%	4.359%
\$775,000	500	5.498%	3.693%
\$775,000	600	4.964%	3.213%
\$775,000	700	4.550%	2.846%
\$775,000	800	4.217%	2.555%
\$775,000	900	3.941%	2.318%
\$775,000	1,000	3.707%	2.119%
\$775,000	1,500	2.906%	1.466%
\$775,000	2,000	2.416%	1.093%
\$775,000	3,000	1.812%	0.679%
\$775,000	4,000	1.438%	0.455%
\$775,000	5,000	1.178%	0.319%
\$775,000	10,000	0.556%	0.075%
\$775,000	20,000	0.217%	0.008%
\$775,000	30,000	0.117%	0.002%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$775,000	40,000	0.073%	0.001%
\$780,000	100	13.340%	11.175%
\$780,000	200	9.138%	7.104%
\$780,000	300	7.309%	5.369%
\$780,000	400	6.233%	4.366%
\$780,000	500	5.505%	3.700%
\$780,000	600	4.970%	3.218%
\$780,000	700	4.556%	2.851%
\$780,000	800	4.223%	2.560%
\$780,000	900	3.946%	2.322%
\$780,000	1,000	3.712%	2.123%
\$780,000	1,500	2.910%	1.469%
\$780,000	2,000	2.419%	1.096%
\$780,000	3,000	1.815%	0.681%
\$780,000	4,000	1.441%	0.457%
\$780,000	5,000	1.181%	0.321%
\$780,000	10,000	0.557%	0.075%
\$780,000	20,000	0.217%	0.009%
\$780,000	30,000	0.117%	0.002%
\$780,000	40,000	0.073%	0.001%
\$785,000	100	13.356%	11.191%
\$785,000	200	9.149%	7.115%
\$785,000	300	7.318%	5.377%
\$785,000	400	6.241%	4.373%
\$785,000	500	5.511%	3.706%
\$785,000	600	4.976%	3.224%
\$785,000	700	4.562%	2.856%
\$785,000	800	4.228%	2.564%
\$785,000	900	3.951%	2.326%
\$785,000	1,000	3.717%	2.127%
\$785,000	1,500	2.914%	1.472%
\$785,000	2,000	2.423%	1.098%
\$785,000	3,000	1.818%	0.683%
\$785,000	4,000	1.443%	0.458%
\$785,000	5,000	1.183%	0.322%
\$785,000	10,000	0.559%	0.076%
\$785,000	20,000	0.218%	0.009%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$785,000	30,000	0.118%	0.002%
\$785,000	40,000	0.073%	0.001%
\$790,000	100	13.372%	11.206%
\$790,000	200	9.160%	7.125%
\$790,000	300	7.327%	5.386%
\$790,000	400	6.248%	4.380%
\$790,000	500	5.518%	3.712%
\$790,000	600	4.983%	3.229%
\$790,000	700	4.568%	2.861%
\$790,000	800	4.233%	2.569%
\$790,000	900	3.956%	2.330%
\$790,000	1,000	3.722%	2.131%
\$790,000	1,500	2.918%	1.475%
\$790,000	2,000	2.427%	1.101%
\$790,000	3,000	1.821%	0.685%
\$790,000	4,000	1.446%	0.460%
\$790,000	5,000	1.185%	0.323%
\$790,000	10,000	0.560%	0.076%
\$790,000	20,000	0.219%	0.009%
\$790,000	30,000	0.118%	0.002%
\$790,000	40,000	0.073%	0.001%
\$795,000	100	13.389%	11.222%
\$795,000	200	9.172%	7.136%
\$795,000	300	7.336%	5.394%
\$795,000	400	6.256%	4.387%
\$795,000	500	5.525%	3.718%
\$795,000	600	4.989%	3.235%
\$795,000	700	4.573%	2.866%
\$795,000	800	4.239%	2.573%
\$795,000	900	3.962%	2.335%
\$795,000	1,000	3.727%	2.135%
\$795,000	1,500	2.922%	1.478%
\$795,000	2,000	2.430%	1.104%
\$795,000	3,000	1.824%	0.686%
\$795,000	4,000	1.449%	0.461%
\$795,000	5,000	1.188%	0.324%
\$795,000	10,000	0.562%	0.076%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$795,000	20,000	0.219%	0.009%
\$795,000	30,000	0.119%	0.002%
\$795,000	40,000	0.074%	0.001%
\$800,000	100	13.405%	11.238%
\$800,000	200	9.183%	7.147%
\$800,000	300	7.345%	5.402%
\$800,000	400	6.264%	4.394%
\$800,000	500	5.532%	3.724%
\$800,000	600	4.995%	3.240%
\$800,000	700	4.579%	2.871%
\$800,000	800	4.244%	2.578%
\$800,000	900	3.967%	2.339%
\$800,000	1,000	3.732%	2.139%
\$800,000	1,500	2.926%	1.481%
\$800,000	2,000	2.434%	1.106%
\$800,000	3,000	1.827%	0.688%
\$800,000	4,000	1.451%	0.463%
\$800,000	5,000	1.190%	0.325%
\$800,000	10,000	0.563%	0.077%
\$800,000	20,000	0.220%	0.009%
\$800,000	30,000	0.119%	0.002%
\$800,000	40,000	0.074%	0.001%
\$805,000	100	13.421%	11.254%
\$805,000	200	9.194%	7.157%
\$805,000	300	7.354%	5.411%
\$805,000	400	6.272%	4.401%
\$805,000	500	5.539%	3.730%
\$805,000	600	5.001%	3.246%
\$805,000	700	4.585%	2.876%
\$805,000	800	4.250%	2.583%
\$805,000	900	3.972%	2.343%
\$805,000	1,000	3.736%	2.143%
\$805,000	1,500	2.930%	1.484%
\$805,000	2,000	2.437%	1.109%
\$805,000	3,000	1.830%	0.690%
\$805,000	4,000	1.454%	0.464%
\$805,000	5,000	1.193%	0.326%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$805,000	10,000	0.565%	0.077%
\$805,000	20,000	0.221%	0.009%
\$805,000	30,000	0.120%	0.002%
\$805,000	40,000	0.074%	0.001%
\$810,000	100	13.437%	11.269%
\$810,000	200	9.205%	7.168%
\$810,000	300	7.363%	5.419%
\$810,000	400	6.279%	4.408%
\$810,000	500	5.546%	3.736%
\$810,000	600	5.008%	3.251%
\$810,000	700	4.591%	2.881%
\$810,000	800	4.255%	2.587%
\$810,000	900	3.977%	2.347%
\$810,000	1,000	3.741%	2.147%
\$810,000	1,500	2.934%	1.487%
\$810,000	2,000	2.441%	1.111%
\$810,000	3,000	1.833%	0.692%
\$810,000	4,000	1.457%	0.466%
\$810,000	5,000	1.195%	0.328%
\$810,000	10,000	0.566%	0.078%
\$810,000	20,000	0.221%	0.009%
\$810,000	30,000	0.120%	0.002%
\$810,000	40,000	0.074%	0.001%
\$815,000	100	13.453%	11.285%
\$815,000	200	9.216%	7.178%
\$815,000	300	7.372%	5.427%
\$815,000	400	6.287%	4.416%
\$815,000	500	5.553%	3.743%
\$815,000	600	5.014%	3.257%
\$815,000	700	4.596%	2.886%
\$815,000	800	4.260%	2.592%
\$815,000	900	3.982%	2.352%
\$815,000	1,000	3.746%	2.151%
\$815,000	1,500	2.938%	1.490%
\$815,000	2,000	2.444%	1.114%
\$815,000	3,000	1.836%	0.694%
\$815,000	4,000	1.459%	0.467%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$815,000	5,000	1.197%	0.329%
\$815,000	10,000	0.568%	0.078%
\$815,000	20,000	0.222%	0.009%
\$815,000	30,000	0.120%	0.002%
\$815,000	40,000	0.075%	0.001%
\$820,000	100	13.470%	11.301%
\$820,000	200	9.228%	7.189%
\$820,000	300	7.382%	5.436%
\$820,000	400	6.295%	4.423%
\$820,000	500	5.560%	3.749%
\$820,000	600	5.020%	3.262%
\$820,000	700	4.602%	2.891%
\$820,000	800	4.266%	2.596%
\$820,000	900	3.987%	2.356%
\$820,000	1,000	3.751%	2.155%
\$820,000	1,500	2.942%	1.493%
\$820,000	2,000	2.448%	1.116%
\$820,000	3,000	1.839%	0.696%
\$820,000	4,000	1.462%	0.469%
\$820,000	5,000	1.200%	0.330%
\$820,000	10,000	0.569%	0.079%
\$820,000	20,000	0.223%	0.009%
\$820,000	30,000	0.121%	0.002%
\$820,000	40,000	0.075%	0.001%
\$825,000	100	13.486%	11.316%
\$825,000	200	9.239%	7.200%
\$825,000	300	7.391%	5.444%
\$825,000	400	6.302%	4.430%
\$825,000	500	5.566%	3.755%
\$825,000	600	5.026%	3.268%
\$825,000	700	4.608%	2.896%
\$825,000	800	4.271%	2.601%
\$825,000	900	3.992%	2.360%
\$825,000	1,000	3.756%	2.159%
\$825,000	1,500	2.946%	1.496%
\$825,000	2,000	2.451%	1.119%
\$825,000	3,000	1.842%	0.698%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$825,000	4,000	1.465%	0.470%
\$825,000	5,000	1.202%	0.331%
\$825,000	10,000	0.571%	0.079%
\$825,000	20,000	0.224%	0.009%
\$825,000	30,000	0.121%	0.002%
\$825,000	40,000	0.075%	0.001%
\$830,000	100	13.502%	11.332%
\$830,000	200	9.250%	7.210%
\$830,000	300	7.400%	5.453%
\$830,000	400	6.310%	4.437%
\$830,000	500	5.573%	3.761%
\$830,000	600	5.032%	3.273%
\$830,000	700	4.614%	2.901%
\$830,000	800	4.276%	2.606%
\$830,000	900	3.997%	2.365%
\$830,000	1,000	3.760%	2.163%
\$830,000	1,500	2.950%	1.500%
\$830,000	2,000	2.455%	1.121%
\$830,000	3,000	1.845%	0.700%
\$830,000	4,000	1.467%	0.472%
\$830,000	5,000	1.205%	0.332%
\$830,000	10,000	0.572%	0.079%
\$830,000	20,000	0.224%	0.009%
\$830,000	30,000	0.122%	0.002%
\$830,000	40,000	0.076%	0.001%
\$835,000	100	13.518%	11.348%
\$835,000	200	9.261%	7.221%
\$835,000	300	7.409%	5.461%
\$835,000	400	6.318%	4.444%
\$835,000	500	5.580%	3.767%
\$835,000	600	5.039%	3.279%
\$835,000	700	4.619%	2.906%
\$835,000	800	4.282%	2.610%
\$835,000	900	4.002%	2.369%
\$835,000	1,000	3.765%	2.167%
\$835,000	1,500	2.954%	1.503%
\$835,000	2,000	2.459%	1.124%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$835,000	3,000	1.848%	0.702%
\$835,000	4,000	1.470%	0.473%
\$835,000	5,000	1.207%	0.333%
\$835,000	10,000	0.573%	0.080%
\$835,000	20,000	0.225%	0.009%
\$835,000	30,000	0.122%	0.002%
\$835,000	40,000	0.076%	0.001%
\$840,000	100	13.534%	11.363%
\$840,000	200	9.273%	7.232%
\$840,000	300	7.418%	5.469%
\$840,000	400	6.326%	4.451%
\$840,000	500	5.587%	3.773%
\$840,000	600	5.045%	3.284%
\$840,000	700	4.625%	2.911%
\$840,000	800	4.287%	2.615%
\$840,000	900	4.007%	2.373%
\$840,000	1,000	3.770%	2.171%
\$840,000	1,500	2.958%	1.506%
\$840,000	2,000	2.462%	1.127%
\$840,000	3,000	1.851%	0.704%
\$840,000	4,000	1.473%	0.475%
\$840,000	5,000	1.210%	0.335%
\$840,000	10,000	0.575%	0.080%
\$840,000	20,000	0.226%	0.009%
\$840,000	30,000	0.122%	0.002%
\$840,000	40,000	0.076%	0.001%
\$845,000	100	13.551%	11.379%
\$845,000	200	9.284%	7.242%
\$845,000	300	7.427%	5.478%
\$845,000	400	6.333%	4.458%
\$845,000	500	5.594%	3.780%
\$845,000	600	5.051%	3.290%
\$845,000	700	4.631%	2.916%
\$845,000	800	4.293%	2.619%
\$845,000	900	4.012%	2.377%
\$845,000	1,000	3.775%	2.175%
\$845,000	1,500	2.962%	1.509%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$845,000	2,000	2.466%	1.129%
\$845,000	3,000	1.854%	0.705%
\$845,000	4,000	1.475%	0.476%
\$845,000	5,000	1.212%	0.336%
\$845,000	10,000	0.577%	0.081%
\$845,000	20,000	0.226%	0.009%
\$845,000	30,000	0.123%	0.002%
\$845,000	40,000	0.076%	0.001%
\$850,000	100	13.567%	11.395%
\$850,000	200	9.295%	7.253%
\$850,000	300	7.436%	5.486%
\$850,000	400	6.341%	4.465%
\$850,000	500	5.601%	3.786%
\$850,000	600	5.057%	3.295%
\$850,000	700	4.637%	2.921%
\$850,000	800	4.298%	2.624%
\$850,000	900	4.017%	2.382%
\$850,000	1,000	3.780%	2.179%
\$850,000	1,500	2.966%	1.512%
\$850,000	2,000	2.469%	1.132%
\$850,000	3,000	1.857%	0.707%
\$850,000	4,000	1.478%	0.478%
\$850,000	5,000	1.214%	0.337%
\$850,000	10,000	0.578%	0.081%
\$850,000	20,000	0.227%	0.010%
\$850,000	30,000	0.123%	0.002%
\$850,000	40,000	0.077%	0.001%
\$855,000	100	13.583%	11.410%
\$855,000	200	9.306%	7.263%
\$855,000	300	7.445%	5.494%
\$855,000	400	6.349%	4.472%
\$855,000	500	5.608%	3.792%
\$855,000	600	5.064%	3.301%
\$855,000	700	4.642%	2.926%
\$855,000	800	4.303%	2.629%
\$855,000	900	4.023%	2.386%
\$855,000	1,000	3.785%	2.183%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$855,000	1,500	2.970%	1.515%
\$855,000	2,000	2.473%	1.134%
\$855,000	3,000	1.860%	0.709%
\$855,000	4,000	1.481%	0.479%
\$855,000	5,000	1.217%	0.338%
\$855,000	10,000	0.580%	0.081%
\$855,000	20,000	0.228%	0.010%
\$855,000	30,000	0.124%	0.002%
\$855,000	40,000	0.077%	0.001%
\$860,000	100	13.599%	11.426%
\$860,000	200	9.317%	7.274%
\$860,000	300	7.454%	5.503%
\$860,000	400	6.357%	4.479%
\$860,000	500	5.615%	3.798%
\$860,000	600	5.070%	3.306%
\$860,000	700	4.648%	2.931%
\$860,000	800	4.309%	2.633%
\$860,000	900	4.028%	2.390%
\$860,000	1,000	3.789%	2.187%
\$860,000	1,500	2.974%	1.518%
\$860,000	2,000	2.476%	1.137%
\$860,000	3,000	1.863%	0.711%
\$860,000	4,000	1.483%	0.481%
\$860,000	5,000	1.219%	0.339%
\$860,000	10,000	0.581%	0.082%
\$860,000	20,000	0.228%	0.010%
\$860,000	30,000	0.124%	0.002%
\$860,000	40,000	0.077%	0.001%
\$865,000	100	13.615%	11.442%
\$865,000	200	9.329%	7.285%
\$865,000	300	7.463%	5.511%
\$865,000	400	6.364%	4.486%
\$865,000	500	5.621%	3.804%
\$865,000	600	5.076%	3.312%
\$865,000	700	4.654%	2.936%
\$865,000	800	4.314%	2.638%
\$865,000	900	4.033%	2.395%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$865,000	1,000	3.794%	2.191%
\$865,000	1,500	2.978%	1.521%
\$865,000	2,000	2.480%	1.139%
\$865,000	3,000	1.866%	0.713%
\$865,000	4,000	1.486%	0.482%
\$865,000	5,000	1.222%	0.341%
\$865,000	10,000	0.583%	0.082%
\$865,000	20,000	0.229%	0.010%
\$865,000	30,000	0.124%	0.002%
\$865,000	40,000	0.078%	0.001%
\$870,000	100	13.632%	11.458%
\$870,000	200	9.340%	7.295%
\$870,000	300	7.472%	5.520%
\$870,000	400	6.372%	4.493%
\$870,000	500	5.628%	3.810%
\$870,000	600	5.082%	3.317%
\$870,000	700	4.660%	2.941%
\$870,000	800	4.320%	2.642%
\$870,000	900	4.038%	2.399%
\$870,000	1,000	3.799%	2.195%
\$870,000	1,500	2.982%	1.524%
\$870,000	2,000	2.483%	1.142%
\$870,000	3,000	1.869%	0.715%
\$870,000	4,000	1.489%	0.484%
\$870,000	5,000	1.224%	0.342%
\$870,000	10,000	0.584%	0.083%
\$870,000	20,000	0.230%	0.010%
\$870,000	30,000	0.125%	0.002%
\$870,000	40,000	0.078%	0.001%
\$875,000	100	13.648%	11.473%
\$875,000	200	9.351%	7.306%
\$875,000	300	7.481%	5.528%
\$875,000	400	6.380%	4.500%
\$875,000	500	5.635%	3.816%
\$875,000	600	5.089%	3.323%
\$875,000	700	4.665%	2.946%
\$875,000	800	4.325%	2.647%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$875,000	900	4.043%	2.403%
\$875,000	1,000	3.804%	2.199%
\$875,000	1,500	2.986%	1.527%
\$875,000	2,000	2.487%	1.145%
\$875,000	3,000	1.872%	0.717%
\$875,000	4,000	1.491%	0.485%
\$875,000	5,000	1.226%	0.343%
\$875,000	10,000	0.586%	0.083%
\$875,000	20,000	0.231%	0.010%
\$875,000	30,000	0.125%	0.002%
\$875,000	40,000	0.078%	0.001%
\$880,000	100	13.664%	11.489%
\$880,000	200	9.362%	7.317%
\$880,000	300	7.490%	5.536%
\$880,000	400	6.388%	4.507%
\$880,000	500	5.642%	3.823%
\$880,000	600	5.095%	3.328%
\$880,000	700	4.671%	2.951%
\$880,000	800	4.330%	2.652%
\$880,000	900	4.048%	2.407%
\$880,000	1,000	3.809%	2.203%
\$880,000	1,500	2.990%	1.531%
\$880,000	2,000	2.490%	1.147%
\$880,000	3,000	1.875%	0.719%
\$880,000	4,000	1.494%	0.487%
\$880,000	5,000	1.229%	0.344%
\$880,000	10,000	0.587%	0.084%
\$880,000	20,000	0.231%	0.010%
\$880,000	30,000	0.126%	0.002%
\$880,000	40,000	0.078%	0.001%
\$885,000	100	13.680%	11.505%
\$885,000	200	9.374%	7.327%
\$885,000	300	7.499%	5.545%
\$885,000	400	6.395%	4.514%
\$885,000	500	5.649%	3.829%
\$885,000	600	5.101%	3.334%
\$885,000	700	4.677%	2.956%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$885,000	800	4.336%	2.656%
\$885,000	900	4.053%	2.412%
\$885,000	1,000	3.814%	2.207%
\$885,000	1,500	2.994%	1.534%
\$885,000	2,000	2.494%	1.150%
\$885,000	3,000	1.878%	0.721%
\$885,000	4,000	1.497%	0.488%
\$885,000	5,000	1.231%	0.345%
\$885,000	10,000	0.589%	0.084%
\$885,000	20,000	0.232%	0.010%
\$885,000	30,000	0.126%	0.002%
\$885,000	40,000	0.079%	0.001%
\$890,000	100	13.696%	11.520%
\$890,000	200	9.385%	7.338%
\$890,000	300	7.508%	5.553%
\$890,000	400	6.403%	4.521%
\$890,000	500	5.656%	3.835%
\$890,000	600	5.107%	3.339%
\$890,000	700	4.683%	2.961%
\$890,000	800	4.341%	2.661%
\$890,000	900	4.058%	2.416%
\$890,000	1,000	3.818%	2.211%
\$890,000	1,500	2.998%	1.537%
\$890,000	2,000	2.498%	1.152%
\$890,000	3,000	1.881%	0.723%
\$890,000	4,000	1.499%	0.490%
\$890,000	5,000	1.234%	0.347%
\$890,000	10,000	0.590%	0.085%
\$890,000	20,000	0.233%	0.010%
\$890,000	30,000	0.126%	0.002%
\$890,000	40,000	0.079%	0.001%
\$895,000	100	13.713%	11.536%
\$895,000	200	9.396%	7.349%
\$895,000	300	7.517%	5.562%
\$895,000	400	6.411%	4.528%
\$895,000	500	5.663%	3.841%
\$895,000	600	5.114%	3.345%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$895,000	700	4.688%	2.966%
\$895,000	800	4.346%	2.666%
\$895,000	900	4.063%	2.420%
\$895,000	1,000	3.823%	2.215%
\$895,000	1,500	3.002%	1.540%
\$895,000	2,000	2.501%	1.155%
\$895,000	3,000	1.884%	0.725%
\$895,000	4,000	1.502%	0.491%
\$895,000	5,000	1.236%	0.348%
\$895,000	10,000	0.592%	0.085%
\$895,000	20,000	0.233%	0.010%
\$895,000	30,000	0.127%	0.002%
\$895,000	40,000	0.079%	0.001%
\$900,000	100	13.729%	11.552%
\$900,000	200	9.407%	7.359%
\$900,000	300	7.526%	5.570%
\$900,000	400	6.419%	4.535%
\$900,000	500	5.669%	3.847%
\$900,000	600	5.120%	3.350%
\$900,000	700	4.694%	2.971%
\$900,000	800	4.352%	2.670%
\$900,000	900	4.068%	2.424%
\$900,000	1,000	3.828%	2.219%
\$900,000	1,500	3.006%	1.543%
\$900,000	2,000	2.505%	1.157%
\$900,000	3,000	1.887%	0.726%
\$900,000	4,000	1.505%	0.493%
\$900,000	5,000	1.238%	0.349%
\$900,000	10,000	0.593%	0.085%
\$900,000	20,000	0.234%	0.010%
\$900,000	30,000	0.127%	0.002%
\$900,000	40,000	0.080%	0.001%
\$905,000	100	13.745%	11.568%
\$905,000	200	9.419%	7.370%
\$905,000	300	7.535%	5.578%
\$905,000	400	6.426%	4.543%
\$905,000	500	5.676%	3.853%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$905,000	600	5.126%	3.356%
\$905,000	700	4.700%	2.976%
\$905,000	800	4.357%	2.675%
\$905,000	900	4.073%	2.429%
\$905,000	1,000	3.833%	2.223%
\$905,000	1,500	3.010%	1.546%
\$905,000	2,000	2.508%	1.160%
\$905,000	3,000	1.891%	0.728%
\$905,000	4,000	1.507%	0.494%
\$905,000	5,000	1.241%	0.350%
\$905,000	10,000	0.595%	0.086%
\$905,000	20,000	0.235%	0.010%
\$905,000	30,000	0.128%	0.002%
\$905,000	40,000	0.080%	0.001%
\$910,000	100	13.761%	11.583%
\$910,000	200	9.430%	7.381%
\$910,000	300	7.544%	5.587%
\$910,000	400	6.434%	4.550%
\$910,000	500	5.683%	3.860%
\$910,000	600	5.132%	3.361%
\$910,000	700	4.706%	2.981%
\$910,000	800	4.363%	2.679%
\$910,000	900	4.078%	2.433%
\$910,000	1,000	3.838%	2.227%
\$910,000	1,500	3.014%	1.549%
\$910,000	2,000	2.512%	1.163%
\$910,000	3,000	1.894%	0.730%
\$910,000	4,000	1.510%	0.496%
\$910,000	5,000	1.243%	0.351%
\$910,000	10,000	0.596%	0.086%
\$910,000	20,000	0.235%	0.010%
\$910,000	30,000	0.128%	0.002%
\$910,000	40,000	0.080%	0.001%
\$915,000	100	13.777%	11.599%
\$915,000	200	9.441%	7.391%
\$915,000	300	7.553%	5.595%
\$915,000	400	6.442%	4.557%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$915,000	500	5.690%	3.866%
\$915,000	600	5.139%	3.367%
\$915,000	700	4.712%	2.986%
\$915,000	800	4.368%	2.684%
\$915,000	900	4.083%	2.437%
\$915,000	1,000	3.842%	2.231%
\$915,000	1,500	3.018%	1.552%
\$915,000	2,000	2.515%	1.165%
\$915,000	3,000	1.897%	0.732%
\$915,000	4,000	1.513%	0.497%
\$915,000	5,000	1.246%	0.353%
\$915,000	10,000	0.598%	0.087%
\$915,000	20,000	0.236%	0.010%
\$915,000	30,000	0.129%	0.003%
\$915,000	40,000	0.080%	0.001%
\$920,000	100	13.794%	11.615%
\$920,000	200	9.452%	7.402%
\$920,000	300	7.562%	5.604%
\$920,000	400	6.450%	4.564%
\$920,000	500	5.697%	3.872%
\$920,000	600	5.145%	3.372%
\$920,000	700	4.717%	2.991%
\$920,000	800	4.373%	2.689%
\$920,000	900	4.088%	2.442%
\$920,000	1,000	3.847%	2.235%
\$920,000	1,500	3.022%	1.555%
\$920,000	2,000	2.519%	1.168%
\$920,000	3,000	1.900%	0.734%
\$920,000	4,000	1.515%	0.499%
\$920,000	5,000	1.248%	0.354%
\$920,000	10,000	0.599%	0.087%
\$920,000	20,000	0.237%	0.011%
\$920,000	30,000	0.129%	0.003%
\$920,000	40,000	0.081%	0.001%
\$925,000	100	13.810%	11.630%
\$925,000	200	9.463%	7.413%
\$925,000	300	7.571%	5.612%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$925,000	400	6.457%	4.571%
\$925,000	500	5.704%	3.878%
\$925,000	600	5.151%	3.378%
\$925,000	700	4.723%	2.996%
\$925,000	800	4.379%	2.693%
\$925,000	900	4.094%	2.446%
\$925,000	1,000	3.852%	2.239%
\$925,000	1,500	3.026%	1.559%
\$925,000	2,000	2.522%	1.170%
\$925,000	3,000	1.903%	0.736%
\$925,000	4,000	1.518%	0.500%
\$925,000	5,000	1.250%	0.355%
\$925,000	10,000	0.601%	0.088%
\$925,000	20,000	0.238%	0.011%
\$925,000	30,000	0.129%	0.003%
\$925,000	40,000	0.081%	0.001%
\$930,000	100	13.826%	11.646%
\$930,000	200	9.475%	7.423%
\$930,000	300	7.580%	5.620%
\$930,000	400	6.465%	4.578%
\$930,000	500	5.711%	3.884%
\$930,000	600	5.157%	3.383%
\$930,000	700	4.729%	3.001%
\$930,000	800	4.384%	2.698%
\$930,000	900	4.099%	2.450%
\$930,000	1,000	3.857%	2.243%
\$930,000	1,500	3.030%	1.562%
\$930,000	2,000	2.526%	1.173%
\$930,000	3,000	1.906%	0.738%
\$930,000	4,000	1.521%	0.502%
\$930,000	5,000	1.253%	0.356%
\$930,000	10,000	0.602%	0.088%
\$930,000	20,000	0.238%	0.011%
\$930,000	30,000	0.130%	0.003%
\$930,000	40,000	0.081%	0.001%
\$935,000	100	13.842%	11.662%
\$935,000	200	9.486%	7.434%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$935,000	300	7.589%	5.629%
\$935,000	400	6.473%	4.585%
\$935,000	500	5.718%	3.890%
\$935,000	600	5.164%	3.389%
\$935,000	700	4.735%	3.006%
\$935,000	800	4.389%	2.702%
\$935,000	900	4.104%	2.455%
\$935,000	1,000	3.862%	2.247%
\$935,000	1,500	3.034%	1.565%
\$935,000	2,000	2.529%	1.176%
\$935,000	3,000	1.909%	0.740%
\$935,000	4,000	1.524%	0.503%
\$935,000	5,000	1.255%	0.357%
\$935,000	10,000	0.604%	0.089%
\$935,000	20,000	0.239%	0.011%
\$935,000	30,000	0.130%	0.003%
\$935,000	40,000	0.082%	0.001%
\$940,000	100	13.858%	11.678%
\$940,000	200	9.497%	7.444%
\$940,000	300	7.598%	5.637%
\$940,000	400	6.481%	4.592%
\$940,000	500	5.724%	3.897%
\$940,000	600	5.170%	3.394%
\$940,000	700	4.740%	3.011%
\$940,000	800	4.395%	2.707%
\$940,000	900	4.109%	2.459%
\$940,000	1,000	3.867%	2.251%
\$940,000	1,500	3.038%	1.568%
\$940,000	2,000	2.533%	1.178%
\$940,000	3,000	1.912%	0.742%
\$940,000	4,000	1.526%	0.505%
\$940,000	5,000	1.258%	0.359%
\$940,000	10,000	0.605%	0.089%
\$940,000	20,000	0.240%	0.011%
\$940,000	30,000	0.131%	0.003%
\$940,000	40,000	0.082%	0.001%
\$945,000	100	13.875%	11.693%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$945,000	200	9.508%	7.455%
\$945,000	300	7.607%	5.646%
\$945,000	400	6.488%	4.599%
\$945,000	500	5.731%	3.903%
\$945,000	600	5.176%	3.400%
\$945,000	700	4.746%	3.016%
\$945,000	800	4.400%	2.712%
\$945,000	900	4.114%	2.463%
\$945,000	1,000	3.871%	2.255%
\$945,000	1,500	3.042%	1.571%
\$945,000	2,000	2.537%	1.181%
\$945,000	3,000	1.915%	0.744%
\$945,000	4,000	1.529%	0.506%
\$945,000	5,000	1.260%	0.360%
\$945,000	10,000	0.607%	0.089%
\$945,000	20,000	0.240%	0.011%
\$945,000	30,000	0.131%	0.003%
\$945,000	40,000	0.082%	0.001%
\$950,000	100	13.891%	11.709%
\$950,000	200	9.520%	7.466%
\$950,000	300	7.616%	5.654%
\$950,000	400	6.496%	4.606%
\$950,000	500	5.738%	3.909%
\$950,000	600	5.182%	3.405%
\$950,000	700	4.752%	3.021%
\$950,000	800	4.406%	2.716%
\$950,000	900	4.119%	2.467%
\$950,000	1,000	3.876%	2.260%
\$950,000	1,500	3.046%	1.574%
\$950,000	2,000	2.540%	1.183%
\$950,000	3,000	1.918%	0.746%
\$950,000	4,000	1.532%	0.508%
\$950,000	5,000	1.262%	0.361%
\$950,000	10,000	0.608%	0.090%
\$950,000	20,000	0.241%	0.011%
\$950,000	30,000	0.132%	0.003%
\$950,000	40,000	0.082%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$955,000	100	13.907%	11.725%
\$955,000	200	9.531%	7.476%
\$955,000	300	7.625%	5.663%
\$955,000	400	6.504%	4.613%
\$955,000	500	5.745%	3.915%
\$955,000	600	5.189%	3.411%
\$955,000	700	4.758%	3.026%
\$955,000	800	4.411%	2.721%
\$955,000	900	4.124%	2.472%
\$955,000	1,000	3.881%	2.264%
\$955,000	1,500	3.050%	1.577%
\$955,000	2,000	2.544%	1.186%
\$955,000	3,000	1.921%	0.748%
\$955,000	4,000	1.534%	0.509%
\$955,000	5,000	1.265%	0.362%
\$955,000	10,000	0.610%	0.090%
\$955,000	20,000	0.242%	0.011%
\$955,000	30,000	0.132%	0.003%
\$955,000	40,000	0.083%	0.001%
\$960,000	100	13.923%	11.741%
\$960,000	200	9.542%	7.487%
\$960,000	300	7.635%	5.671%
\$960,000	400	6.512%	4.620%
\$960,000	500	5.752%	3.921%
\$960,000	600	5.195%	3.416%
\$960,000	700	4.763%	3.031%
\$960,000	800	4.416%	2.726%
\$960,000	900	4.129%	2.476%
\$960,000	1,000	3.886%	2.268%
\$960,000	1,500	3.054%	1.580%
\$960,000	2,000	2.547%	1.188%
\$960,000	3,000	1.924%	0.750%
\$960,000	4,000	1.537%	0.511%
\$960,000	5,000	1.267%	0.363%
\$960,000	10,000	0.611%	0.091%
\$960,000	20,000	0.243%	0.011%
\$960,000	30,000	0.132%	0.003%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$960,000	40,000	0.083%	0.001%
\$965,000	100	13.939%	11.756%
\$965,000	200	9.553%	7.498%
\$965,000	300	7.644%	5.679%
\$965,000	400	6.519%	4.627%
\$965,000	500	5.759%	3.928%
\$965,000	600	5.201%	3.422%
\$965,000	700	4.769%	3.036%
\$965,000	800	4.422%	2.730%
\$965,000	900	4.134%	2.480%
\$965,000	1,000	3.891%	2.272%
\$965,000	1,500	3.058%	1.584%
\$965,000	2,000	2.551%	1.191%
\$965,000	3,000	1.927%	0.752%
\$965,000	4,000	1.540%	0.512%
\$965,000	5,000	1.270%	0.365%
\$965,000	10,000	0.613%	0.091%
\$965,000	20,000	0.243%	0.011%
\$965,000	30,000	0.133%	0.003%
\$965,000	40,000	0.083%	0.001%
\$970,000	100	13.956%	11.772%
\$970,000	200	9.565%	7.508%
\$970,000	300	7.653%	5.688%
\$970,000	400	6.527%	4.635%
\$970,000	500	5.766%	3.934%
\$970,000	600	5.207%	3.427%
\$970,000	700	4.775%	3.041%
\$970,000	800	4.427%	2.735%
\$970,000	900	4.139%	2.485%
\$970,000	1,000	3.895%	2.276%
\$970,000	1,500	3.062%	1.587%
\$970,000	2,000	2.554%	1.194%
\$970,000	3,000	1.930%	0.753%
\$970,000	4,000	1.542%	0.514%
\$970,000	5,000	1.272%	0.366%
\$970,000	10,000	0.614%	0.092%
\$970,000	20,000	0.244%	0.011%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$970,000	30,000	0.133%	0.003%
\$970,000	40,000	0.084%	0.001%
\$975,000	100	13.972%	11.788%
\$975,000	200	9.576%	7.519%
\$975,000	300	7.662%	5.696%
\$975,000	400	6.535%	4.642%
\$975,000	500	5.773%	3.940%
\$975,000	600	5.214%	3.433%
\$975,000	700	4.781%	3.046%
\$975,000	800	4.433%	2.739%
\$975,000	900	4.144%	2.489%
\$975,000	1,000	3.900%	2.280%
\$975,000	1,500	3.066%	1.590%
\$975,000	2,000	2.558%	1.196%
\$975,000	3,000	1.933%	0.755%
\$975,000	4,000	1.545%	0.515%
\$975,000	5,000	1.274%	0.367%
\$975,000	10,000	0.616%	0.092%
\$975,000	20,000	0.245%	0.011%
\$975,000	30,000	0.134%	0.003%
\$975,000	40,000	0.084%	0.001%
\$980,000	100	13.988%	11.803%
\$980,000	200	9.587%	7.530%
\$980,000	300	7.671%	5.705%
\$980,000	400	6.543%	4.649%
\$980,000	500	5.780%	3.946%
\$980,000	600	5.220%	3.438%
\$980,000	700	4.786%	3.051%
\$980,000	800	4.438%	2.744%
\$980,000	900	4.149%	2.493%
\$980,000	1,000	3.905%	2.284%
\$980,000	1,500	3.070%	1.593%
\$980,000	2,000	2.561%	1.199%
\$980,000	3,000	1.936%	0.757%
\$980,000	4,000	1.548%	0.517%
\$980,000	5,000	1.277%	0.368%
\$980,000	10,000	0.617%	0.093%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$980,000	20,000	0.246%	0.012%
\$980,000	30,000	0.134%	0.003%
\$980,000	40,000	0.084%	0.001%
\$985,000	100	13.996%	11.811%
\$985,000	200	9.592%	7.535%
\$985,000	300	7.675%	5.709%
\$985,000	400	6.546%	4.652%
\$985,000	500	5.783%	3.949%
\$985,000	600	5.223%	3.441%
\$985,000	700	4.789%	3.054%
\$985,000	800	4.441%	2.746%
\$985,000	900	4.152%	2.495%
\$985,000	1,000	3.907%	2.286%
\$985,000	1,500	3.072%	1.594%
\$985,000	2,000	2.563%	1.200%
\$985,000	3,000	1.937%	0.758%
\$985,000	4,000	1.549%	0.517%
\$985,000	5,000	1.278%	0.369%
\$985,000	10,000	0.618%	0.093%
\$985,000	20,000	0.246%	0.012%
\$985,000	30,000	0.134%	0.003%
\$985,000	40,000	0.084%	0.001%
\$990,000	100	14.002%	11.817%
\$990,000	200	9.597%	7.539%
\$990,000	300	7.678%	5.712%
\$990,000	400	6.549%	4.655%
\$990,000	500	5.785%	3.951%
\$990,000	600	5.225%	3.443%
\$990,000	700	4.791%	3.056%
\$990,000	800	4.443%	2.748%
\$990,000	900	4.154%	2.497%
\$990,000	1,000	3.909%	2.287%
\$990,000	1,500	3.074%	1.596%
\$990,000	2,000	2.564%	1.201%
\$990,000	3,000	1.938%	0.759%
\$990,000	4,000	1.550%	0.518%
\$990,000	5,000	1.279%	0.369%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$990,000	10,000	0.619%	0.093%
\$990,000	20,000	0.246%	0.012%
\$990,000	30,000	0.134%	0.003%
\$990,000	40,000	0.084%	0.001%
\$995,000	100	14.008%	11.823%
\$995,000	200	9.601%	7.543%
\$995,000	300	7.682%	5.715%
\$995,000	400	6.552%	4.657%
\$995,000	500	5.788%	3.954%
\$995,000	600	5.227%	3.445%
\$995,000	700	4.794%	3.057%
\$995,000	800	4.445%	2.750%
\$995,000	900	4.156%	2.498%
\$995,000	1,000	3.911%	2.289%
\$995,000	1,500	3.075%	1.597%
\$995,000	2,000	2.566%	1.202%
\$995,000	3,000	1.939%	0.760%
\$995,000	4,000	1.551%	0.519%
\$995,000	5,000	1.280%	0.370%
\$995,000	10,000	0.619%	0.093%
\$995,000	20,000	0.246%	0.012%
\$995,000	30,000	0.135%	0.003%
\$995,000	40,000	0.084%	0.001%
\$1,000,000	100	14.014%	11.829%
\$1,000,000	200	9.605%	7.547%
\$1,000,000	300	7.685%	5.718%
\$1,000,000	400	6.555%	4.660%
\$1,000,000	500	5.791%	3.956%
\$1,000,000	600	5.230%	3.447%
\$1,000,000	700	4.796%	3.059%
\$1,000,000	800	4.447%	2.751%
\$1,000,000	900	4.157%	2.500%
\$1,000,000	1,000	3.913%	2.290%
\$1,000,000	1,500	3.077%	1.598%
\$1,000,000	2,000	2.567%	1.203%
\$1,000,000	3,000	1.940%	0.760%
\$1,000,000	4,000	1.552%	0.519%

\* Applied to total projected claims

The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing

Exhibit 8A

Experience Refund Risk Charge Factors\*

Pooling Limit	members	5% Margin	10% Margin
\$1,000,000	5,000	1.281%	0.370%
\$1,000,000	10,000	0.620%	0.093%
\$1,000,000	20,000	0.247%	0.012%
\$1,000,000	30,000	0.135%	0.003%
\$1,000,000	40,000	0.085%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$30,000	100	3.154%	1.963%
\$30,000	200	2.100%	1.076%
\$30,000	300	1.617%	0.710%
\$30,000	400	1.318%	0.506%
\$30,000	500	1.107%	0.376%
\$30,000	600	0.949%	0.287%
\$30,000	700	0.825%	0.223%
\$30,000	800	0.726%	0.177%
\$30,000	900	0.644%	0.141%
\$30,000	1,000	0.575%	0.114%
\$30,000	1,500	0.357%	0.044%
\$30,000	2,000	0.244%	0.019%
\$30,000	3,000	0.137%	0.005%
\$30,000	4,000	0.088%	0.002%
\$30,000	5,000	0.062%	0.001%
\$30,000	10,000	0.016%	0.001%
\$30,000	20,000	0.003%	0.001%
\$30,000	30,000	0.002%	0.001%
\$30,000	40,000	0.001%	0.001%
\$35,000	100	3.415%	2.162%
\$35,000	200	2.281%	1.198%
\$35,000	300	1.764%	0.800%
\$35,000	400	1.445%	0.576%
\$35,000	500	1.220%	0.432%
\$35,000	600	1.051%	0.334%
\$35,000	700	0.918%	0.263%
\$35,000	800	0.810%	0.210%
\$35,000	900	0.722%	0.169%
\$35,000	1,000	0.647%	0.138%
\$35,000	1,500	0.407%	0.055%
\$35,000	2,000	0.280%	0.025%
\$35,000	3,000	0.159%	0.006%
\$35,000	4,000	0.103%	0.002%
\$35,000	5,000	0.072%	0.001%
\$35,000	10,000	0.020%	0.001%
\$35,000	20,000	0.004%	0.001%
\$35,000	30,000	0.002%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$35,000	40,000	0.002%	0.001%
\$40,000	100	3.652%	2.345%
\$40,000	200	2.446%	1.311%
\$40,000	300	1.898%	0.883%
\$40,000	400	1.561%	0.642%
\$40,000	500	1.323%	0.486%
\$40,000	600	1.144%	0.378%
\$40,000	700	1.003%	0.300%
\$40,000	800	0.888%	0.242%
\$40,000	900	0.794%	0.197%
\$40,000	1,000	0.714%	0.162%
\$40,000	1,500	0.454%	0.067%
\$40,000	2,000	0.315%	0.031%
\$40,000	3,000	0.180%	0.008%
\$40,000	4,000	0.118%	0.003%
\$40,000	5,000	0.083%	0.001%
\$40,000	10,000	0.023%	0.001%
\$40,000	20,000	0.004%	0.001%
\$40,000	30,000	0.002%	0.001%
\$40,000	40,000	0.002%	0.001%
\$45,000	100	3.882%	2.528%
\$45,000	200	2.606%	1.425%
\$45,000	300	2.029%	0.968%
\$45,000	400	1.674%	0.709%
\$45,000	500	1.425%	0.542%
\$45,000	600	1.236%	0.425%
\$45,000	700	1.088%	0.340%
\$45,000	800	0.967%	0.276%
\$45,000	900	0.866%	0.226%
\$45,000	1,000	0.781%	0.187%
\$45,000	1,500	0.503%	0.080%
\$45,000	2,000	0.352%	0.038%
\$45,000	3,000	0.202%	0.011%
\$45,000	4,000	0.133%	0.004%
\$45,000	5,000	0.094%	0.002%
\$45,000	10,000	0.027%	0.001%
\$45,000	20,000	0.005%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$45,000	30,000	0.002%	0.001%
\$45,000	40,000	0.002%	0.001%
\$50,000	100	4.110%	2.712%
\$50,000	200	2.765%	1.540%
\$50,000	300	2.159%	1.055%
\$50,000	400	1.787%	0.779%
\$50,000	500	1.526%	0.599%
\$50,000	600	1.329%	0.474%
\$50,000	700	1.173%	0.382%
\$50,000	800	1.045%	0.312%
\$50,000	900	0.940%	0.258%
\$50,000	1,000	0.850%	0.215%
\$50,000	1,500	0.553%	0.095%
\$50,000	2,000	0.390%	0.046%
\$50,000	3,000	0.226%	0.013%
\$50,000	4,000	0.149%	0.005%
\$50,000	5,000	0.106%	0.002%
\$50,000	10,000	0.032%	0.001%
\$50,000	20,000	0.006%	0.001%
\$50,000	30,000	0.003%	0.001%
\$50,000	40,000	0.002%	0.001%
\$55,000	100	4.329%	2.891%
\$55,000	200	2.917%	1.654%
\$55,000	300	2.284%	1.140%
\$55,000	400	1.896%	0.847%
\$55,000	500	1.624%	0.657%
\$55,000	600	1.418%	0.523%
\$55,000	700	1.255%	0.424%
\$55,000	800	1.122%	0.349%
\$55,000	900	1.011%	0.290%
\$55,000	1,000	0.917%	0.243%
\$55,000	1,500	0.603%	0.110%
\$55,000	2,000	0.429%	0.055%
\$55,000	3,000	0.251%	0.017%
\$55,000	4,000	0.166%	0.006%
\$55,000	5,000	0.119%	0.003%
\$55,000	10,000	0.036%	0.001%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$55,000	20,000	0.007%	0.001%
\$55,000	30,000	0.003%	0.001%
\$55,000	40,000	0.002%	0.001%
\$60,000	100	4.611%	3.130%
\$60,000	200	3.113%	1.806%
\$60,000	300	2.445%	1.256%
\$60,000	400	2.037%	0.942%
\$60,000	500	1.752%	0.737%
\$60,000	600	1.536%	0.592%
\$60,000	700	1.364%	0.484%
\$60,000	800	1.224%	0.401%
\$60,000	900	1.107%	0.336%
\$60,000	1,000	1.008%	0.284%
\$60,000	1,500	0.672%	0.134%
\$60,000	2,000	0.483%	0.070%
\$60,000	3,000	0.286%	0.022%
\$60,000	4,000	0.191%	0.008%
\$60,000	5,000	0.137%	0.004%
\$60,000	10,000	0.043%	0.001%
\$60,000	20,000	0.009%	0.001%
\$60,000	30,000	0.003%	0.001%
\$60,000	40,000	0.002%	0.001%
\$65,000	100	4.807%	3.294%
\$65,000	200	3.249%	1.910%
\$65,000	300	2.556%	1.335%
\$65,000	400	2.134%	1.006%
\$65,000	500	1.839%	0.791%
\$65,000	600	1.615%	0.638%
\$65,000	700	1.438%	0.525%
\$65,000	800	1.294%	0.437%
\$65,000	900	1.172%	0.368%
\$65,000	1,000	1.069%	0.313%
\$65,000	1,500	0.719%	0.151%
\$65,000	2,000	0.520%	0.080%
\$65,000	3,000	0.310%	0.026%
\$65,000	4,000	0.208%	0.010%
\$65,000	5,000	0.150%	0.005%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$65,000	10,000	0.048%	0.001%
\$65,000	20,000	0.011%	0.001%
\$65,000	30,000	0.004%	0.001%
\$65,000	40,000	0.002%	0.001%
\$70,000	100	5.039%	3.493%
\$70,000	200	3.410%	2.037%
\$70,000	300	2.688%	1.432%
\$70,000	400	2.249%	1.086%
\$70,000	500	1.943%	0.859%
\$70,000	600	1.711%	0.697%
\$70,000	700	1.528%	0.576%
\$70,000	800	1.377%	0.483%
\$70,000	900	1.251%	0.409%
\$70,000	1,000	1.144%	0.349%
\$70,000	1,500	0.778%	0.173%
\$70,000	2,000	0.567%	0.094%
\$70,000	3,000	0.342%	0.032%
\$70,000	4,000	0.230%	0.013%
\$70,000	5,000	0.167%	0.006%
\$70,000	10,000	0.055%	0.001%
\$70,000	20,000	0.013%	0.001%
\$70,000	30,000	0.005%	0.001%
\$70,000	40,000	0.003%	0.001%
\$75,000	100	5.285%	3.707%
\$75,000	200	3.581%	2.175%
\$75,000	300	2.828%	1.537%
\$75,000	400	2.371%	1.173%
\$75,000	500	2.053%	0.933%
\$75,000	600	1.813%	0.761%
\$75,000	700	1.623%	0.633%
\$75,000	800	1.467%	0.533%
\$75,000	900	1.336%	0.454%
\$75,000	1,000	1.224%	0.390%
\$75,000	1,500	0.841%	0.198%
\$75,000	2,000	0.618%	0.110%
\$75,000	3,000	0.377%	0.039%
\$75,000	4,000	0.255%	0.016%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$75,000	5,000	0.185%	0.007%
\$75,000	10,000	0.062%	0.001%
\$75,000	20,000	0.015%	0.001%
\$75,000	30,000	0.005%	0.001%
\$75,000	40,000	0.003%	0.001%
\$80,000	100	5.473%	3.869%
\$80,000	200	3.711%	2.278%
\$80,000	300	2.933%	1.616%
\$80,000	400	2.463%	1.238%
\$80,000	500	2.136%	0.988%
\$80,000	600	1.890%	0.810%
\$80,000	700	1.694%	0.676%
\$80,000	800	1.534%	0.572%
\$80,000	900	1.399%	0.488%
\$80,000	1,000	1.284%	0.421%
\$80,000	1,500	0.889%	0.218%
\$80,000	2,000	0.657%	0.123%
\$80,000	3,000	0.403%	0.045%
\$80,000	4,000	0.274%	0.019%
\$80,000	5,000	0.200%	0.009%
\$80,000	10,000	0.068%	0.001%
\$80,000	20,000	0.017%	0.001%
\$80,000	30,000	0.006%	0.001%
\$80,000	40,000	0.003%	0.001%
\$85,000	100	5.628%	4.003%
\$85,000	200	3.818%	2.364%
\$85,000	300	3.020%	1.682%
\$85,000	400	2.539%	1.291%
\$85,000	500	2.204%	1.034%
\$85,000	600	1.952%	0.850%
\$85,000	700	1.752%	0.711%
\$85,000	800	1.589%	0.603%
\$85,000	900	1.451%	0.517%
\$85,000	1,000	1.333%	0.446%
\$85,000	1,500	0.928%	0.234%
\$85,000	2,000	0.689%	0.134%
\$85,000	3,000	0.425%	0.050%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$85,000	4,000	0.290%	0.021%
\$85,000	5,000	0.212%	0.010%
\$85,000	10,000	0.073%	0.001%
\$85,000	20,000	0.019%	0.001%
\$85,000	30,000	0.007%	0.001%
\$85,000	40,000	0.003%	0.001%
\$90,000	100	5.784%	4.137%
\$90,000	200	3.925%	2.449%
\$90,000	300	3.108%	1.747%
\$90,000	400	2.615%	1.345%
\$90,000	500	2.273%	1.080%
\$90,000	600	2.015%	0.890%
\$90,000	700	1.811%	0.746%
\$90,000	800	1.643%	0.635%
\$90,000	900	1.503%	0.545%
\$90,000	1,000	1.382%	0.472%
\$90,000	1,500	0.967%	0.250%
\$90,000	2,000	0.721%	0.145%
\$90,000	3,000	0.448%	0.056%
\$90,000	4,000	0.307%	0.024%
\$90,000	5,000	0.225%	0.011%
\$90,000	10,000	0.078%	0.001%
\$90,000	20,000	0.020%	0.001%
\$90,000	30,000	0.008%	0.001%
\$90,000	40,000	0.004%	0.001%
\$95,000	100	5.932%	4.266%
\$95,000	200	4.028%	2.532%
\$95,000	300	3.191%	1.811%
\$95,000	400	2.687%	1.397%
\$95,000	500	2.337%	1.124%
\$95,000	600	2.074%	0.929%
\$95,000	700	1.866%	0.781%
\$95,000	800	1.696%	0.666%
\$95,000	900	1.552%	0.573%
\$95,000	1,000	1.429%	0.498%
\$95,000	1,500	1.005%	0.267%
\$95,000	2,000	0.752%	0.156%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$95,000	3,000	0.470%	0.061%
\$95,000	4,000	0.323%	0.027%
\$95,000	5,000	0.237%	0.013%
\$95,000	10,000	0.083%	0.001%
\$95,000	20,000	0.022%	0.001%
\$95,000	30,000	0.008%	0.001%
\$95,000	40,000	0.004%	0.001%
\$100,000	100	6.078%	4.393%
\$100,000	200	4.128%	2.614%
\$100,000	300	3.272%	1.873%
\$100,000	400	2.758%	1.449%
\$100,000	500	2.401%	1.169%
\$100,000	600	2.133%	0.968%
\$100,000	700	1.921%	0.816%
\$100,000	800	1.747%	0.697%
\$100,000	900	1.601%	0.602%
\$100,000	1,000	1.476%	0.523%
\$100,000	1,500	1.042%	0.284%
\$100,000	2,000	0.783%	0.167%
\$100,000	3,000	0.492%	0.067%
\$100,000	4,000	0.340%	0.030%
\$100,000	5,000	0.250%	0.015%
\$100,000	10,000	0.088%	0.001%
\$100,000	20,000	0.024%	0.001%
\$100,000	30,000	0.009%	0.001%
\$100,000	40,000	0.004%	0.001%
\$105,000	100	6.223%	4.521%
\$105,000	200	4.229%	2.696%
\$105,000	300	3.354%	1.936%
\$105,000	400	2.829%	1.501%
\$105,000	500	2.465%	1.213%
\$105,000	600	2.192%	1.007%
\$105,000	700	1.976%	0.850%
\$105,000	800	1.798%	0.728%
\$105,000	900	1.649%	0.630%
\$105,000	1,000	1.522%	0.549%
\$105,000	1,500	1.079%	0.301%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$105,000	2,000	0.814%	0.179%
\$105,000	3,000	0.515%	0.073%
\$105,000	4,000	0.356%	0.033%
\$105,000	5,000	0.262%	0.016%
\$105,000	10,000	0.093%	0.002%
\$105,000	20,000	0.026%	0.001%
\$105,000	30,000	0.010%	0.001%
\$105,000	40,000	0.005%	0.001%
\$110,000	100	6.350%	4.632%
\$110,000	200	4.316%	2.768%
\$110,000	300	3.424%	1.991%
\$110,000	400	2.890%	1.547%
\$110,000	500	2.520%	1.252%
\$110,000	600	2.243%	1.041%
\$110,000	700	2.023%	0.881%
\$110,000	800	1.843%	0.756%
\$110,000	900	1.692%	0.655%
\$110,000	1,000	1.562%	0.572%
\$110,000	1,500	1.112%	0.316%
\$110,000	2,000	0.841%	0.190%
\$110,000	3,000	0.534%	0.078%
\$110,000	4,000	0.371%	0.036%
\$110,000	5,000	0.274%	0.018%
\$110,000	10,000	0.097%	0.002%
\$110,000	20,000	0.027%	0.001%
\$110,000	30,000	0.011%	0.001%
\$110,000	40,000	0.005%	0.001%
\$115,000	100	6.477%	4.744%
\$115,000	200	4.403%	2.840%
\$115,000	300	3.495%	2.047%
\$115,000	400	2.951%	1.592%
\$115,000	500	2.575%	1.291%
\$115,000	600	2.293%	1.075%
\$115,000	700	2.070%	0.912%
\$115,000	800	1.887%	0.783%
\$115,000	900	1.734%	0.680%
\$115,000	1,000	1.602%	0.595%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$115,000	1,500	1.145%	0.331%
\$115,000	2,000	0.869%	0.200%
\$115,000	3,000	0.554%	0.084%
\$115,000	4,000	0.386%	0.039%
\$115,000	5,000	0.286%	0.020%
\$115,000	10,000	0.102%	0.002%
\$115,000	20,000	0.029%	0.001%
\$115,000	30,000	0.011%	0.001%
\$115,000	40,000	0.005%	0.001%
\$120,000	100	6.602%	4.855%
\$120,000	200	4.490%	2.912%
\$120,000	300	3.565%	2.102%
\$120,000	400	3.012%	1.638%
\$120,000	500	2.630%	1.331%
\$120,000	600	2.343%	1.110%
\$120,000	700	2.117%	0.943%
\$120,000	800	1.932%	0.811%
\$120,000	900	1.776%	0.705%
\$120,000	1,000	1.642%	0.618%
\$120,000	1,500	1.177%	0.347%
\$120,000	2,000	0.896%	0.211%
\$120,000	3,000	0.574%	0.089%
\$120,000	4,000	0.401%	0.042%
\$120,000	5,000	0.297%	0.021%
\$120,000	10,000	0.107%	0.002%
\$120,000	20,000	0.031%	0.001%
\$120,000	30,000	0.012%	0.001%
\$120,000	40,000	0.006%	0.001%
\$125,000	100	6.723%	4.963%
\$125,000	200	4.573%	2.981%
\$125,000	300	3.633%	2.155%
\$125,000	400	3.071%	1.682%
\$125,000	500	2.683%	1.369%
\$125,000	600	2.392%	1.143%
\$125,000	700	2.162%	0.973%
\$125,000	800	1.974%	0.838%
\$125,000	900	1.816%	0.730%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$125,000	1,000	1.680%	0.641%
\$125,000	1,500	1.209%	0.362%
\$125,000	2,000	0.923%	0.222%
\$125,000	3,000	0.594%	0.095%
\$125,000	4,000	0.416%	0.045%
\$125,000	5,000	0.309%	0.023%
\$125,000	10,000	0.112%	0.002%
\$125,000	20,000	0.032%	0.001%
\$125,000	30,000	0.013%	0.001%
\$125,000	40,000	0.006%	0.001%
\$130,000	100	6.845%	5.071%
\$130,000	200	4.657%	3.051%
\$130,000	300	3.700%	2.209%
\$130,000	400	3.129%	1.727%
\$130,000	500	2.735%	1.407%
\$130,000	600	2.440%	1.177%
\$130,000	700	2.207%	1.003%
\$130,000	800	2.017%	0.866%
\$130,000	900	1.856%	0.755%
\$130,000	1,000	1.719%	0.664%
\$130,000	1,500	1.240%	0.378%
\$130,000	2,000	0.950%	0.233%
\$130,000	3,000	0.614%	0.101%
\$130,000	4,000	0.431%	0.049%
\$130,000	5,000	0.321%	0.025%
\$130,000	10,000	0.117%	0.002%
\$130,000	20,000	0.034%	0.001%
\$130,000	30,000	0.014%	0.001%
\$130,000	40,000	0.007%	0.001%
\$135,000	100	6.961%	5.175%
\$135,000	200	4.737%	3.119%
\$135,000	300	3.765%	2.261%
\$135,000	400	3.185%	1.770%
\$135,000	500	2.786%	1.444%
\$135,000	600	2.487%	1.210%
\$135,000	700	2.251%	1.032%
\$135,000	800	2.057%	0.892%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$135,000	900	1.895%	0.779%
\$135,000	1,000	1.756%	0.686%
\$135,000	1,500	1.271%	0.393%
\$135,000	2,000	0.976%	0.244%
\$135,000	3,000	0.633%	0.107%
\$135,000	4,000	0.446%	0.052%
\$135,000	5,000	0.333%	0.027%
\$135,000	10,000	0.121%	0.002%
\$135,000	20,000	0.036%	0.001%
\$135,000	30,000	0.015%	0.001%
\$135,000	40,000	0.007%	0.001%
\$140,000	100	7.073%	5.276%
\$140,000	200	4.814%	3.184%
\$140,000	300	3.828%	2.311%
\$140,000	400	3.240%	1.811%
\$140,000	500	2.834%	1.480%
\$140,000	600	2.531%	1.242%
\$140,000	700	2.292%	1.061%
\$140,000	800	2.097%	0.918%
\$140,000	900	1.932%	0.803%
\$140,000	1,000	1.791%	0.708%
\$140,000	1,500	1.300%	0.408%
\$140,000	2,000	1.001%	0.255%
\$140,000	3,000	0.652%	0.113%
\$140,000	4,000	0.461%	0.056%
\$140,000	5,000	0.344%	0.029%
\$140,000	10,000	0.126%	0.003%
\$140,000	20,000	0.038%	0.001%
\$140,000	30,000	0.016%	0.001%
\$140,000	40,000	0.008%	0.001%
\$145,000	100	7.186%	5.377%
\$145,000	200	4.891%	3.250%
\$145,000	300	3.890%	2.362%
\$145,000	400	3.294%	1.853%
\$145,000	500	2.883%	1.516%
\$145,000	600	2.576%	1.274%
\$145,000	700	2.334%	1.089%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$145,000	800	2.136%	0.944%
\$145,000	900	1.970%	0.827%
\$145,000	1,000	1.827%	0.730%
\$145,000	1,500	1.330%	0.423%
\$145,000	2,000	1.026%	0.266%
\$145,000	3,000	0.671%	0.120%
\$145,000	4,000	0.476%	0.059%
\$145,000	5,000	0.356%	0.031%
\$145,000	10,000	0.131%	0.003%
\$145,000	20,000	0.040%	0.001%
\$145,000	30,000	0.016%	0.001%
\$145,000	40,000	0.008%	0.001%
\$150,000	100	7.295%	5.476%
\$150,000	200	4.967%	3.314%
\$150,000	300	3.951%	2.412%
\$150,000	400	3.346%	1.894%
\$150,000	500	2.930%	1.552%
\$150,000	600	2.620%	1.305%
\$150,000	700	2.375%	1.118%
\$150,000	800	2.174%	0.970%
\$150,000	900	2.006%	0.850%
\$150,000	1,000	1.862%	0.751%
\$150,000	1,500	1.358%	0.439%
\$150,000	2,000	1.050%	0.277%
\$150,000	3,000	0.690%	0.126%
\$150,000	4,000	0.490%	0.063%
\$150,000	5,000	0.367%	0.034%
\$150,000	10,000	0.136%	0.003%
\$150,000	20,000	0.041%	0.001%
\$150,000	30,000	0.017%	0.001%
\$150,000	40,000	0.009%	0.001%
\$155,000	100	7.404%	5.574%
\$155,000	200	5.042%	3.378%
\$155,000	300	4.012%	2.461%
\$155,000	400	3.399%	1.935%
\$155,000	500	2.977%	1.587%
\$155,000	600	2.663%	1.336%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$155,000	700	2.415%	1.146%
\$155,000	800	2.212%	0.996%
\$155,000	900	2.042%	0.874%
\$155,000	1,000	1.896%	0.773%
\$155,000	1,500	1.387%	0.454%
\$155,000	2,000	1.075%	0.288%
\$155,000	3,000	0.709%	0.132%
\$155,000	4,000	0.505%	0.067%
\$155,000	5,000	0.379%	0.036%
\$155,000	10,000	0.141%	0.003%
\$155,000	20,000	0.043%	0.001%
\$155,000	30,000	0.018%	0.001%
\$155,000	40,000	0.009%	0.001%
\$160,000	100	7.515%	5.675%
\$160,000	200	5.118%	3.444%
\$160,000	300	4.074%	2.512%
\$160,000	400	3.452%	1.978%
\$160,000	500	3.025%	1.624%
\$160,000	600	2.707%	1.369%
\$160,000	700	2.456%	1.175%
\$160,000	800	2.251%	1.022%
\$160,000	900	2.079%	0.898%
\$160,000	1,000	1.931%	0.795%
\$160,000	1,500	1.416%	0.469%
\$160,000	2,000	1.100%	0.300%
\$160,000	3,000	0.728%	0.139%
\$160,000	4,000	0.520%	0.071%
\$160,000	5,000	0.391%	0.038%
\$160,000	10,000	0.146%	0.004%
\$160,000	20,000	0.045%	0.001%
\$160,000	30,000	0.019%	0.001%
\$160,000	40,000	0.010%	0.001%
\$165,000	100	7.644%	5.794%
\$165,000	200	5.207%	3.522%
\$165,000	300	4.146%	2.572%
\$165,000	400	3.515%	2.028%
\$165,000	500	3.081%	1.667%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$165,000	600	2.758%	1.407%
\$165,000	700	2.504%	1.210%
\$165,000	800	2.296%	1.054%
\$165,000	900	2.122%	0.927%
\$165,000	1,000	1.973%	0.822%
\$165,000	1,500	1.451%	0.489%
\$165,000	2,000	1.130%	0.314%
\$165,000	3,000	0.751%	0.147%
\$165,000	4,000	0.538%	0.076%
\$165,000	5,000	0.406%	0.042%
\$165,000	10,000	0.152%	0.004%
\$165,000	20,000	0.048%	0.001%
\$165,000	30,000	0.020%	0.001%
\$165,000	40,000	0.010%	0.001%
\$170,000	100	7.774%	5.913%
\$170,000	200	5.297%	3.600%
\$170,000	300	4.218%	2.632%
\$170,000	400	3.577%	2.078%
\$170,000	500	3.137%	1.711%
\$170,000	600	2.810%	1.446%
\$170,000	700	2.552%	1.245%
\$170,000	800	2.342%	1.086%
\$170,000	900	2.165%	0.956%
\$170,000	1,000	2.014%	0.849%
\$170,000	1,500	1.485%	0.508%
\$170,000	2,000	1.160%	0.329%
\$170,000	3,000	0.775%	0.156%
\$170,000	4,000	0.557%	0.081%
\$170,000	5,000	0.421%	0.045%
\$170,000	10,000	0.159%	0.004%
\$170,000	20,000	0.050%	0.001%
\$170,000	30,000	0.022%	0.001%
\$170,000	40,000	0.011%	0.001%
\$175,000	100	7.903%	6.032%
\$175,000	200	5.386%	3.678%
\$175,000	300	4.290%	2.693%
\$175,000	400	3.639%	2.128%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$175,000	500	3.193%	1.754%
\$175,000	600	2.861%	1.485%
\$175,000	700	2.600%	1.280%
\$175,000	800	2.387%	1.117%
\$175,000	900	2.208%	0.986%
\$175,000	1,000	2.055%	0.877%
\$175,000	1,500	1.520%	0.527%
\$175,000	2,000	1.190%	0.343%
\$175,000	3,000	0.798%	0.164%
\$175,000	4,000	0.576%	0.086%
\$175,000	5,000	0.436%	0.048%
\$175,000	10,000	0.165%	0.005%
\$175,000	20,000	0.053%	0.001%
\$175,000	30,000	0.023%	0.001%
\$175,000	40,000	0.012%	0.001%
\$180,000	100	8.014%	6.134%
\$180,000	200	5.462%	3.745%
\$180,000	300	4.351%	2.745%
\$180,000	400	3.692%	2.172%
\$180,000	500	3.241%	1.792%
\$180,000	600	2.905%	1.518%
\$180,000	700	2.641%	1.309%
\$180,000	800	2.425%	1.145%
\$180,000	900	2.245%	1.011%
\$180,000	1,000	2.090%	0.900%
\$180,000	1,500	1.549%	0.544%
\$180,000	2,000	1.216%	0.356%
\$180,000	3,000	0.818%	0.172%
\$180,000	4,000	0.592%	0.091%
\$180,000	5,000	0.449%	0.051%
\$180,000	10,000	0.171%	0.005%
\$180,000	20,000	0.055%	0.001%
\$180,000	30,000	0.024%	0.001%
\$180,000	40,000	0.012%	0.001%
\$185,000	100	8.112%	6.224%
\$185,000	200	5.530%	3.804%
\$185,000	300	4.406%	2.790%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$185,000	400	3.739%	2.210%
\$185,000	500	3.283%	1.825%
\$185,000	600	2.944%	1.547%
\$185,000	700	2.677%	1.336%
\$185,000	800	2.459%	1.169%
\$185,000	900	2.277%	1.033%
\$185,000	1,000	2.121%	0.920%
\$185,000	1,500	1.575%	0.559%
\$185,000	2,000	1.238%	0.367%
\$185,000	3,000	0.836%	0.179%
\$185,000	4,000	0.606%	0.095%
\$185,000	5,000	0.460%	0.054%
\$185,000	10,000	0.176%	0.006%
\$185,000	20,000	0.057%	0.001%
\$185,000	30,000	0.025%	0.001%
\$185,000	40,000	0.013%	0.001%
\$190,000	100	8.210%	6.314%
\$190,000	200	5.597%	3.863%
\$190,000	300	4.460%	2.836%
\$190,000	400	3.786%	2.248%
\$190,000	500	3.325%	1.858%
\$190,000	600	2.982%	1.577%
\$190,000	700	2.713%	1.362%
\$190,000	800	2.493%	1.193%
\$190,000	900	2.309%	1.055%
\$190,000	1,000	2.152%	0.941%
\$190,000	1,500	1.601%	0.574%
\$190,000	2,000	1.261%	0.379%
\$190,000	3,000	0.854%	0.186%
\$190,000	4,000	0.620%	0.100%
\$190,000	5,000	0.472%	0.057%
\$190,000	10,000	0.181%	0.006%
\$190,000	20,000	0.059%	0.001%
\$190,000	30,000	0.026%	0.001%
\$190,000	40,000	0.014%	0.001%
\$195,000	100	8.308%	6.405%
\$195,000	200	5.664%	3.922%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$195,000	300	4.515%	2.882%
\$195,000	400	3.833%	2.286%
\$195,000	500	3.367%	1.891%
\$195,000	600	3.021%	1.606%
\$195,000	700	2.749%	1.389%
\$195,000	800	2.527%	1.217%
\$195,000	900	2.341%	1.078%
\$195,000	1,000	2.182%	0.962%
\$195,000	1,500	1.627%	0.589%
\$195,000	2,000	1.283%	0.390%
\$195,000	3,000	0.872%	0.193%
\$195,000	4,000	0.635%	0.104%
\$195,000	5,000	0.484%	0.060%
\$195,000	10,000	0.186%	0.006%
\$195,000	20,000	0.061%	0.001%
\$195,000	30,000	0.028%	0.001%
\$195,000	40,000	0.014%	0.001%
\$200,000	100	8.406%	6.495%
\$200,000	200	5.732%	3.981%
\$200,000	300	4.569%	2.928%
\$200,000	400	3.880%	2.324%
\$200,000	500	3.409%	1.924%
\$200,000	600	3.059%	1.635%
\$200,000	700	2.785%	1.416%
\$200,000	800	2.561%	1.242%
\$200,000	900	2.373%	1.100%
\$200,000	1,000	2.213%	0.983%
\$200,000	1,500	1.652%	0.604%
\$200,000	2,000	1.306%	0.401%
\$200,000	3,000	0.889%	0.200%
\$200,000	4,000	0.649%	0.109%
\$200,000	5,000	0.496%	0.063%
\$200,000	10,000	0.191%	0.007%
\$200,000	20,000	0.063%	0.001%
\$200,000	30,000	0.029%	0.001%
\$200,000	40,000	0.015%	0.001%
\$205,000	100	8.504%	6.586%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$205,000	200	5.799%	4.041%
\$205,000	300	4.623%	2.974%
\$205,000	400	3.927%	2.363%
\$205,000	500	3.451%	1.957%
\$205,000	600	3.098%	1.665%
\$205,000	700	2.820%	1.442%
\$205,000	800	2.595%	1.266%
\$205,000	900	2.405%	1.123%
\$205,000	1,000	2.243%	1.003%
\$205,000	1,500	1.678%	0.619%
\$205,000	2,000	1.328%	0.413%
\$205,000	3,000	0.907%	0.207%
\$205,000	4,000	0.664%	0.113%
\$205,000	5,000	0.508%	0.066%
\$205,000	10,000	0.197%	0.007%
\$205,000	20,000	0.065%	0.001%
\$205,000	30,000	0.030%	0.001%
\$205,000	40,000	0.015%	0.001%
\$210,000	100	8.582%	6.658%
\$210,000	200	5.853%	4.088%
\$210,000	300	4.667%	3.011%
\$210,000	400	3.964%	2.393%
\$210,000	500	3.484%	1.984%
\$210,000	600	3.128%	1.688%
\$210,000	700	2.849%	1.463%
\$210,000	800	2.621%	1.285%
\$210,000	900	2.431%	1.141%
\$210,000	1,000	2.268%	1.020%
\$210,000	1,500	1.699%	0.631%
\$210,000	2,000	1.346%	0.422%
\$210,000	3,000	0.921%	0.213%
\$210,000	4,000	0.675%	0.117%
\$210,000	5,000	0.517%	0.068%
\$210,000	10,000	0.201%	0.008%
\$210,000	20,000	0.067%	0.001%
\$210,000	30,000	0.031%	0.001%
\$210,000	40,000	0.016%	0.001%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$215,000	100	8.655%	6.725%
\$215,000	200	5.903%	4.132%
\$215,000	300	4.707%	3.045%
\$215,000	400	3.999%	2.422%
\$215,000	500	3.516%	2.008%
\$215,000	600	3.157%	1.710%
\$215,000	700	2.875%	1.483%
\$215,000	800	2.646%	1.304%
\$215,000	900	2.455%	1.157%
\$215,000	1,000	2.290%	1.036%
\$215,000	1,500	1.718%	0.643%
\$215,000	2,000	1.363%	0.431%
\$215,000	3,000	0.935%	0.218%
\$215,000	4,000	0.686%	0.121%
\$215,000	5,000	0.526%	0.071%
\$215,000	10,000	0.205%	0.008%
\$215,000	20,000	0.069%	0.001%
\$215,000	30,000	0.032%	0.001%
\$215,000	40,000	0.017%	0.001%
\$220,000	100	8.728%	6.792%
\$220,000	200	5.954%	4.177%
\$220,000	300	4.748%	3.079%
\$220,000	400	4.034%	2.450%
\$220,000	500	3.547%	2.033%
\$220,000	600	3.185%	1.732%
\$220,000	700	2.902%	1.503%
\$220,000	800	2.671%	1.322%
\$220,000	900	2.478%	1.174%
\$220,000	1,000	2.313%	1.051%
\$220,000	1,500	1.737%	0.654%
\$220,000	2,000	1.379%	0.440%
\$220,000	3,000	0.948%	0.224%
\$220,000	4,000	0.697%	0.124%
\$220,000	5,000	0.535%	0.073%
\$220,000	10,000	0.209%	0.008%
\$220,000	20,000	0.070%	0.001%
\$220,000	30,000	0.032%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$220,000	40,000	0.017%	0.001%
\$225,000	100	8.801%	6.860%
\$225,000	200	6.004%	4.221%
\$225,000	300	4.788%	3.114%
\$225,000	400	4.069%	2.479%
\$225,000	500	3.578%	2.058%
\$225,000	600	3.214%	1.754%
\$225,000	700	2.928%	1.523%
\$225,000	800	2.696%	1.340%
\$225,000	900	2.502%	1.191%
\$225,000	1,000	2.336%	1.067%
\$225,000	1,500	1.755%	0.666%
\$225,000	2,000	1.396%	0.449%
\$225,000	3,000	0.961%	0.229%
\$225,000	4,000	0.708%	0.128%
\$225,000	5,000	0.544%	0.075%
\$225,000	10,000	0.213%	0.009%
\$225,000	20,000	0.072%	0.001%
\$225,000	30,000	0.033%	0.001%
\$225,000	40,000	0.018%	0.001%
\$230,000	100	8.874%	6.927%
\$230,000	200	6.054%	4.265%
\$230,000	300	4.828%	3.148%
\$230,000	400	4.103%	2.507%
\$230,000	500	3.609%	2.083%
\$230,000	600	3.242%	1.776%
\$230,000	700	2.955%	1.543%
\$230,000	800	2.721%	1.358%
\$230,000	900	2.525%	1.208%
\$230,000	1,000	2.358%	1.082%
\$230,000	1,500	1.774%	0.677%
\$230,000	2,000	1.412%	0.457%
\$230,000	3,000	0.975%	0.235%
\$230,000	4,000	0.719%	0.132%
\$230,000	5,000	0.553%	0.078%
\$230,000	10,000	0.217%	0.009%
\$230,000	20,000	0.074%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$230,000	30,000	0.034%	0.001%
\$230,000	40,000	0.018%	0.001%
\$235,000	100	8.947%	6.995%
\$235,000	200	6.104%	4.310%
\$235,000	300	4.869%	3.183%
\$235,000	400	4.138%	2.536%
\$235,000	500	3.640%	2.107%
\$235,000	600	3.271%	1.798%
\$235,000	700	2.981%	1.563%
\$235,000	800	2.746%	1.376%
\$235,000	900	2.549%	1.224%
\$235,000	1,000	2.381%	1.098%
\$235,000	1,500	1.793%	0.688%
\$235,000	2,000	1.429%	0.466%
\$235,000	3,000	0.988%	0.240%
\$235,000	4,000	0.729%	0.135%
\$235,000	5,000	0.562%	0.080%
\$235,000	10,000	0.222%	0.010%
\$235,000	20,000	0.075%	0.001%
\$235,000	30,000	0.035%	0.001%
\$235,000	40,000	0.019%	0.001%
\$240,000	100	9.019%	7.061%
\$240,000	200	6.154%	4.354%
\$240,000	300	4.909%	3.217%
\$240,000	400	4.173%	2.564%
\$240,000	500	3.671%	2.132%
\$240,000	600	3.299%	1.820%
\$240,000	700	3.007%	1.583%
\$240,000	800	2.771%	1.394%
\$240,000	900	2.572%	1.241%
\$240,000	1,000	2.403%	1.113%
\$240,000	1,500	1.812%	0.700%
\$240,000	2,000	1.445%	0.475%
\$240,000	3,000	1.001%	0.246%
\$240,000	4,000	0.740%	0.139%
\$240,000	5,000	0.571%	0.083%
\$240,000	10,000	0.226%	0.010%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$240,000	20,000	0.077%	0.001%
\$240,000	30,000	0.036%	0.001%
\$240,000	40,000	0.019%	0.001%
\$245,000	100	9.081%	7.119%
\$245,000	200	6.196%	4.391%
\$245,000	300	4.943%	3.246%
\$245,000	400	4.202%	2.589%
\$245,000	500	3.697%	2.153%
\$245,000	600	3.323%	1.839%
\$245,000	700	3.030%	1.600%
\$245,000	800	2.792%	1.410%
\$245,000	900	2.592%	1.256%
\$245,000	1,000	2.422%	1.127%
\$245,000	1,500	1.828%	0.710%
\$245,000	2,000	1.460%	0.483%
\$245,000	3,000	1.013%	0.251%
\$245,000	4,000	0.750%	0.142%
\$245,000	5,000	0.579%	0.085%
\$245,000	10,000	0.229%	0.010%
\$245,000	20,000	0.078%	0.001%
\$245,000	30,000	0.037%	0.001%
\$245,000	40,000	0.020%	0.001%
\$250,000	100	9.143%	7.176%
\$250,000	200	6.239%	4.429%
\$250,000	300	4.978%	3.276%
\$250,000	400	4.232%	2.613%
\$250,000	500	3.724%	2.175%
\$250,000	600	3.347%	1.858%
\$250,000	700	3.052%	1.617%
\$250,000	800	2.813%	1.426%
\$250,000	900	2.613%	1.270%
\$250,000	1,000	2.441%	1.140%
\$250,000	1,500	1.844%	0.720%
\$250,000	2,000	1.474%	0.491%
\$250,000	3,000	1.024%	0.256%
\$250,000	4,000	0.759%	0.146%
\$250,000	5,000	0.587%	0.087%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$250,000	10,000	0.233%	0.011%
\$250,000	20,000	0.080%	0.001%
\$250,000	30,000	0.038%	0.001%
\$250,000	40,000	0.020%	0.001%
\$255,000	100	9.205%	7.234%
\$255,000	200	6.282%	4.467%
\$255,000	300	5.012%	3.305%
\$255,000	400	4.261%	2.638%
\$255,000	500	3.750%	2.196%
\$255,000	600	3.371%	1.877%
\$255,000	700	3.075%	1.634%
\$255,000	800	2.834%	1.441%
\$255,000	900	2.633%	1.284%
\$255,000	1,000	2.460%	1.154%
\$255,000	1,500	1.860%	0.730%
\$255,000	2,000	1.488%	0.498%
\$255,000	3,000	1.035%	0.261%
\$255,000	4,000	0.769%	0.149%
\$255,000	5,000	0.595%	0.090%
\$255,000	10,000	0.237%	0.011%
\$255,000	20,000	0.081%	0.001%
\$255,000	30,000	0.039%	0.001%
\$255,000	40,000	0.021%	0.001%
\$260,000	100	9.267%	7.292%
\$260,000	200	6.324%	4.505%
\$260,000	300	5.046%	3.334%
\$260,000	400	4.291%	2.663%
\$260,000	500	3.776%	2.217%
\$260,000	600	3.395%	1.896%
\$260,000	700	3.097%	1.651%
\$260,000	800	2.855%	1.457%
\$260,000	900	2.652%	1.299%
\$260,000	1,000	2.479%	1.167%
\$260,000	1,500	1.876%	0.740%
\$260,000	2,000	1.502%	0.506%
\$260,000	3,000	1.047%	0.266%
\$260,000	4,000	0.778%	0.152%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$260,000	5,000	0.603%	0.092%
\$260,000	10,000	0.241%	0.012%
\$260,000	20,000	0.083%	0.001%
\$260,000	30,000	0.039%	0.001%
\$260,000	40,000	0.021%	0.001%
\$265,000	100	9.329%	7.349%
\$265,000	200	6.367%	4.543%
\$265,000	300	5.081%	3.364%
\$265,000	400	4.320%	2.687%
\$265,000	500	3.803%	2.238%
\$265,000	600	3.419%	1.915%
\$265,000	700	3.120%	1.668%
\$265,000	800	2.876%	1.473%
\$265,000	900	2.672%	1.314%
\$265,000	1,000	2.499%	1.181%
\$265,000	1,500	1.892%	0.750%
\$265,000	2,000	1.516%	0.514%
\$265,000	3,000	1.058%	0.271%
\$265,000	4,000	0.788%	0.156%
\$265,000	5,000	0.611%	0.094%
\$265,000	10,000	0.244%	0.012%
\$265,000	20,000	0.084%	0.001%
\$265,000	30,000	0.040%	0.001%
\$265,000	40,000	0.022%	0.001%
\$270,000	100	9.391%	7.407%
\$270,000	200	6.410%	4.581%
\$270,000	300	5.115%	3.394%
\$270,000	400	4.350%	2.712%
\$270,000	500	3.829%	2.260%
\$270,000	600	3.443%	1.934%
\$270,000	700	3.142%	1.685%
\$270,000	800	2.897%	1.489%
\$270,000	900	2.692%	1.328%
\$270,000	1,000	2.518%	1.194%
\$270,000	1,500	1.908%	0.760%
\$270,000	2,000	1.530%	0.522%
\$270,000	3,000	1.070%	0.276%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$515,000	800	3.673%	2.100%
\$515,000	900	3.428%	1.894%
\$515,000	1,000	3.219%	1.723%
\$515,000	1,500	2.498%	1.160%
\$515,000	2,000	2.053%	0.842%
\$515,000	3,000	1.504%	0.496%
\$515,000	4,000	1.167%	0.316%
\$515,000	5,000	0.938%	0.211%
\$515,000	10,000	0.414%	0.040%
\$515,000	20,000	0.154%	0.004%
\$515,000	30,000	0.080%	0.001%
\$515,000	40,000	0.048%	0.001%
\$520,000	100	11.728%	9.620%
\$520,000	200	8.022%	6.055%
\$520,000	300	6.412%	4.544%
\$520,000	400	5.464%	3.674%
\$520,000	500	4.821%	3.096%
\$520,000	600	4.348%	2.679%
\$520,000	700	3.981%	2.361%
\$520,000	800	3.685%	2.109%
\$520,000	900	3.438%	1.903%
\$520,000	1,000	3.229%	1.731%
\$520,000	1,500	2.506%	1.166%
\$520,000	2,000	2.061%	0.847%
\$520,000	3,000	1.510%	0.500%
\$520,000	4,000	1.173%	0.319%
\$520,000	5,000	0.943%	0.213%
\$520,000	10,000	0.416%	0.041%
\$520,000	20,000	0.155%	0.004%
\$520,000	30,000	0.081%	0.001%
\$520,000	40,000	0.048%	0.001%
\$525,000	100	11.763%	9.653%
\$525,000	200	8.046%	6.078%
\$525,000	300	6.431%	4.562%
\$525,000	400	5.480%	3.689%
\$525,000	500	4.836%	3.109%
\$525,000	600	4.362%	2.690%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$525,000	700	3.994%	2.371%
\$525,000	800	3.696%	2.119%
\$525,000	900	3.449%	1.912%
\$525,000	1,000	3.239%	1.740%
\$525,000	1,500	2.515%	1.173%
\$525,000	2,000	2.068%	0.852%
\$525,000	3,000	1.517%	0.503%
\$525,000	4,000	1.179%	0.322%
\$525,000	5,000	0.948%	0.216%
\$525,000	10,000	0.419%	0.041%
\$525,000	20,000	0.156%	0.004%
\$525,000	30,000	0.082%	0.001%
\$525,000	40,000	0.049%	0.001%
\$530,000	100	11.797%	9.686%
\$530,000	200	8.070%	6.100%
\$530,000	300	6.451%	4.579%
\$530,000	400	5.497%	3.703%
\$530,000	500	4.851%	3.122%
\$530,000	600	4.375%	2.702%
\$530,000	700	4.006%	2.382%
\$530,000	800	3.708%	2.128%
\$530,000	900	3.460%	1.921%
\$530,000	1,000	3.250%	1.748%
\$530,000	1,500	2.524%	1.179%
\$530,000	2,000	2.076%	0.858%
\$530,000	3,000	1.524%	0.507%
\$530,000	4,000	1.184%	0.325%
\$530,000	5,000	0.953%	0.218%
\$530,000	10,000	0.422%	0.042%
\$530,000	20,000	0.158%	0.004%
\$530,000	30,000	0.082%	0.001%
\$530,000	40,000	0.049%	0.001%
\$535,000	100	11.832%	9.719%
\$535,000	200	8.094%	6.122%
\$535,000	300	6.470%	4.597%
\$535,000	400	5.513%	3.718%
\$535,000	500	4.865%	3.134%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$535,000	600	4.389%	2.713%
\$535,000	700	4.018%	2.392%
\$535,000	800	3.720%	2.137%
\$535,000	900	3.471%	1.930%
\$535,000	1,000	3.260%	1.756%
\$535,000	1,500	2.533%	1.185%
\$535,000	2,000	2.084%	0.863%
\$535,000	3,000	1.530%	0.511%
\$535,000	4,000	1.190%	0.327%
\$535,000	5,000	0.958%	0.220%
\$535,000	10,000	0.425%	0.042%
\$535,000	20,000	0.159%	0.004%
\$535,000	30,000	0.083%	0.001%
\$535,000	40,000	0.050%	0.001%
\$540,000	100	11.867%	9.752%
\$540,000	200	8.118%	6.144%
\$540,000	300	6.489%	4.614%
\$540,000	400	5.530%	3.732%
\$540,000	500	4.880%	3.147%
\$540,000	600	4.402%	2.725%
\$540,000	700	4.031%	2.402%
\$540,000	800	3.731%	2.147%
\$540,000	900	3.482%	1.938%
\$540,000	1,000	3.271%	1.764%
\$540,000	1,500	2.541%	1.191%
\$540,000	2,000	2.092%	0.868%
\$540,000	3,000	1.537%	0.514%
\$540,000	4,000	1.196%	0.330%
\$540,000	5,000	0.963%	0.222%
\$540,000	10,000	0.428%	0.043%
\$540,000	20,000	0.160%	0.004%
\$540,000	30,000	0.084%	0.001%
\$540,000	40,000	0.050%	0.001%
\$545,000	100	11.897%	9.781%
\$545,000	200	8.139%	6.164%
\$545,000	300	6.506%	4.629%
\$545,000	400	5.544%	3.745%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$545,000	500	4.893%	3.158%
\$545,000	600	4.414%	2.734%
\$545,000	700	4.042%	2.411%
\$545,000	800	3.741%	2.155%
\$545,000	900	3.492%	1.946%
\$545,000	1,000	3.280%	1.771%
\$545,000	1,500	2.549%	1.197%
\$545,000	2,000	2.098%	0.872%
\$545,000	3,000	1.542%	0.518%
\$545,000	4,000	1.201%	0.332%
\$545,000	5,000	0.967%	0.224%
\$545,000	10,000	0.430%	0.044%
\$545,000	20,000	0.161%	0.004%
\$545,000	30,000	0.084%	0.001%
\$545,000	40,000	0.050%	0.001%
\$550,000	100	11.924%	9.808%
\$550,000	200	8.158%	6.182%
\$550,000	300	6.521%	4.643%
\$550,000	400	5.557%	3.757%
\$550,000	500	4.904%	3.168%
\$550,000	600	4.424%	2.744%
\$550,000	700	4.051%	2.420%
\$550,000	800	3.750%	2.163%
\$550,000	900	3.501%	1.953%
\$550,000	1,000	3.288%	1.778%
\$550,000	1,500	2.556%	1.202%
\$550,000	2,000	2.105%	0.877%
\$550,000	3,000	1.548%	0.521%
\$550,000	4,000	1.205%	0.335%
\$550,000	5,000	0.971%	0.225%
\$550,000	10,000	0.432%	0.044%
\$550,000	20,000	0.162%	0.004%
\$550,000	30,000	0.085%	0.001%
\$550,000	40,000	0.051%	0.001%
\$555,000	100	11.952%	9.834%
\$555,000	200	8.177%	6.199%
\$555,000	300	6.537%	4.657%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$555,000	400	5.570%	3.769%
\$555,000	500	4.916%	3.178%
\$555,000	600	4.435%	2.753%
\$555,000	700	4.061%	2.428%
\$555,000	800	3.760%	2.170%
\$555,000	900	3.509%	1.960%
\$555,000	1,000	3.296%	1.785%
\$555,000	1,500	2.563%	1.207%
\$555,000	2,000	2.111%	0.881%
\$555,000	3,000	1.553%	0.524%
\$555,000	4,000	1.210%	0.337%
\$555,000	5,000	0.975%	0.227%
\$555,000	10,000	0.435%	0.045%
\$555,000	20,000	0.163%	0.004%
\$555,000	30,000	0.086%	0.001%
\$555,000	40,000	0.051%	0.001%
\$560,000	100	11.980%	9.861%
\$560,000	200	8.196%	6.217%
\$560,000	300	6.552%	4.671%
\$560,000	400	5.584%	3.780%
\$560,000	500	4.928%	3.189%
\$560,000	600	4.446%	2.762%
\$560,000	700	4.071%	2.436%
\$560,000	800	3.769%	2.178%
\$560,000	900	3.518%	1.967%
\$560,000	1,000	3.305%	1.791%
\$560,000	1,500	2.570%	1.212%
\$560,000	2,000	2.117%	0.885%
\$560,000	3,000	1.558%	0.526%
\$560,000	4,000	1.214%	0.339%
\$560,000	5,000	0.979%	0.229%
\$560,000	10,000	0.437%	0.045%
\$560,000	20,000	0.164%	0.004%
\$560,000	30,000	0.086%	0.001%
\$560,000	40,000	0.052%	0.001%
\$565,000	100	12.007%	9.887%
\$565,000	200	8.215%	6.235%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$565,000	300	6.567%	4.685%
\$565,000	400	5.597%	3.792%
\$565,000	500	4.939%	3.199%
\$565,000	600	4.456%	2.771%
\$565,000	700	4.081%	2.444%
\$565,000	800	3.778%	2.186%
\$565,000	900	3.527%	1.974%
\$565,000	1,000	3.313%	1.798%
\$565,000	1,500	2.577%	1.217%
\$565,000	2,000	2.123%	0.889%
\$565,000	3,000	1.563%	0.529%
\$565,000	4,000	1.219%	0.341%
\$565,000	5,000	0.983%	0.230%
\$565,000	10,000	0.439%	0.046%
\$565,000	20,000	0.165%	0.004%
\$565,000	30,000	0.087%	0.001%
\$565,000	40,000	0.052%	0.001%
\$570,000	100	12.035%	9.914%
\$570,000	200	8.235%	6.253%
\$570,000	300	6.583%	4.699%
\$570,000	400	5.610%	3.804%
\$570,000	500	4.951%	3.209%
\$570,000	600	4.467%	2.780%
\$570,000	700	4.091%	2.453%
\$570,000	800	3.787%	2.193%
\$570,000	900	3.535%	1.981%
\$570,000	1,000	3.321%	1.804%
\$570,000	1,500	2.584%	1.222%
\$570,000	2,000	2.129%	0.893%
\$570,000	3,000	1.568%	0.532%
\$570,000	4,000	1.223%	0.344%
\$570,000	5,000	0.987%	0.232%
\$570,000	10,000	0.442%	0.046%
\$570,000	20,000	0.166%	0.004%
\$570,000	30,000	0.087%	0.001%
\$570,000	40,000	0.052%	0.001%
\$575,000	100	12.063%	9.940%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$575,000	200	8.254%	6.271%
\$575,000	300	6.598%	4.713%
\$575,000	400	5.623%	3.815%
\$575,000	500	4.963%	3.219%
\$575,000	600	4.478%	2.789%
\$575,000	700	4.101%	2.461%
\$575,000	800	3.797%	2.201%
\$575,000	900	3.544%	1.988%
\$575,000	1,000	3.330%	1.811%
\$575,000	1,500	2.591%	1.227%
\$575,000	2,000	2.135%	0.897%
\$575,000	3,000	1.574%	0.535%
\$575,000	4,000	1.228%	0.346%
\$575,000	5,000	0.991%	0.234%
\$575,000	10,000	0.444%	0.047%
\$575,000	20,000	0.167%	0.005%
\$575,000	30,000	0.088%	0.001%
\$575,000	40,000	0.053%	0.001%
\$580,000	100	12.090%	9.967%
\$580,000	200	8.273%	6.288%
\$580,000	300	6.613%	4.727%
\$580,000	400	5.636%	3.827%
\$580,000	500	4.975%	3.229%
\$580,000	600	4.488%	2.798%
\$580,000	700	4.111%	2.469%
\$580,000	800	3.806%	2.208%
\$580,000	900	3.553%	1.995%
\$580,000	1,000	3.338%	1.818%
\$580,000	1,500	2.598%	1.232%
\$580,000	2,000	2.142%	0.901%
\$580,000	3,000	1.579%	0.538%
\$580,000	4,000	1.233%	0.348%
\$580,000	5,000	0.995%	0.236%
\$580,000	10,000	0.446%	0.047%
\$580,000	20,000	0.168%	0.005%
\$580,000	30,000	0.089%	0.001%
\$580,000	40,000	0.053%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$585,000	100	12.118%	9.993%
\$585,000	200	8.292%	6.306%
\$585,000	300	6.629%	4.741%
\$585,000	400	5.650%	3.839%
\$585,000	500	4.986%	3.240%
\$585,000	600	4.499%	2.807%
\$585,000	700	4.120%	2.478%
\$585,000	800	3.815%	2.216%
\$585,000	900	3.562%	2.003%
\$585,000	1,000	3.346%	1.824%
\$585,000	1,500	2.605%	1.238%
\$585,000	2,000	2.148%	0.906%
\$585,000	3,000	1.584%	0.541%
\$585,000	4,000	1.237%	0.350%
\$585,000	5,000	0.999%	0.237%
\$585,000	10,000	0.448%	0.048%
\$585,000	20,000	0.169%	0.005%
\$585,000	30,000	0.089%	0.001%
\$585,000	40,000	0.054%	0.001%
\$590,000	100	12.146%	10.020%
\$590,000	200	8.311%	6.324%
\$590,000	300	6.644%	4.755%
\$590,000	400	5.663%	3.851%
\$590,000	500	4.998%	3.250%
\$590,000	600	4.509%	2.816%
\$590,000	700	4.130%	2.486%
\$590,000	800	3.824%	2.224%
\$590,000	900	3.570%	2.010%
\$590,000	1,000	3.355%	1.831%
\$590,000	1,500	2.611%	1.243%
\$590,000	2,000	2.154%	0.910%
\$590,000	3,000	1.589%	0.544%
\$590,000	4,000	1.242%	0.353%
\$590,000	5,000	1.003%	0.239%
\$590,000	10,000	0.451%	0.048%
\$590,000	20,000	0.170%	0.005%
\$590,000	30,000	0.090%	0.001%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$590,000	40,000	0.054%	0.001%
\$595,000	100	12.173%	10.046%
\$595,000	200	8.330%	6.342%
\$595,000	300	6.660%	4.769%
\$595,000	400	5.676%	3.862%
\$595,000	500	5.010%	3.260%
\$595,000	600	4.520%	2.826%
\$595,000	700	4.140%	2.494%
\$595,000	800	3.834%	2.231%
\$595,000	900	3.579%	2.017%
\$595,000	1,000	3.363%	1.837%
\$595,000	1,500	2.618%	1.248%
\$595,000	2,000	2.160%	0.914%
\$595,000	3,000	1.594%	0.547%
\$595,000	4,000	1.246%	0.355%
\$595,000	5,000	1.007%	0.241%
\$595,000	10,000	0.453%	0.049%
\$595,000	20,000	0.171%	0.005%
\$595,000	30,000	0.090%	0.001%
\$595,000	40,000	0.054%	0.001%
\$600,000	100	12.201%	10.073%
\$600,000	200	8.349%	6.360%
\$600,000	300	6.675%	4.783%
\$600,000	400	5.689%	3.874%
\$600,000	500	5.022%	3.270%
\$600,000	600	4.531%	2.835%
\$600,000	700	4.150%	2.502%
\$600,000	800	3.843%	2.239%
\$600,000	900	3.588%	2.024%
\$600,000	1,000	3.371%	1.844%
\$600,000	1,500	2.625%	1.253%
\$600,000	2,000	2.166%	0.918%
\$600,000	3,000	1.600%	0.550%
\$600,000	4,000	1.251%	0.357%
\$600,000	5,000	1.011%	0.243%
\$600,000	10,000	0.455%	0.049%
\$600,000	20,000	0.172%	0.005%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$600,000	30,000	0.091%	0.001%
\$600,000	40,000	0.055%	0.001%
\$605,000	100	12.229%	10.100%
\$605,000	200	8.368%	6.378%
\$605,000	300	6.690%	4.797%
\$605,000	400	5.702%	3.886%
\$605,000	500	5.033%	3.281%
\$605,000	600	4.541%	2.844%
\$605,000	700	4.160%	2.511%
\$605,000	800	3.852%	2.247%
\$605,000	900	3.596%	2.031%
\$605,000	1,000	3.379%	1.851%
\$605,000	1,500	2.632%	1.258%
\$605,000	2,000	2.172%	0.922%
\$605,000	3,000	1.605%	0.553%
\$605,000	4,000	1.255%	0.359%
\$605,000	5,000	1.015%	0.244%
\$605,000	10,000	0.458%	0.050%
\$605,000	20,000	0.173%	0.005%
\$605,000	30,000	0.091%	0.001%
\$605,000	40,000	0.055%	0.001%
\$610,000	100	12.256%	10.126%
\$610,000	200	8.388%	6.396%
\$610,000	300	6.706%	4.811%
\$610,000	400	5.716%	3.898%
\$610,000	500	5.045%	3.291%
\$610,000	600	4.552%	2.853%
\$610,000	700	4.170%	2.519%
\$610,000	800	3.861%	2.254%
\$610,000	900	3.605%	2.038%
\$610,000	1,000	3.388%	1.857%
\$610,000	1,500	2.639%	1.263%
\$610,000	2,000	2.179%	0.926%
\$610,000	3,000	1.610%	0.556%
\$610,000	4,000	1.260%	0.362%
\$610,000	5,000	1.019%	0.246%
\$610,000	10,000	0.460%	0.050%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$610,000	20,000	0.174%	0.005%
\$610,000	30,000	0.092%	0.001%
\$610,000	40,000	0.056%	0.001%
\$615,000	100	12.295%	10.163%
\$615,000	200	8.414%	6.421%
\$615,000	300	6.727%	4.831%
\$615,000	400	5.734%	3.914%
\$615,000	500	5.061%	3.305%
\$615,000	600	4.567%	2.866%
\$615,000	700	4.183%	2.531%
\$615,000	800	3.874%	2.265%
\$615,000	900	3.617%	2.048%
\$615,000	1,000	3.399%	1.867%
\$615,000	1,500	2.649%	1.270%
\$615,000	2,000	2.187%	0.932%
\$615,000	3,000	1.617%	0.561%
\$615,000	4,000	1.266%	0.365%
\$615,000	5,000	1.025%	0.249%
\$615,000	10,000	0.463%	0.051%
\$615,000	20,000	0.175%	0.005%
\$615,000	30,000	0.093%	0.001%
\$615,000	40,000	0.056%	0.001%
\$620,000	100	12.333%	10.200%
\$620,000	200	8.441%	6.446%
\$620,000	300	6.748%	4.850%
\$620,000	400	5.752%	3.931%
\$620,000	500	5.078%	3.320%
\$620,000	600	4.582%	2.879%
\$620,000	700	4.197%	2.542%
\$620,000	800	3.887%	2.276%
\$620,000	900	3.629%	2.058%
\$620,000	1,000	3.411%	1.876%
\$620,000	1,500	2.659%	1.277%
\$620,000	2,000	2.196%	0.938%
\$620,000	3,000	1.625%	0.565%
\$620,000	4,000	1.273%	0.368%
\$620,000	5,000	1.031%	0.251%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$620,000	10,000	0.467%	0.052%
\$620,000	20,000	0.177%	0.005%
\$620,000	30,000	0.094%	0.002%
\$620,000	40,000	0.057%	0.001%
\$625,000	100	12.371%	10.237%
\$625,000	200	8.467%	6.470%
\$625,000	300	6.770%	4.870%
\$625,000	400	5.770%	3.947%
\$625,000	500	5.094%	3.334%
\$625,000	600	4.597%	2.892%
\$625,000	700	4.211%	2.554%
\$625,000	800	3.900%	2.286%
\$625,000	900	3.642%	2.068%
\$625,000	1,000	3.422%	1.885%
\$625,000	1,500	2.668%	1.285%
\$625,000	2,000	2.204%	0.944%
\$625,000	3,000	1.632%	0.569%
\$625,000	4,000	1.279%	0.371%
\$625,000	5,000	1.036%	0.254%
\$625,000	10,000	0.470%	0.053%
\$625,000	20,000	0.178%	0.005%
\$625,000	30,000	0.095%	0.002%
\$625,000	40,000	0.057%	0.001%
\$630,000	100	12.410%	10.274%
\$630,000	200	8.494%	6.495%
\$630,000	300	6.791%	4.890%
\$630,000	400	5.789%	3.964%
\$630,000	500	5.110%	3.348%
\$630,000	600	4.611%	2.904%
\$630,000	700	4.224%	2.566%
\$630,000	800	3.913%	2.297%
\$630,000	900	3.654%	2.078%
\$630,000	1,000	3.434%	1.895%
\$630,000	1,500	2.678%	1.292%
\$630,000	2,000	2.213%	0.950%
\$630,000	3,000	1.639%	0.574%
\$630,000	4,000	1.286%	0.375%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$630,000	5,000	1.042%	0.256%
\$630,000	10,000	0.473%	0.054%
\$630,000	20,000	0.180%	0.005%
\$630,000	30,000	0.095%	0.002%
\$630,000	40,000	0.058%	0.001%
\$635,000	100	12.448%	10.312%
\$635,000	200	8.520%	6.520%
\$635,000	300	6.812%	4.909%
\$635,000	400	5.807%	3.980%
\$635,000	500	5.126%	3.363%
\$635,000	600	4.626%	2.917%
\$635,000	700	4.238%	2.577%
\$635,000	800	3.925%	2.308%
\$635,000	900	3.666%	2.088%
\$635,000	1,000	3.445%	1.904%
\$635,000	1,500	2.687%	1.299%
\$635,000	2,000	2.222%	0.956%
\$635,000	3,000	1.647%	0.578%
\$635,000	4,000	1.292%	0.378%
\$635,000	5,000	1.048%	0.259%
\$635,000	10,000	0.477%	0.054%
\$635,000	20,000	0.181%	0.006%
\$635,000	30,000	0.096%	0.002%
\$635,000	40,000	0.058%	0.001%
\$640,000	100	12.486%	10.349%
\$640,000	200	8.547%	6.546%
\$640,000	300	6.834%	4.929%
\$640,000	400	5.825%	3.997%
\$640,000	500	5.143%	3.377%
\$640,000	600	4.641%	2.930%
\$640,000	700	4.252%	2.589%
\$640,000	800	3.938%	2.319%
\$640,000	900	3.678%	2.098%
\$640,000	1,000	3.457%	1.913%
\$640,000	1,500	2.697%	1.306%
\$640,000	2,000	2.230%	0.962%
\$640,000	3,000	1.654%	0.582%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$640,000	4,000	1.298%	0.381%
\$640,000	5,000	1.054%	0.261%
\$640,000	10,000	0.480%	0.055%
\$640,000	20,000	0.183%	0.006%
\$640,000	30,000	0.097%	0.002%
\$640,000	40,000	0.059%	0.001%
\$645,000	100	12.525%	10.386%
\$645,000	200	8.573%	6.571%
\$645,000	300	6.855%	4.949%
\$645,000	400	5.844%	4.013%
\$645,000	500	5.159%	3.392%
\$645,000	600	4.656%	2.943%
\$645,000	700	4.266%	2.601%
\$645,000	800	3.951%	2.329%
\$645,000	900	3.690%	2.108%
\$645,000	1,000	3.468%	1.923%
\$645,000	1,500	2.707%	1.314%
\$645,000	2,000	2.239%	0.968%
\$645,000	3,000	1.661%	0.587%
\$645,000	4,000	1.305%	0.385%
\$645,000	5,000	1.059%	0.264%
\$645,000	10,000	0.484%	0.056%
\$645,000	20,000	0.184%	0.006%
\$645,000	30,000	0.098%	0.002%
\$645,000	40,000	0.060%	0.001%
\$650,000	100	12.563%	10.423%
\$650,000	200	8.600%	6.596%
\$650,000	300	6.876%	4.968%
\$650,000	400	5.862%	4.030%
\$650,000	500	5.175%	3.406%
\$650,000	600	4.671%	2.956%
\$650,000	700	4.279%	2.613%
\$650,000	800	3.964%	2.340%
\$650,000	900	3.702%	2.118%
\$650,000	1,000	3.480%	1.932%
\$650,000	1,500	2.716%	1.321%
\$650,000	2,000	2.247%	0.974%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$650,000	3,000	1.668%	0.591%
\$650,000	4,000	1.311%	0.388%
\$650,000	5,000	1.065%	0.266%
\$650,000	10,000	0.487%	0.057%
\$650,000	20,000	0.186%	0.006%
\$650,000	30,000	0.099%	0.002%
\$650,000	40,000	0.060%	0.001%
\$655,000	100	12.601%	10.460%
\$655,000	200	8.626%	6.621%
\$655,000	300	6.898%	4.988%
\$655,000	400	5.880%	4.046%
\$655,000	500	5.191%	3.421%
\$655,000	600	4.685%	2.969%
\$655,000	700	4.293%	2.624%
\$655,000	800	3.977%	2.351%
\$655,000	900	3.714%	2.128%
\$655,000	1,000	3.491%	1.942%
\$655,000	1,500	2.726%	1.328%
\$655,000	2,000	2.256%	0.980%
\$655,000	3,000	1.676%	0.595%
\$655,000	4,000	1.318%	0.391%
\$655,000	5,000	1.071%	0.269%
\$655,000	10,000	0.490%	0.058%
\$655,000	20,000	0.187%	0.006%
\$655,000	30,000	0.100%	0.002%
\$655,000	40,000	0.061%	0.001%
\$660,000	100	12.640%	10.497%
\$660,000	200	8.653%	6.646%
\$660,000	300	6.919%	5.008%
\$660,000	400	5.898%	4.063%
\$660,000	500	5.208%	3.435%
\$660,000	600	4.700%	2.982%
\$660,000	700	4.307%	2.636%
\$660,000	800	3.989%	2.362%
\$660,000	900	3.726%	2.138%
\$660,000	1,000	3.503%	1.951%
\$660,000	1,500	2.736%	1.335%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$660,000	2,000	2.264%	0.986%
\$660,000	3,000	1.683%	0.600%
\$660,000	4,000	1.324%	0.395%
\$660,000	5,000	1.076%	0.272%
\$660,000	10,000	0.494%	0.059%
\$660,000	20,000	0.189%	0.006%
\$660,000	30,000	0.101%	0.002%
\$660,000	40,000	0.061%	0.001%
\$665,000	100	12.678%	10.534%
\$665,000	200	8.680%	6.671%
\$665,000	300	6.941%	5.028%
\$665,000	400	5.917%	4.079%
\$665,000	500	5.224%	3.449%
\$665,000	600	4.715%	2.995%
\$665,000	700	4.320%	2.648%
\$665,000	800	4.002%	2.373%
\$665,000	900	3.738%	2.148%
\$665,000	1,000	3.514%	1.960%
\$665,000	1,500	2.745%	1.343%
\$665,000	2,000	2.273%	0.992%
\$665,000	3,000	1.690%	0.604%
\$665,000	4,000	1.330%	0.398%
\$665,000	5,000	1.082%	0.274%
\$665,000	10,000	0.497%	0.059%
\$665,000	20,000	0.190%	0.006%
\$665,000	30,000	0.102%	0.002%
\$665,000	40,000	0.062%	0.001%
\$670,000	100	12.717%	10.571%
\$670,000	200	8.706%	6.696%
\$670,000	300	6.962%	5.047%
\$670,000	400	5.935%	4.096%
\$670,000	500	5.240%	3.464%
\$670,000	600	4.730%	3.008%
\$670,000	700	4.334%	2.659%
\$670,000	800	4.015%	2.383%
\$670,000	900	3.750%	2.158%
\$670,000	1,000	3.526%	1.970%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$670,000	1,500	2.755%	1.350%
\$670,000	2,000	2.281%	0.998%
\$670,000	3,000	1.698%	0.609%
\$670,000	4,000	1.337%	0.401%
\$670,000	5,000	1.088%	0.277%
\$670,000	10,000	0.501%	0.060%
\$670,000	20,000	0.192%	0.006%
\$670,000	30,000	0.103%	0.002%
\$670,000	40,000	0.063%	0.001%
\$675,000	100	12.755%	10.608%
\$675,000	200	8.733%	6.721%
\$675,000	300	6.983%	5.067%
\$675,000	400	5.953%	4.113%
\$675,000	500	5.256%	3.478%
\$675,000	600	4.744%	3.020%
\$675,000	700	4.348%	2.671%
\$675,000	800	4.028%	2.394%
\$675,000	900	3.762%	2.168%
\$675,000	1,000	3.537%	1.979%
\$675,000	1,500	2.764%	1.357%
\$675,000	2,000	2.290%	1.004%
\$675,000	3,000	1.705%	0.613%
\$675,000	4,000	1.343%	0.405%
\$675,000	5,000	1.094%	0.279%
\$675,000	10,000	0.504%	0.061%
\$675,000	20,000	0.193%	0.006%
\$675,000	30,000	0.103%	0.002%
\$675,000	40,000	0.063%	0.001%
\$680,000	100	12.793%	10.645%
\$680,000	200	8.759%	6.746%
\$680,000	300	7.005%	5.087%
\$680,000	400	5.972%	4.129%
\$680,000	500	5.273%	3.493%
\$680,000	600	4.759%	3.033%
\$680,000	700	4.361%	2.683%
\$680,000	800	4.041%	2.405%
\$680,000	900	3.775%	2.178%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$680,000	1,000	3.549%	1.989%
\$680,000	1,500	2.774%	1.364%
\$680,000	2,000	2.298%	1.010%
\$680,000	3,000	1.712%	0.617%
\$680,000	4,000	1.350%	0.408%
\$680,000	5,000	1.099%	0.282%
\$680,000	10,000	0.507%	0.062%
\$680,000	20,000	0.195%	0.007%
\$680,000	30,000	0.104%	0.002%
\$680,000	40,000	0.064%	0.001%
\$685,000	100	12.832%	10.683%
\$685,000	200	8.786%	6.771%
\$685,000	300	7.026%	5.107%
\$685,000	400	5.990%	4.146%
\$685,000	500	5.289%	3.507%
\$685,000	600	4.774%	3.046%
\$685,000	700	4.375%	2.695%
\$685,000	800	4.053%	2.416%
\$685,000	900	3.787%	2.188%
\$685,000	1,000	3.560%	1.998%
\$685,000	1,500	2.784%	1.372%
\$685,000	2,000	2.307%	1.016%
\$685,000	3,000	1.719%	0.622%
\$685,000	4,000	1.356%	0.411%
\$685,000	5,000	1.105%	0.285%
\$685,000	10,000	0.511%	0.063%
\$685,000	20,000	0.196%	0.007%
\$685,000	30,000	0.105%	0.002%
\$685,000	40,000	0.064%	0.001%
\$690,000	100	12.870%	10.720%
\$690,000	200	8.812%	6.796%
\$690,000	300	7.047%	5.126%
\$690,000	400	6.008%	4.162%
\$690,000	500	5.305%	3.522%
\$690,000	600	4.789%	3.059%
\$690,000	700	4.389%	2.706%
\$690,000	800	4.066%	2.427%

\* Applied to total projected claims



**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$690,000	900	3.799%	2.198%
\$690,000	1,000	3.572%	2.008%
\$690,000	1,500	2.793%	1.379%
\$690,000	2,000	2.316%	1.022%
\$690,000	3,000	1.727%	0.626%
\$690,000	4,000	1.362%	0.415%
\$690,000	5,000	1.111%	0.287%
\$690,000	10,000	0.514%	0.064%
\$690,000	20,000	0.198%	0.007%
\$690,000	30,000	0.106%	0.002%
\$690,000	40,000	0.065%	0.001%
\$695,000	100	12.908%	10.757%
\$695,000	200	8.839%	6.821%
\$695,000	300	7.069%	5.146%
\$695,000	400	6.027%	4.179%
\$695,000	500	5.322%	3.536%
\$695,000	600	4.804%	3.072%
\$695,000	700	4.402%	2.718%
\$695,000	800	4.079%	2.438%
\$695,000	900	3.811%	2.208%
\$695,000	1,000	3.583%	2.017%
\$695,000	1,500	2.803%	1.386%
\$695,000	2,000	2.324%	1.028%
\$695,000	3,000	1.734%	0.631%
\$695,000	4,000	1.369%	0.418%
\$695,000	5,000	1.116%	0.290%
\$695,000	10,000	0.518%	0.065%
\$695,000	20,000	0.200%	0.007%
\$695,000	30,000	0.107%	0.002%
\$695,000	40,000	0.066%	0.001%
\$700,000	100	12.947%	10.794%
\$700,000	200	8.866%	6.846%
\$700,000	300	7.090%	5.166%
\$700,000	400	6.045%	4.196%
\$700,000	500	5.338%	3.551%
\$700,000	600	4.819%	3.085%
\$700,000	700	4.416%	2.730%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$700,000	800	4.092%	2.448%
\$700,000	900	3.823%	2.218%
\$700,000	1,000	3.595%	2.026%
\$700,000	1,500	2.812%	1.394%
\$700,000	2,000	2.333%	1.034%
\$700,000	3,000	1.741%	0.635%
\$700,000	4,000	1.375%	0.422%
\$700,000	5,000	1.122%	0.293%
\$700,000	10,000	0.521%	0.066%
\$700,000	20,000	0.201%	0.007%
\$700,000	30,000	0.108%	0.002%
\$700,000	40,000	0.066%	0.001%
\$705,000	100	12.985%	10.831%
\$705,000	200	8.892%	6.872%
\$705,000	300	7.112%	5.186%
\$705,000	400	6.063%	4.212%
\$705,000	500	5.354%	3.565%
\$705,000	600	4.833%	3.098%
\$705,000	700	4.430%	2.742%
\$705,000	800	4.104%	2.459%
\$705,000	900	3.835%	2.229%
\$705,000	1,000	3.606%	2.036%
\$705,000	1,500	2.822%	1.401%
\$705,000	2,000	2.341%	1.040%
\$705,000	3,000	1.748%	0.639%
\$705,000	4,000	1.382%	0.425%
\$705,000	5,000	1.128%	0.295%
\$705,000	10,000	0.525%	0.066%
\$705,000	20,000	0.203%	0.007%
\$705,000	30,000	0.109%	0.002%
\$705,000	40,000	0.067%	0.001%
\$710,000	100	13.024%	10.869%
\$710,000	200	8.919%	6.897%
\$710,000	300	7.133%	5.205%
\$710,000	400	6.082%	4.229%
\$710,000	500	5.370%	3.580%
\$710,000	600	4.848%	3.111%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$710,000	700	4.443%	2.754%
\$710,000	800	4.117%	2.470%
\$710,000	900	3.847%	2.239%
\$710,000	1,000	3.618%	2.045%
\$710,000	1,500	2.831%	1.408%
\$710,000	2,000	2.350%	1.046%
\$710,000	3,000	1.756%	0.644%
\$710,000	4,000	1.388%	0.428%
\$710,000	5,000	1.134%	0.298%
\$710,000	10,000	0.528%	0.067%
\$710,000	20,000	0.204%	0.007%
\$710,000	30,000	0.110%	0.002%
\$710,000	40,000	0.068%	0.001%
\$715,000	100	13.062%	10.906%
\$715,000	200	8.945%	6.922%
\$715,000	300	7.154%	5.225%
\$715,000	400	6.100%	4.246%
\$715,000	500	5.387%	3.594%
\$715,000	600	4.863%	3.124%
\$715,000	700	4.457%	2.765%
\$715,000	800	4.130%	2.481%
\$715,000	900	3.859%	2.249%
\$715,000	1,000	3.629%	2.055%
\$715,000	1,500	2.841%	1.416%
\$715,000	2,000	2.358%	1.052%
\$715,000	3,000	1.763%	0.648%
\$715,000	4,000	1.394%	0.432%
\$715,000	5,000	1.139%	0.301%
\$715,000	10,000	0.532%	0.068%
\$715,000	20,000	0.206%	0.007%
\$715,000	30,000	0.111%	0.002%
\$715,000	40,000	0.068%	0.001%
\$720,000	100	13.100%	10.943%
\$720,000	200	8.972%	6.947%
\$720,000	300	7.176%	5.245%
\$720,000	400	6.118%	4.262%
\$720,000	500	5.403%	3.609%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$720,000	600	4.878%	3.137%
\$720,000	700	4.471%	2.777%
\$720,000	800	4.143%	2.492%
\$720,000	900	3.871%	2.259%
\$720,000	1,000	3.641%	2.064%
\$720,000	1,500	2.851%	1.423%
\$720,000	2,000	2.367%	1.058%
\$720,000	3,000	1.770%	0.653%
\$720,000	4,000	1.401%	0.435%
\$720,000	5,000	1.145%	0.304%
\$720,000	10,000	0.535%	0.069%
\$720,000	20,000	0.207%	0.008%
\$720,000	30,000	0.112%	0.002%
\$720,000	40,000	0.069%	0.001%
\$725,000	100	13.139%	10.980%
\$725,000	200	8.999%	6.972%
\$725,000	300	7.197%	5.265%
\$725,000	400	6.137%	4.279%
\$725,000	500	5.419%	3.623%
\$725,000	600	4.893%	3.150%
\$725,000	700	4.484%	2.789%
\$725,000	800	4.156%	2.503%
\$725,000	900	3.883%	2.269%
\$725,000	1,000	3.652%	2.074%
\$725,000	1,500	2.860%	1.430%
\$725,000	2,000	2.375%	1.064%
\$725,000	3,000	1.777%	0.657%
\$725,000	4,000	1.407%	0.439%
\$725,000	5,000	1.151%	0.306%
\$725,000	10,000	0.539%	0.070%
\$725,000	20,000	0.209%	0.008%
\$725,000	30,000	0.113%	0.002%
\$725,000	40,000	0.069%	0.001%
\$730,000	100	13.177%	11.017%
\$730,000	200	9.025%	6.997%
\$730,000	300	7.219%	5.285%
\$730,000	400	6.155%	4.296%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$730,000	500	5.436%	3.638%
\$730,000	600	4.907%	3.163%
\$730,000	700	4.498%	2.801%
\$730,000	800	4.168%	2.514%
\$730,000	900	3.895%	2.279%
\$730,000	1,000	3.664%	2.083%
\$730,000	1,500	2.870%	1.438%
\$730,000	2,000	2.384%	1.070%
\$730,000	3,000	1.784%	0.662%
\$730,000	4,000	1.414%	0.442%
\$730,000	5,000	1.156%	0.309%
\$730,000	10,000	0.542%	0.071%
\$730,000	20,000	0.211%	0.008%
\$730,000	30,000	0.113%	0.002%
\$730,000	40,000	0.070%	0.001%
\$735,000	100	13.194%	11.034%
\$735,000	200	9.037%	7.009%
\$735,000	300	7.228%	5.294%
\$735,000	400	6.163%	4.303%
\$735,000	500	5.443%	3.644%
\$735,000	600	4.914%	3.169%
\$735,000	700	4.504%	2.806%
\$735,000	800	4.174%	2.518%
\$735,000	900	3.901%	2.284%
\$735,000	1,000	3.669%	2.087%
\$735,000	1,500	2.874%	1.441%
\$735,000	2,000	2.387%	1.073%
\$735,000	3,000	1.788%	0.664%
\$735,000	4,000	1.416%	0.444%
\$735,000	5,000	1.159%	0.310%
\$735,000	10,000	0.544%	0.072%
\$735,000	20,000	0.211%	0.008%
\$735,000	30,000	0.114%	0.002%
\$735,000	40,000	0.070%	0.001%
\$740,000	100	13.211%	11.050%
\$740,000	200	9.048%	7.019%
\$740,000	300	7.237%	5.302%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$740,000	400	6.171%	4.310%
\$740,000	500	5.450%	3.651%
\$740,000	600	4.920%	3.174%
\$740,000	700	4.510%	2.811%
\$740,000	800	4.180%	2.523%
\$740,000	900	3.906%	2.288%
\$740,000	1,000	3.674%	2.091%
\$740,000	1,500	2.878%	1.444%
\$740,000	2,000	2.391%	1.075%
\$740,000	3,000	1.791%	0.666%
\$740,000	4,000	1.419%	0.445%
\$740,000	5,000	1.161%	0.311%
\$740,000	10,000	0.545%	0.072%
\$740,000	20,000	0.212%	0.008%
\$740,000	30,000	0.114%	0.002%
\$740,000	40,000	0.071%	0.001%
\$745,000	100	13.227%	11.065%
\$745,000	200	9.059%	7.030%
\$745,000	300	7.246%	5.310%
\$745,000	400	6.179%	4.317%
\$745,000	500	5.457%	3.657%
\$745,000	600	4.926%	3.180%
\$745,000	700	4.516%	2.816%
\$745,000	800	4.185%	2.528%
\$745,000	900	3.911%	2.292%
\$745,000	1,000	3.678%	2.095%
\$745,000	1,500	2.882%	1.447%
\$745,000	2,000	2.394%	1.078%
\$745,000	3,000	1.794%	0.668%
\$745,000	4,000	1.422%	0.447%
\$745,000	5,000	1.164%	0.312%
\$745,000	10,000	0.547%	0.072%
\$745,000	20,000	0.213%	0.008%
\$745,000	30,000	0.115%	0.002%
\$745,000	40,000	0.071%	0.001%
\$750,000	100	13.243%	11.081%
\$750,000	200	9.071%	7.040%

\* Applied to total projected claims

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing**

**Exhibit 8A**

**Experience Refund Risk Charge Factors\***

<b>Pooling Limit</b>	<b>members</b>	<b>5% Margin</b>	<b>10% Margin</b>
\$750,000	300	7.255%	5.319%
\$750,000	400	6.186%	4.324%
\$750,000	500	5.463%	3.663%
\$750,000	600	4.933%	3.185%
\$750,000	700	4.521%	2.821%
\$750,000	800	4.190%	2.532%
\$750,000	900	3.916%	2.296%
\$750,000	1,000	3.683%	2.099%
\$750,000	1,500	2.886%	1.450%
\$750,000	2,000	2.398%	1.081%
\$750,000	3,000	1.797%	0.669%
\$750,000	4,000	1.424%	0.448%
\$750,000	5,000	1.166%	0.314%
\$750,000	10,000	0.548%	0.073%
\$750,000	20,000	0.213%	0.008%
\$750,000	30,000	0.115%	0.002%
\$750,000	40,000	0.071%	0.001%
\$755,000	100	13.259%	11.097%
\$755,000	200	9.082%	7.051%
\$755,000	300	7.264%	5.327%
\$755,000	400	6.194%	4.331%
\$755,000	500	5.470%	3.669%
\$755,000	600	4.939%	3.191%
\$755,000	700	4.527%	2.826%
\$755,000	800	4.196%	2.537%
\$755,000	900	3.921%	2.301%
\$755,000	1,000	3.688%	2.103%
\$755,000	1,500	2.890%	1.453%
\$755,000	2,000	2.402%	1.083%
\$755,000	3,000	1.800%	0.671%
\$755,000	4,000	1.427%	0.450%
\$755,000	5,000	1.169%	0.315%
\$755,000	10,000	0.550%	0.073%
\$755,000	20,000	0.214%	0.008%
\$755,000	30,000	0.115%	0.002%
\$755,000	40,000	0.071%	0.001%
\$760,000	100	13.275%	11.112%

\* Applied to total projected claims

March 2, 2015

Mr. Josh Hammerquist, A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.

**Subject: Your 02/20/2015 Questions re: The Vermont Health Plan  
3Q 2015 Large Group Rating Program Filing (SERFF Tracking #: BCVT-129912021)**

Dear Mr. Hammerquist:

In response to your request dated February 20, 2015, here are *your questions* and our answers:

*1. Please provide the Exhibits in Excel with working formulas.*

Please see the attached file *TVHP Exhibits and Calculations.xlsx*.

*3. We note that a unit cost trend comparison was provided using the same method in the most recent large group trend filing. Are the claims in Exhibit 3D only for the BCBSVT Managed Care contract? If so, why was this compared to the selected trend for the combined contracts?*

The claims in Exhibit 3D come from all three of our provider contracts (BCBSVT Managed Care, BCBSVT Unmanaged Care, and TVHP Managed Care), but are expressed in terms of a single contract, BCBSVT Managed Care, through the use of network factors based on reimbursement levels for each contract. Expressing all of the claims in terms of a single contract allows us to calculate the overall trend in one analysis, rather than a separate analysis for each contract.

*4. Is there a significant difference in the usage of the BlueCard network providers for members of the OAP plans compared members of the other plan designs? Was this accounted for when using the combined experience to model each plan design?*

We calculate network factors for BlueCard claims to account for differences in utilization of BlueCard providers among plan designs. The factor is equal to the ratio of out-of-network charges PMPM for each contract in the base data to the analogous PMPM in the aggregate base data. Please see the "BlueCard" tab of the attached file *TVHP Exhibits and Calculations.xlsx*.

*5. What is the total projected allowed trend for providers in the BCBSVT service area?*



If we exclude BlueCard providers from our claims analysis, the allowed medical trend assumption is 5.1% for BCBSVT Managed Care, 8.5% for BCBSVT Unmanaged Care, and 5.4% for TVHP Managed Care. Trending the non-BlueCard medical claims from the manual rate experience to calendar year 2016 gives an overall annual medical allowed trend of 6.4%.

	BCBSVT Managed Care	BCBSVT Unmanaged Care	TVHP Managed Care	Total
Experience Allowed Claims (Medical Only)	\$38,425,616	\$42,422,577	\$36,621,508	\$117,469,701
Trend Factors for 27 months	1.11782	1.20121	1.12479	
Trended Claims	\$40,952,957	\$50,958,571	\$41,191,417	\$135,102,945
Annual Trend				6.4%

*6. Is margin included in the completion factors or are they best estimates?*

The completion factors are best estimates and do not include any margin.

*7. Please provide the combined medical and pharmacy experience for the prior five calendar years. Please include the following:*

- a. Incurred Claims*
- b. Earned Premium*
- c. Loss Ratio*
- d. Number of Groups*
- e. Number of Members*

Below is the combined medical and pharmacy experience for the prior five calendar years. This only includes TVHP Large Group experience.

Year	Incurred Claims	Earned Premium	Loss Ratio	Number of Groups	Number of Members Months
2010	\$44,093,918	\$53,616,074	82.20%	71	135,635
2011	\$60,024,023	\$70,394,332	85.27%	91	179,352
2012	\$64,804,618	\$75,012,242	86.39%	97	195,686
2013	\$59,893,298	\$65,090,227	92.02%	104	179,709
2014	\$42,277,031	\$46,976,469	90.00%	84	126,349

The incurred claims and earned premium are from TVHP's GAAP financials. The claims include capitations, fee-for-services claims, certain assessments, and other claims expenses.

*8. For each of the prior five calendar years, please provide the average paid-to-allowed ratio.*

Below is the combined medical and pharmacy paid-to-allowed ratio for the prior five calendar years. This only includes TVHP Large Group experience. From 2010 to 2013, a large portion of TVHP's claims were paid under a capitation arrangement with Vermont Managed Care. We have used fee-for-service equivalents for the capitated claims in those years to facilitate a comparison with the 2014 experience.

Year	AV
2010	85.6%
2011	83.2%
2012	80.8%
2013	78.0%
2014	75.3%

*9. We note that ESI provided projections of potential claimants for the new treatments for hepatitis C.*

*a. When were these projections provided?*

The projections were provided in December 2014.

*b. What were the estimates for CY 2014 and CY 2015?*

ESI estimated that in 2014, there would be no claimants receiving new treatments for hepatitis C. The estimate for 2015 was 24 claimants receiving new treatments.

*c. Provide a qualitative description of the process used to project the potential costs.*

The projected cost of the new treatments is a 12% discount on the current cost of hepatitis C treatment. We further adjusted the cost to reflect the expected financial arrangement in our new contract with ESI, which will become effective July 1, 2015. ESI's estimate also includes increasing utilization in their projections. According to ESI, 8.5% of hepatitis C patients received drug treatments in 2014, with projected increases to 11.0% of patients in 2015 and 13.0% of patients in 2016. We had 20 members receive treatment in 2014, so the projected utilization increases that number to 25 members receiving treatment in 2015 and 30 members in 2016.

*d. Please describe how recent changes to ESI's formulary were accounted for in the projected costs for hepatitis C treatments in CY 2016. Is this expected to impact utilization?*

ESI recently made the new drug Viekira Pak the exclusive formulary drug for treatment of genotype 1 hepatitis C (which accounts for roughly 75% of hepatitis C cases). This switch is reflected in the estimates provided by ESI: Sovaldi coverage was 100% for 2014, but only 5% in

the 2015 estimate and 0% in the 2016 estimate. Conversely, the new treatment was projected to have 95% usage in 2015 and 100% usage in 2016.

*10. How was the estimate of 171 members likely to receive the new PCSK9 treatment calculated?*

According to ESI, 200 persons per 100,000 lives are diagnosed with Familial Hypercholesterolemia (FH). We applied this rate to our average membership with Rx coverage over the past 12 months, 85,580, to get the estimate of 171 members likely to receive PCSK9 to treat FH.

*11. Please provide support for the estimated cost of \$12,000 per year per patient for the PCSK9 treatment.*

The estimate was provided by ESI. While pricing won't be available until the new drugs have been approved, External sources corroborate that this figure is within the range of likely results.<sup>1</sup>

*12. Please provide the ACA adjusted MLR for the most recent two years available.*

The TVHP credibility-adjusted MLR for Large Group was 87.8% in 2012 and 90.5% in 2013.

*13. Provide the calculation of the projected MLR for 2016. If this is not feasible, please state why and provide the calculation of the most recent MLR.*

Because each large group will have a separate, experience-based premium, it isn't practical to perform a calculation of projected MLR. However, we can demonstrate the result using a simplified approach with the manual rate as a proxy for projected claims:

(A)	Manual Rate	\$463.34	Exhibit 5A
(B)	Rebates	\$3.39	2013 MLR Filing, untrended
(C)	Estimated HCQ	\$2.92	2013 MLR Filing, untrended
(D)	State Mandates and Assessments	\$9.92	Calculation as described on Exhibit 1B, using latest actual PMPM as needed
(E)	<b>MLR Numerator</b>	<b>\$472.79</b>	<b>= (A) - (B) + (C) + (D)</b>
(F)	Projected Claims	\$469.87	= (A) - (B) + (D)
(G)	Net Cost of Reinsurance	\$1.02	Actuarial Memorandum, Section 4.6
(H)	PCORI & Transitional Reinsurance Fee	\$2.44	Actuarial Memorandum, Section 4.10
(J)	Administrative Charge	\$23.70	Calculation as of January 2016, from Exhibit 6C
(K)	Subtotal	\$497.03	= (F) + (G) + (H) + (J)
(L)	Total Premium	\$533.07	= (K) / (1-0.0274-0.0202-0.02)
(M)	Federal Insurer Fee	\$14.61	= (L) x 2.74% (from Actuarial Memorandum, Section 4.10)
(N)	Commissions	\$10.77	= (L) x 2.02% (from 2013 MLR filing)

<sup>1</sup> See, for example, <http://www.reuters.com/article/2015/02/17/cvs-health-cholesterol-idUSL4N0VR47620150217>

(P)	Contribution to Reserve	\$10.66	= (L) x 2.00% (from Actuarial Memorandum, Section 4.8)
(Q)	MLR Denominator	\$516.02	= (L) - (H) - (M)
(R)	MLR	91.6%	= (E) / (Q)

The above calculation represents an estimate assuming that all pricing assumptions hold true, and assuming no change from 2013 values for various quantities (e.g. rebates, commissions).

*14. Provide the calculation of the projected 86.3% GDR.*

Exhibit 3F contains a high-level summary of the calculation of the GDR. For more detail, see the “GDR Data” and “GDR Projection” tabs in the attached file *TVHP Exhibits and Calculations.xlsx*.

*15. What is the average impact of the benefit leveraging factors?*

Using the year ending September 2014 for the groups included in the manual rate (see section 4.4), the overall allowed and paid trends are

Category	Allowed Trend	Paid Trend	Impact of Leveraging
Medical	6.6%	7.4%	0.8%
Pharmacy	10.0%	11.4%	1.4%
Total	7.2%	8.1%	0.9%

We calculated the paid trend by applying the appropriate leveraging factor for each benefit in the experience. The impact of the leveraging factors is the difference between the paid and allowed trends.

*16. Update the plain language summary to include paid trends.*

Please see the attached file *Plain Language Summary - Q3 2015 TVHP Large Group Rating Program Filing.docx*. We note that groups can and often do buy down their benefit levels from year to year, so we believe that the allowed trends represent the most pertinent information.

*17. Please provide an estimated rate increase for renewal groups. This estimate should at least account for paid trends and changes in administrative costs.*

We produced estimated 2016 renewals for all 89 groups in our manual rate experience using full replacement of all factors in this filing. Of the 89 groups, 22 received lower rates using the filed factors (as opposed to the factors currently effective), 35 groups received rates higher by at most 4%, and 32 groups received rates higher by more than 4%. The mean of all the renewals was a 2.4% increase using the filed factors. Using a group’s credibility as a weight on the increase resulted in an average increase of 3.2%. If we assume that the average experience change is equal to our filed overall paid trend factor of 8.1%, we would anticipate an average renewal increase with the filed factors of about 11.3%.

18. Provide quantitative support for the statement in the plain language summary that administrative charges have decreased by nearly 5% from the previous filing.

Please see the “Admin” tab of the attached file *TVHP Exhibits and Calculations.xlsx*.

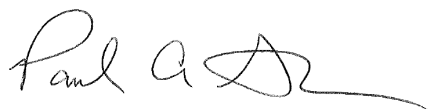
19. Please provide quantitative and qualitative support for the following statement in the actuarial memorandum:

*Should ESI's projection come to fruition rather than the projection we've built into our pharmacy trend, the impact to RBC would be approximately a 170% decline. Such an event would immediately bring us below our target RBC range.*

	Item	Value	Source
(A)	Projected 2015 BCBSVT ACL	\$22,642,905	Exhibit 7A
(B)	Target RBC %	600%	Exhibit 7A
(C)	Target Capital	\$135,857,430	= (A) x (B)
(D)	Potential incremental PCSK9 cost excluded from trend	\$38,226,213	Actuarial Memorandum, p. 12
(E)	RBC after PCSK9 Impact	431%	= [(C) - (D)] / (A)
(F)	Impact to RBC	169%	= (B) - (E)

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,



Paul Schultz, F.S.A., M.A.A.A.

## The Vermont Health Plan Q3 2015 Large Group Rating Program Filing Plain Language Summary

The Vermont Health Plan (TVHP) is committed to the health of Vermonters, outstanding member experiences and responsible cost management for all of the people whose lives we touch. By pooling the populations covered by our products, we protect individuals from the unaffordable and potentially ruinous costs associated with significant illnesses or injuries. Our products promote preventive care, health maintenance and health improvement, and we have in place strong utilization management programs that support members who require medical care and assure that they have access to high value care while avoiding unnecessary costs.

TVHP also works with providers to dampen cost increases through reimbursement strategies that include incentives to both provide and properly manage care. TVHP's vision is a transformed health care system in which every Vermonter has health care coverage, and receives timely, effective, affordable care. None of this work is possible unless TVHP remains financially strong, and that requires that we be allowed to charge rates that cover the medical expenses of the populations it serves.

TVHP performs large group premium rating on a case-by-case basis. Rating is accomplished through a formulaic approach that blends recent group claims experience with a manual rate according to a credibility formula. This filing establishes the rating formula, manual rate and accompanying factors that will be used for large group renewals beginning upon approval of this filing, most notably January 2016 renewals.

The filing describes in detail the formula used in the renewals, along with each of the factors included in that formula. These include large claims pooling factors, medical and pharmacy trends, and benefit relativities, along with the development of the manual rate. In addition, the filing details the calculation of administrative charges, the net cost of reinsurance, contribution to reserve and state and federal assessments, all of which are included in the rate development. Finally, the filing discusses certain factors applicable only to specific products.

Key results include the following:

- TVHP is proposing paid trends of 7.4 percent for medical claims and 11.4 percent for pharmacy claims, for a total combined trend of 8.1 percent.
- Administrative charges have decreased by nearly 5 percent from the previous filing.
- We are proposing a contribution to member reserves of 2 percent for insured groups.
- Our proposed manual rate, the projected average calendar year 2016 paid claims per member per month for groups impacted by this filing, is \$463.34.
- There are an estimated 4,000 contracts (7,700 members) currently enrolled in one of 37 TVHP large group plans.

Our proposed medical and pharmacy trends are higher than those approved in our most recent large group trend filing. Medical trends continue to accelerate due to increases in the amounts providers are paid, particularly in light of the "cost shift" that results from the underfunding of Medicaid and Medicare. Pharmacy trends are increasingly impacted by the emergence of high-cost specialty medications that are available for an ever-broadening range of conditions.

**The Vermont Health Plan  
Q3 2015 Large Group Rating Program Filing  
Plain Language Summary**

We are very pleased that continued operational efficiencies have allowed us to propose administrative expenses that are lower than those in the previous filing.

A contribution to reserves is required in order to maintain an adequate level of surplus. Surplus is a critical consumer protection that allows subscribers to receive needed care and providers to continue to receive payments in the event of unforeseen adverse events that may otherwise impact TVHP's ability to pay claims. We believe that the levels established in this filing represent an adequate, yet not excessive, contribution to reserves.

In previous years, TVHP filed each factor separately, and did not calculate an explicit manual rate. Therefore, a specific manual rate increase cannot be calculated with this initial rating program filing.

We have made no material changes to our large group rating formula from the time of previous filing. Other factors, including large claim pooling charges and benefit relativities, have been updated but by their nature have neither an inflationary nor deflationary impact on rates across our entire book of business.

March 11, 2015

Mr. Josh Hammerquist, A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.

**Subject: Your 03/06/2015 Questions re: The Vermont Health Plan  
3Q 2015 TVHP Large Group Rating Program Filing (SERFF Tracking #: BCVT-129912021)**

Dear Mr. Hammerquist:

In response to your request dated March 6, 2015, here are *your questions* and our answers:

*1. The projected hepatitis C treatment costs are projected to increase by 110% compared to the experience period, but the utilization is only expected to increase by 67%. Please provide quantitative support for the projected unit cost increase.*

Our filings represent our best effort at calculating appropriate factors given the information we have at the time of the filing. It is usually inappropriate for timing and workload reasons to revisit our assumptions given only the passage of time between the filing's submission and the review period. However, in the particular case of pricing assumptions for future hepatitis C treatments, there is a significant deviation between our original assumptions and emerging pricing information that was not available at the time of the filing. We therefore agree that it is appropriate to incorporate the new information into our filing.

We based our initial estimate of the cost of new hepatitis C treatments on projections we received from ESI in December 2014. Since that time, ESI has entered new arrangements with the manufacturers of hepatitis C treatments that were not reflected in our filing. The new drug Viekira Pak, which was approved by the FDA in late December, will be the only drug ESI includes on their formularies for treatment of hepatitis C. We will assume that ESI's pricing for "new treatments" for hepatitis C will now refer to Viekira Pak.

We received our first claims for Viekira Pak in February. Based on the three claims we received, the monthly cost for the drug is \$29,497. New pricing for Viekira Pak will become effective on May 1, 2015 and will reflect the exclusivity arrangement between ESI and the drug's manufacturer. The expected discounted cost for a three-month treatment of Viekira Pak is \$54,000. There are two recommended treatments for Viekira Pak: a three-month regimen and a six-month regimen. We assume that the distribution of treatment duration is the same as our experience with Sovaldi. Our members' treatments on Sovaldi ended in January 2015 (the final treatments began in August 2014), so we have complete data about the duration of Sovaldi treatments. Of the 24 members who completed treatment, 16 received the drug for three months and eight received the drug for six months. Therefore the average length of treatment is four months and the projected cost of Viekira Pak is \$72,000 per treatment.



Changing the projected cost of hepatitis C treatment in 2016 in our Actuarial Memorandum results in a 15.1% specialty trend, including the projected cost for PCSK9 inhibitors.

Pharmacy Specialty Claims in the Experience	\$24,260,180
Hepatitis C Drugs in the Experience	\$2,205,308
Pharmacy Specialty Claims without Hepatitis C drugs	\$22,054,873
Projected Specialty Claims using a 12.9% trend for 26 months	\$28,661,025
Adding incremental cost of Hepatitis C treatment for the projection period	\$2,160,000
Adding incremental cost of PCSK9 treatment for the projection period	\$2,052,000
Restated Projected Specialty Claims	\$32,873,025
Restated Specialty Trend	15.1%

With the new specialty drug trend of 15.1% (reduced from 19.0% as originally filed), the overall allowed pharmacy trend becomes 8.8% (reduced from 10.0%) and the overall allowed trend becomes 7.0% (reduced from 7.2%). We did not recalculate leveraging factors for the new pharmacy trend, but if they do not change then the updated paid pharmacy trend would be 10.9% and the overall paid trend would be 7.9%.

We will amend our filing to reflect the updated trend factors once the review process is complete and all amendments have been identified. Until that point, all responses to inquiries will reflect the filed pharmacy trend.

*2. In the response to question #17 dated 2/27/15:*

*a. Provide a member weighted increase.*

For large groups that renewed on January 1, 2015, the member-weighted average renewal increase using the factors proposed in this filing is 12.8%. For comparison, the member-weighted average renewal increase using our current factors is 10.0%.

*b. Provide a breakdown by component.*

As we discussed over the phone, our response to this question will be provided under separate cover before the end of the week.

*c. What is the average projected increase for a fully manually rated group renewing 1/1/2016?*

A group that was fully manually rated on January 1, 2015 would receive a 5.8% rate change from a fully manual renewal on January 1, 2016 using the proposed factors. Please see the "Manually Rated Group" tab of the attached file *Response 2 Calculations.xlsx*.

*3. What adjustment was made for the expected future improvement in pricing guarantees for specialty drugs?*

We compared the specialty discounts on our current contract with ESI to the expected discounts in our new contract with ESI that will become effective on July 1, 2015. We applied each discount to specialty claims incurred during our most recent completed contract with ESI. We use the ratio of the discounted claims on each contract as the adjustment for future

discount guarantees. This adjustment was a factor of 0.9769, which can also be seen in Exhibit 3I.

Note that there was an explicit adjustment for the anticipated discounted price of Hepatitis C drugs, as described in our response to Question 1 above.

*4. Please review the net cost of reinsurance for Q2 2016 on page 20 of the Actuarial Memorandum for reasonableness.*

There was a typo in the net cost of reinsurance for Q2 2016 in the Actuarial Memorandum. The correct amount is \$1.03 PMPM, not \$1.903 as stated in the Memorandum. We will include a corrected version of the Memorandum at the conclusion of the review process.

*5. Please provide quantitative support for the 2.74% federal insurer fee. When do you expect to update this estimate with additional information?*

Please see the “Insurer Fee” tab of the attached file *Response 2 Calculations.xlsx*. We updated this calculation with our final billed amount from the IRS for 2014 and the eligible premium from our 2014 Underwriting Results. These updates result in an estimated 2.73% charge for the insurer fee.

Please note that our intention is to continue to update this amount as additional information becomes available from the IRS later in the year. Specifically, we expect to receive an estimated 2015 bill in the July timeframe, and will adjust the 2016 charge for the federal insurer fee at that time.

*6. We note that a 0% utilization and intensity trend was used because “we do not believe that a negative utilization trend is a reasonable representation of the longer-term outlook on the use of services.” Please provide additional qualitative and quantitative support for this given that the 24, 36 and 46 month regressions result in negative trends for the combined utilization and intensity metric. How will the 7.4% paid medical trend impact utilization and intensity?*

The regression metrics were impacted by two factors that led to a result of negative trend.

First, large groups have engaged in a benefit buy-down strategy over the last several years as a means of limiting rate increases. This manifests itself in a lower actuarial value over time, and a dampening effect on trend due to induced utilization decreases, as illustrated in the following table:

Year Ending	Paid-to-Allowed Ratio	Induced Utilization	Percent Change
November 2011	91.39%	1.049	
September 2012	90.87%	1.042	-0.64%
September 2013	90.12%	1.033	-0.92%
September 2014	89.67%	1.027	-0.55%

Second, the 24-month regression is being unduly influenced by an unexplained drop in inpatient utilization in 2014. Due to the infrequent, high-cost nature of inpatient claims (please see the coefficient of variation measure included in the “Utilization” tab within the attached file *Response 2 Calculations.xlsx*), it is more appropriate to use a longer-term

viewpoint of trend regressions. Both the 36-month and 46-month regressions yield figures in the ballpark of one percent. Combining this with the 24-month regressions on outpatient and professional, which are more appropriate for these categories, produces an overall trend of 0.4% before considering the impact of induced utilization.

Given that the range of recent results varies from slightly negative to perhaps as high as one percent, we are comfortable that zero is a reasonable proxy for a medium-term expected trend rate.

We do not believe that paid trends will have any impact on utilization trends. Members are largely insulated from prices due to both relatively rich plan design features and a lack of price transparency in the marketplace.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Schultz", with a long horizontal flourish extending to the right.

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Paul Schultz, F.S.A., M.A.A.A.

March 13, 2015

Mr. Josh Hammerquist, A.S.A., M.A.A.A.  
Assistant Vice President & Consulting Actuary  
Lewis & Ellis, Inc.

**Subject: Your 03/06/2015 Questions re: Blue Cross and Blue Shield of Vermont  
3Q 2015 TVHP Large Group Rating Program Filing (SERFF Tracking #: BCVT-129912021)**

Dear Mr. Hammerquist:

In response to your request dated March 6, 2015, here are *your questions* and our revised answers to question 2:

*2. In the response to question #17 dated 2/27/15:  
a. Provide a member weighted increase.*

The average increase across all January renewals, from their current 2015 rates to projected 2016 rates, is 9.7%, and is our best estimate of the “rate increase” produced by these new factors. As we discussed, actual rate increases will vary due to underwriting judgment and management discretion, as well as updates to experience.

*b. Provide a breakdown by component.*

The average increase of 9.7% represents a \$44.73 increase PMPM. Here is the breakdown of that increase by component.

<b>Reason for Increase</b>	<b>\$ change</b>	<b>% change</b>
Trend 2015 to 2016 Using Current Factors	\$25.12	5.5%
Change in Trend Factors	\$14.57	3.2%
Manual Rate	\$7.32	1.6%
Admin	-\$1.21	-0.3%
Net Cost of Reinsurance	-\$0.55	-0.1%
Transitional Reinsurance	-\$1.28	-0.3%
Insurer Fee	\$0.40	0.1%
Contribution to Reserve	\$3.95	0.9%
Broker Commissions	\$0.45	0.1%
Experience Period	-\$4.05	-0.9%
<b>Total</b>	<b>\$44.73</b>	<b>9.7%</b>

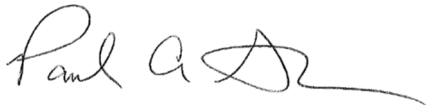
The impact we are attributing to the “experience period” includes changes due to the absence of underwriting judgment and management discretion in the new rates (these factors were present in varying quantities on the current rates), along with changes in assessments and other minor items not explicitly delineated in the chart above.

*c. What is the average projected increase for a fully manually rated group renewing 1/1/2016?*

In our analysis above, the change to the manual rate is affected by a group’s credibility. The average credibility for these groups is 69.6%. If we eliminate the dampening effect of credibility on the manual rate, and also remove the impact of the change in experience period, the average projected increase for a fully manually rated group is 11.4%.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Schultz", with a long horizontal flourish extending to the right.

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Paul Schultz, F.S.A., M.A.A.A.